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STUDENTS’ ATTITUDES TOWARD ONLINE E-BOOK ADVERTISING OF REFERENCE BOOKS, WITH SPECIAL REFERENCE TO PROFESSOR-STUDENT BEHAVIOR

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ABSTRACT
Data from 540 UG and PG students were analyzed to explore the’ attitudes toward online e-book ads, and the relation between these attitudes and course related usage behavior. We report the favorableness of consumers’ reactions to online e-book ads, and more importantly, demonstrate that consumers’ attitudes toward online e-book ads are related to whether they search for more information about a book that is advertised, and ask their professors about the books. Finally, we document how consumers’ attitudes towards online e-books relate to the book recommendation behavior of their professors. Desperately needed is more research since in-depth examination of the topic has barely begun.

Keywords: Online Advertising; Internet; Recommended Books; Information

INTRODUCTION
Advertising is generally criticized for the eroding credibility, manipulation and promotion of materialism and has been the subject of long debate since its inception. However it is a universal truth that advertising is ubiquitous in modern life (Akaka et al. 2010). Literatures in advertising suggest that advertising is either easily ignored by the individuals or is perceived to have little value. So with increasing alienation of consumers due to advertisement clutter and rising advertising cost; impact of attitude towards advertisement on success of advertising is of major interest of marketers (Mittal 1994; Spangenberg 2005). But even more important question is what affects individuals’ attitude towards advertisement. Answer could be found through another question i.e. why do individuals read/watch advertisements and how do they use it. Studies suggest that individuals use advertisement for three basis purposes- Information Seeking, Entertainment, Social Expression (Eadie et al. 2007; Gordon 2006; Couler et al. 2001). Individuals use advertisements to seek necessary, valuable information to support their purchase related decision making and to remain updated (Krishnam and Smith 1998). Information seeking is the process or activity of attempting to obtain information to bridge the knowledge gap (Kumar 2010). Information seekers bridge above knowledge gap & seek information of their interest by monitoring, browsing, searching, being aware. Information seekers also attach high value to the information that is accessible, updated, accurate and reliable (Bates 2002). Bauer (2008) found that information seekers have higher Optimum Stimulus Level where as Zemke, Raines and Filipczak (2001) identified following behavioral characteristics of Information Seekers:

1. Information seekers are avid readers
2. Like lively and varied materials
3. Prefer good access to various information sources
4. Do heavy online chatting
5. Devote substantial time for information searching

Attitude toward an ad is defined as ‘a learned predisposition to respond in a consistently favorable or unfavorable manner toward advertising in general’ (Mackenzie and Lutz, 1989, p. 54). Fishbein defined attitude as “a learned predisposition of human beings”. Based on this predisposition, “an individual would respond to an object or an idea”. Kotler stated that “an attitude is a person’s enduring favorable or unfavorable evaluations, emotional feelings, and action tendencies toward some object or idea”. Thus Attitude towards advertising is an important concept as it is concerned with the general attitude towards the broad institution of advertising and can influence the way a consumer responds to any advertising (Mehta 2000, El-Adly 2010). Individuals’ attitude towards advertising is affected by the individual experiences and belief constructs of individual about product information, hedonic/entertainment, falsity/no sense, good for the economy, and corrupt values/materialism (Pollay & Mittal 1993).

Attitudes toward Online E-Book Ads: Central Tendencies and Influences on Behavior

Although there is no previous research available specifically on the topic this study still tries to bring in a general view and understanding about e-book ads. There may be a number of differentially valenced influences on consumers’ general attitudes toward online ads. On one hand, there are a variety of suspicions about the social value of online ads. First, it is questionable whether it is ethical to build primary demand for a product when consumers are ill equipped to understand its potential benefits and drawbacks. When information is supplied, it is often presented in a vague manner without evidence supportive of ad claims (Woloshin et al., 2001).

In contrast to these considerations that may lead to negativity, there are potential benefits of online ads that may lead to positive attitudes. Online e-book ads provide education on available titles, and encourage students to take a more active role in their own career planning. Thus students may be more likely to seek additional information about their requirements and possible information available about their course contents. There are numerous reasons why a consumer may be either favorable or unfavorable toward online e-book ads. Information integration theory (e.g., Sanbonmatsu et al., 2003) and multi-attribute model research (Nelson, 1999) suggests that when both favorable and unfavorable evidence about an entity is present, the overall evaluation of the entity based on the aggregation of the information will be of moderate extremity. Thus, we expected that while students’ may hold strong opinions about aspects of online e-book ads (both favorable and unfavorable), overall attitudes toward online e-book ads would be neither extremely positive nor extremely negative. We also suspected that there would be substantial variability in students’ attitudes because some of the issues raised above will be more important to some consumers than to others. Thus:

H1: Consumers’ overall attitudes toward online e-book ads will be of moderate extremity (i.e., neither extremely favorable nor unfavorable).

Our next consideration is the role of students’ attitudes toward online e-book ads in their behaviors. There are a number of reasons why we expect that the favorableness of students’ general attitudes toward online e-book ads would be related to their subsequent behavior in response to an ad for a specific brand. Generally, to the extent that a student has a positive attitude toward online e-book ad, his/her attitude is less ambivalent, more stable, and thus more likely to guide behavior. A more specific consequence of a student having a positive attitude toward an entity is that he or she is more likely to visually orient to it (Roskos-Ewoldsen and Fazio, 1992). Thus, students who possess a favorable attitude toward online e-book ad may be more likely to notice, attend to, and process a book ad than students with less favorable attitudes. Attention and comprehension are necessary phenomena for an ad to have significant persuasive effect (Duncan, 2002). Positive attitudes towards online e-book ads are also likely to affect students’ perceptions of the book being advertised. When students have positive attitudes, they process incoming stimuli in accordance with the attitude (Fazio, 1990). Thus, positive general attitudes toward online e-book ads are likely to color consumers’ perceptions of a
specific book being advertised, resulting in a more favorable evaluation of the book. More favorable perceptions of the book, in turn, may be likely to affect consumers’ subsequent behaviors related to the advertised book (e.g. seek more information about the book, and/or try to obtain a recommendation of the book by his/her professor). Attitude toward the ad (Aad) is an affective construct representing consumers’ feelings of favorability/unfavorability toward the ad, and has been shown to mediate the influence of an ad on brand attitude, search behavior, and purchase intentions (MacKenzie et al., 1986; see also Batra and Ray, 1987; Batra and Stayman, 1990). Although prior research on Aad considers the relation between Aad and a specific brand and behavior, in this article we will expand this relation and seek to demonstrate that students’ general attitudes toward online e-book ads are related to their and their professors’ behavior. The data set that we collected will not allow us to tease apart the various mechanisms discussed above; however, taken together they suggest that online e-book ads attitudes will be predictive of students’ behaviors regarding the advertised book. These behaviors may take a variety of forms, including searching for information about the book in stores, magazines, online, by talking with friends or a batch mate. Moreover, students may also seek to learn more about the book by asking their professor about it, an essential step in obtaining the book.

H2a: The favorableness of consumers’ attitudes toward online e-book ads will be related to their likelihood of searching for additional information about the subject.

H2b: The favorableness of consumers’ attitudes toward online e-books ads will be related to their likelihood of asking their professor about an advertised e-book.

In addition to these basic relationships, we theorized those students’ attitude toward online e-book ads would affect the likelihood of student asking their professor about the book because online e-book attitudes predict the likelihood of subsequent information search, one example of which is asking one’s professor about an advertised book. Thus, the following Hypothesis is suggested:

H3: Attitudes toward Online e-book ads will affect the likelihood that consumers will ask their professor about an advertised e-book because attitudes are related to the likelihood that the consumer will search for more information after seeing online e-book ad.

If the above hypotheses are correct, attitude favorability may also be related to whether students actually obtain a recommendation for the e-book from their professor. This may occur for two reasons. First, student who sees a online e-book ad may suspect that a given book may solve a syllabus problem for which they have not yet sought recommendation. If a book is appropriate for a students’ course, the professor may prescribe it. Additionally, professors may be likely to comply with students’ requests for a number of other reasons as well. We further hypothesized that the likelihood of the student seeking additional information about an advertised e-book would also exert an independent influence on whether the student would obtain a recommendation of the book from the professor. Even if attitudes toward online e-books generally are negative, if an advertised book appears to be of potential benefit, the student may be likely to seek to obtain a recommendation. professors’ behavior, though more complex given their knowledge of subject and authors, is likely also affected by students’ requests. Thus:

H4: The favorableness of students’ attitudes toward online e-book ad will be related to professors’ likelihood of recommending an e-book such that greater favorableness will be associated with greater likelihood of the book being recommended.

H5: The likelihood that students will search for additional information about an online e-book, will be related to professors likelihood of prescribing the book, such that greater search likelihood will be associated with greater likelihood of the book being recommended.

Finally, we hypothesized that students’ online e-book ad attitudes and likelihood of searching for more information about an advertised e-book would predict the likelihood that their professor would write a prescription for the book because these variables are related to the likelihood that student would ask
their professor about the book—an obvious precondition to obtaining a recommendation. Thus, the following Hypothesis is suggested:

**H6:** Attitudes toward Online e-book ad and likelihood of searching for more information about an advertised book predict the likelihood that the professor will recommend the book, as these variables are related to the likelihood that student will ask their professor about the book.

**OBJECTIVES OF THE STUDY**

1. To know the impact of Advertisements on purchase of online e-books
2. To know the attitude of the Users’ towards e-books
3. To know the impact if any of recommendation by concerned teacher on students attitude towards e-books.

**DATA AND MEASURES**

The interviewed persons have been selected on the basis of a quota sample that is representative for the Indian population. These quotas are related to gender, age and education. The Indian market shows one of the highest penetration rates of Internet users in Asia and is therefore very suitable for study on e-mail advertising. Currently, India has over 90 million active Internet users and is expected to emerge as one of the top online markets in Asia, along with China (Economic Times, 2011). Items were assessed on Likert type scale ranging from ‘agree’ to ‘disagree’. Prospective respondents were screened for age and for media usage. The samples were screened for their Internet access and usage. Prospective respondents in the Sample were included only if they indicated that they personally had access to and used the Internet or World Wide Web. Respondents were asked questions to measure the influence of online e-book ads on attitudes and on the professor-student relationships. Respondents attitudes toward online e-books were measured with eleven statements, to which respondents were asked to state their level of agreement or disagreement (see Table 1). The response options were anchored by 1 = agree strongly and 5 = disagree strongly. Other questions were asked with respect to the respondents’ interaction with the professors. Specifically, they were asked (1) if an advertisement for a recommended book by professors ever caused them to search for more information about the book, (2) if they asked their professor about a book for which they had seen an online ad, and (3) whether their professor prescribed the book they asked about. Each of these questions was answered either yes or no. Finally, several demographic variables were measured.

**Students Attitudes towards Online E-book Ads**

<table>
<thead>
<tr>
<th>Table 1. Results of Factor Analysis and Central Tendencies</th>
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<tr>
<td>Factor 1</td>
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<td></td>
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<tr>
<td>Factor 1 Attitude towards e-book ads</td>
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<tr>
<td>Factor 2 Perceived information value</td>
</tr>
<tr>
<td>Career Implication</td>
</tr>
<tr>
<td>Means</td>
</tr>
<tr>
<td>SD</td>
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<tr>
<td>0.745</td>
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<tr>
<td>0.731</td>
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<tr>
<td>0.675</td>
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</tbody>
</table>
### Table 1. Results of Factor Analysis and Central Tendencies (Contd…)

<table>
<thead>
<tr>
<th></th>
<th>Factor 1 Attitude towards e-book ads</th>
<th>Factor 2 Perceived information value</th>
<th>Career Implication</th>
<th>Means b</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advertisements for e-books give enough information for me to decide whether I should discuss the book with the professor.</td>
<td>0.521</td>
<td>−0.439</td>
<td>0.227</td>
<td>2.375</td>
<td>1.230</td>
</tr>
<tr>
<td>Only the good e-books are allowed to be advertised to the public.</td>
<td>0.444</td>
<td>−0.051</td>
<td>0.448</td>
<td>3.415</td>
<td>1.459</td>
</tr>
<tr>
<td>Advertisements for e-book do not give enough information about the drawbacks of online book readings.</td>
<td>−0.051</td>
<td>0.808</td>
<td>0.040</td>
<td>2.493</td>
<td>1.365</td>
</tr>
<tr>
<td>Advertisements for e-book do not give enough information about the possible benefits and positive effects of subscribing to the eBooks</td>
<td>0.244</td>
<td>0.641</td>
<td>0.060</td>
<td>2.870</td>
<td>1.389</td>
</tr>
<tr>
<td>Advertisements for e-books make the contents seem better than they really are</td>
<td>−0.059</td>
<td>0.511</td>
<td>0.390</td>
<td>2.464</td>
<td>1.243</td>
</tr>
<tr>
<td>I would not talk with my professor about an advertisement for a e-book, because it would seem like I did not trust my professor.</td>
<td>−0.097</td>
<td>−0.009</td>
<td>0.729</td>
<td>4.511</td>
<td>0.983</td>
</tr>
<tr>
<td>Advertisements for e-book make it seem like a regular professor is not needed to decide whether a book is right for me</td>
<td>−0.116</td>
<td>0.316</td>
<td>0.550</td>
<td>3.893</td>
<td>1.366</td>
</tr>
</tbody>
</table>

### RESULTS

**Attitudes Toward online e-book ads**

We employed factor analysis with standard varimax rotation to explore whether the attitude questions could be reduced into common factors. The factor analysis suggests that the attitude questions reflect three independent constructs (see Table 1). The first factor reflects students’ general attitudes toward online e-book ads, and accounts for 48% of the total variance. The second factor describes perceptions of the extent to which online e-book ads accurately and completely convey content and quality of the book, and explains 29% of the total variance. The third factor, which explains 23% of the variance, reflects implications for professors of online e-book ads.

Hypothesis 1 posited that general attitudes toward online e-book advertising would be middling. Although this Hypothesis cannot be tested inferentially, inspection of the individual items comprising the general attitude factor (factor 1), as well as the aggregated mean (MFactor1= 2.611), clearly convey moderate attitudes (see Table 1). While there is some variability in mean response across the general attitude questions (e.g., students generally are more confident that online e-book ads contribute to awareness of new books, but are much less convinced that such ads improve their study decisions), overall, consistent with Hypothesis 1, students are neither extremely positive nor negative toward online e-book ads. Similar to the general attitude factor, items and aggregate central tendencies of factor 2 (performance information value, MFactor2 = 2.629) also show mixed evaluations of online e-book ads. Results suggest that while students do not exhibit extreme distrust of the performance information value of online e-book ads, they nevertheless are unconvinced that e-book performance is...
completely and accurately conveyed. These data are also consistent with Hypothesis 1. The third factor (implications for student-professor interaction) does not directly bear on Hypothesis 1. Central tendencies of this factor (MF3 = 4.202) suggest that students generally do not feel that online e-book advertisements imply the irrelevance of professors, and that they do not worry that talking with a professor about an online e-book ad would imply distrust of one’s professor.

The Relation between Attitudes toward online e-book ads and students’ and professors’ Behavior

To test the relation between students’ attitudes toward online e-book ads and their behavior, we conducted a series of binary logit analyses (see Table 2). Consistent with Hypothesis 2a, students with more favorable attitudes toward online e-books are more likely to search for information about an advertised e-book following glimpse of an ad (see model #1). Moreover, consistent with Hypothesis 2b, students with more favorable attitudes toward online e-book ads are also more likely to ask their professor about the e-book (see model #2). We hypothesized that the likelihood that the student will search for more information after seeing an e-book ad would mediate the relation between attitudes and the likelihood that students would ask their professor about the book. Model 3 is supportive of this hypothesis. When both online E-book ads attitudes and likelihood of subsequent information search are entered into a regression predicting whether students would ask their professor about an advertised book, the coefficient of attitudes becomes non-significant while the effect of information search remains significant. Thus, following Baron and Kenny’s (1986) test for mediation, Hypothesis 3 is supported. Next we explored our hypotheses regarding professor’s behavior (see model #4). Consistent with Hypothesis 4, students’ online e-book ad attitudes predicted professor’s likelihood of prescribing the advertised e-book, such that students with more favorable attitudes towards e-book ads were more likely to receive recommendations for it. Consistent with H5 there was an independent effect of the likelihood that students will search for additional information about an advertised e-book on professors’ behavior, such that students who were more likely to search for information about an advertised e-book were more likely to receive a recommendation for it from their professor. Finally, we tested H6 that the effect of online e-book ad attitudes and likelihood of information search about an advertised book would predict the likelihood that the professor will give a recommendation for the book because these variables are related to the likelihood that the professor will ask his or her professor about the book. As expected, when these three variables were used to predict whether the professor prescribed the advertised book, the coefficients for online e-book ad attitudes and information search dropped and became non-significant, while the coefficient for likelihood of asking the professor was significant (see model #5). Thus, the likelihood of asking one’s professor about an advertised e-book mediated the relationship between online e-book ad attitudes and likelihood of information search on whether the Professor gave the recommendation. Although our hypotheses relate only to general attitudes towards online e-book ads, we also conducted analyses to explore potential effects among the other factors. Neither factor 2 nor factor 3 was related to any subsequent behavior of student or professor.

Effects of Attitudes toward E-book Ads on Student and Professor Behavior

<table>
<thead>
<tr>
<th>Independent</th>
<th>Model #1 Information Search</th>
<th>Model #2 Ask Professor</th>
<th>Model #3 Ask Professor</th>
<th>Model #4 Get Recommendation</th>
<th>Model #4 Get Recommendation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Online e-book attitudes</td>
<td>0.718**</td>
<td>0.364*</td>
<td>0.222</td>
<td>0.352*</td>
<td>0.191</td>
</tr>
<tr>
<td>(t-stat)</td>
<td>(7.596)</td>
<td>(2.30)</td>
<td>(1.323)</td>
<td>(2.472)</td>
<td>(0.926)</td>
</tr>
<tr>
<td>Info search</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(t-stat)</td>
<td></td>
<td>0.78**</td>
<td>0.442</td>
<td>0.255</td>
<td></td>
</tr>
<tr>
<td>Ask Professor</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2.563**</td>
</tr>
<tr>
<td>(t-stat)</td>
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<td></td>
<td></td>
<td></td>
<td>(7.561)</td>
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</tbody>
</table>
DISCUSSION AND IMPLICATIONS

Our analyses provide insight into an increasingly important marketplace phenomenon—students’ reactions to online e-book ads. While there are clear potential benefits of online e-book ads for the student, there are also clear profit motives for the e-book sellers. Consistent with our expectations, overall online e-book ads attitude results were of moderate extremity. Due to limitations in the data set we cannot delineate reasons underlying this finding, however moderate attitudes typically result when knowledge about an object is missing or low (Sanbonmatsu et al., 1991), as may be the case with recommended books. While delineating students’ general evaluations of online e-book ads is important, perhaps more important are our findings about the downstream consequences of these evaluations for student and professor behavior. To the extent that a student was favorable toward online e-book advertisements generally, the student was more likely to search for more information about a book that was advertised, and to ask his or her professor about the book. Our most compelling finding is that when a student is favorable to online e-book ad and is likely to search for more information about an advertised book, the professor is more likely to recommend that book. This is surprising because professors’ behavior does not result from students favorable attitudes toward a specific ad, but instead, results from categorical online e-book ad attitudes. Mediation analyses showed that online e-book ad attitudes and students’ likelihood of information search affect professors’ likelihood of recommending the advertised book by affecting the likelihood of student asking their professor about the book.

Managerial Implications and Recommendations

The contribution we make in this paper is delineating how students’ attitudes toward online e-book ads considered generally are related to their behavior, as well as that of their professor. Although we did not have data about students’ reactions to specific online e-book ads, it is a near certainty that ad specific attitudes will also be related to subsequent reading behavior. Thus, while e-book sellers and their advertising agencies clearly should endeavor to create maximally compelling marketing for specific brands, online e-book ads generally may also procure marketplace rewards. While there are numerous potential commercial upsides of online e-book ads, there are also a variety of serious concomitant concerns. The e-book sellers may find it profitable to create marketing communications aimed at increasing the positivity of students’ perceptions of online e-book ads by delineating social benefits while addressing students’ concerns. Indeed, our data show that to the extent that students are generally favorable to the category of online e-book ads, their behavior interacts with that of their professors to increase the likelihood that an advertised book will be recommended. The American Association of Advertising Agencies pursued a similar categorical strategy in which it essentially advertised advertising (e.g., suggesting that ads facilitate student product matches, while discounting ads as “mind-control”). Consistent with our motivation for H1, we suggest that student suspicion of online e-book ads may be even more prevalent than concerns about advertising for more traditional student products. Thus, the potential behavioral response to communications targeted to make perceptions of online e-book ads more favorable categorically may be even greater for recommended e-books than package goods. While we do not have data that evaluate particular approaches to instill more favorable attitudes toward online e-book ads, our understanding of the reasons students may evaluate online e-book ads negatively facilitates speculations on potentially impactful communication themes. Specifically, we suggest that advertisements focusing on how online e-book ads facilitates student learning and increased decision making ability because of their information value may be effective. Moreover, online e-book ads could be presented as a tool whereby students may become more active participants in their career planning, and along with their professors, better able to make appropriate personalized career decisions. The two aims of our research were to highlight a previously undocumented predictor of the effectiveness of online e-book ads, and to offer suggestions for how the e-book sellers could leverage this finding in future communications.
REFERENCES


PERFORMANCE ANALYSIS OF FINANCIAL INCLUSION FUND AND FINANCIAL INCLUSION TECHNOLOGY FUND: A MEASURE OF FINANCIAL INCLUSION IN INDIA

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ABSTRACT

Agriculture sector is an important sector of the Indian economy. The proportion of agricultural sector in GDP is 14%. It provides employment to nearly 70% of the people in India. Agriculture sector plays significant role in the country and nearly 67% of the population depends on agriculture directly or indirectly. Since the superior role of this sector and importance of the credit as an input, a multi-agency approach has been considered by RBI for ensuring credit flow to the sector. Making institutional credit available to a large number of farmers, particularly small and marginal farmers, continues to be challenge to the banking industry. Financing for agriculture has been an enormous task for banks, given the outrange of the credit requirements on the one hand and vision of nature on the other. Both RBI and NABARD have taken several initiatives for simplification of systems and procedures and designing of innovative credit delivery products in distribution of agricultural credit. In these circumstances, the core activities to carry forward the agenda of financial inclusion of the excluded population at the national level as per the framework described by the Report of the Committee on Financial Inclusion in general and operationalizing the Financial Inclusion Fund (FIF) and Financial Inclusion Technology Fund (FITF), in particular. The implementation is under the guidance of the two Advisory Boards set up for FIF and FITF respectively. In the present study, an attempt is made to analyze the progress financial inclusion fund and financial inclusion technology fund for economic development of India.

Keywords: Financial Inclusion; Financial Inclusion Fund; Financial Inclusion Technology Fund

INTRODUCTION

Outline of Financial inclusion in India

Banks performed important role for the high growth rate of Indian economy during the period of economic reforms. Benefits of growth in economy favored to urban areas and the people who already covered under formal financial system. Huge people of rural mass does not availed the benefits of the growth of Indian economy. At present, the backward portion of the country and remote areas are very far to avail basic financial infrastructure. An essential pre requisite for inclusive and sustainable growth is capital formation through credit and financial services. Therefore, access to a well-functioning financial system, by creating equal opportunities, enables economically and socially excluded people to integrate better into the economy, so as to actively contribute to development and protect themselves against economic shocks. The Reserve Bank of India (RBI) has, therefore, formulated the policy of financial inclusion with a view to provide banking services at an affordable cost to the disadvantaged and low-income groups.
Grounds of Financial Exclusion in India

Access to formal banking system is affected by several barriers such as culture, financial literacy, gender, income and assets, proof of identity, remoteness of residence, and so on. Over a period of time several measures are being taken by the banks in India to improve access to affordable financial services through financial education, leveraging technology, and generating awareness. There are number of factors affecting access to financial services by weaker section of society in India. Rural people facing the problems like low income, less security of assets, less literacy, social exclusion, etc. Banks facing the problems to reach of rural people includes lack of legal documents for opening bank accounts, banking products which are not attracting to rural mass of respective region, high cost of transaction, bank official’s attitude and language of respective region of rural area. Hence, there is a need for financial inclusion to build uniform economic development, both spatially and temporally, and ushering in greater economic and social equity.

Dr. C. Rangarajan Committee on Financial Inclusion

To build a structure and roadmap for Financial Inclusion, the Government of India appointed a committee on Financial Inclusion under the chairmanship of Dr.C.Rangarajan, (then Deputy Governor of Reserve Bank of India) in 2008. The Rangarajan Committee suggested that the financial inclusion should include access to mainstream financial products such as bank accounts, credit, remittances and payment services, financial advisory services and insurance facilities. Making banking and payment services available to the entire population without discrimination is the main objective of Financial Inclusion. Thus, the main focus of financial inclusion in India is on promoting sustainable development and generating employment in rural areas for the rural population.

What is Financial Inclusion?

The Rangarajan Committee on Financial Inclusion defines financial inclusion as “a comprehensive and holistic 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 is delivery of banking services at an affordable cost to the vast sections of disadvantaged and low income groups. It means extending the banking habits among the less privileged both in urban and rural areas. The main objectives are to connect people with banking system and to give people access to payment & credit system.
Phases of Financial Inclusion in India

Source: IMACS Research

Measures for Financial Inclusion in India

Several measures have been taken by both the Reserve Bank of India and the Government to bring the financially excluded people to the fold of the formal banking services. The important financial inclusion initiatives of RBI are given below:

1. Introduction of ‘No-Frills’ account
2. Relaxing ‘Know Your Customer’ (KYC) norms
3. General Purpose Credit Card (GCC) Schemes
4. Kisan Credit Card
5. Role NGOs, SHGs and MFIs
7. Nationwide Electronic Financial Inclusion System (NEFIS)
8. Project Financial Literacy
9. Financial Literacy and Credit Counseling (FLCC) centers
10. National Rural Financial Inclusion Plan (NRFIP)
11. Financial Inclusion Fund (FIF)
12. Financial Inclusion Technology Fund (FITF)

Origin of Financial Inclusions Fund (FIF) and Financial Inclusion Technology Fund (FITF)

The Government of India had set up the Rangarajan Committee on Financial Inclusion to look into the issues involved and suggest measures for bringing the excluded population into the ambit of financial system. The Committee envisaged that 50 per cent of the excluded rural households (55.8 million) should have access to financial services by 2012, and the rest by 2015. Towards this end, two funds recommended by the Committee, have been set up in NABARD, viz. ‘Financial Inclusion Fund’ (FIF)
for meeting the cost of developmental and promotional interventions of financial inclusion and ‘Financial Inclusion Technology Fund’ (FITF), for meeting the cost of technology adoption.

As per the guidelines of NABARD, following are the objectives, purposes and eligible institutions for FIF.

**Objectives of FIF**

To support “developmental and promotional activities” with a view to securing greater financial inclusion, particularly among weaker sections, low income groups and in backward regions/ hitherto unbanked areas.

**Purposes of FIF**

1. Funding support for capacity building inputs to Business Facilitators and Business Correspondents.
2. Providing promotional support to institutions, such as, Resource Centers, Farmers’ Service Centers and Rural Development and Self Employment Training Institutes to enable them to provide improved technical and financial services (including counseling) aimed at increasing technology adoption, effective management of assets, nurturing entrepreneurial capacity and increasing financial education and literacy.
3. Providing funding support for promotion, nurturing and credit linking of Self Help Groups (SHGs).
4. Capacity building of personnel of NABARD, banks, Post Offices, State Government Departments, MFI, NGOs, Local Level Associations, members of SHG/ Joint Liability Groups, etc.
5. Defraying expenses of approved institutions for undertaking interventions for financial inclusion in Central, Eastern and NER Regions; J&K, Himachal Pradesh and Uttarakhand.
6. Funding support for setting up of Rural Credit Bureaus and credit rating of rural customers.
7. Supporting initiatives of local level associations/ federations.
8. Supporting pilot projects for development of innovative products, processes and prototypes for financial inclusion.
9. Any other developmental and promotional interventions recommended by the Advisory Board for the FITF.

**Eligible Institutions for FIF**

1. Financial Institutions, viz., NABARD, Commercial Banks, Regional Rural Banks and Cooperative Banks.
2. NGOs, MFI, SHG, Farmers’ Clubs, Local Level Associations, etc.
3. Training and research organizations, academic institutions, universities.
4. Service providers like Insurance Companies (providing micro insurance services), Post Offices, Railways, etc.
5. Any other organization whose objectives are in conformity with the overall objectives of the FIF and are approved by the Advisory Board from time to time.

**Objectives of FITF**

To enhance investment in Information Communication Technology (ICT) aimed at promoting financial inclusion, stimulate the transfer of research and technology in financial inclusion, increase the technological absorption capacity of financial service providers/ users and encourage an
environment of innovation and cooperation among stakeholders. Each Fund consists of an overall corpus of Rs.500 crore, to be contributed by the GoI, RBI and NABARD in the ratio of 40:40:20 in a phased manner over five years, depending upon utilization of funds. As per the guidelines of NABARD, following are the objectives, purposes and eligible institutions for FITF.

**Purposes of FITF**

1. Encouraging user friendly technology solutions;
2. Providing financial support to technological solutions aimed at providing affordable financial services to the disadvantaged sections of the society;
3. Creating a common technology infrastructure with comprehensive credit information;
4. Funding support to technologies facilitating the documentation for processing of loans;
5. Providing viability gap / pilot project funding for unproven but potential technological interventions;
6. Conduct of studies, consultancies, research, evaluation studies relating to technological interventions for financial inclusion;
7. Promoting seminars, conferences and other mechanisms for discussions, dissemination relating to financial inclusion technological interventions;
8. Publication of financial inclusion technology literature, publicity material, etc.;
9. Capacity building of personnel of banks, Post Offices, State Government Departments, MFIs, NGOs, VAs, other stakeholders; and
10. Any other activity as may be approved by the Advisory Board.

**Eligible Institutions for FITF**

1. Financial Institutions, viz., NABARD, Commercial Banks, Regional Rural Banks and Cooperative Banks;
2. NGOs, MFIs, SHGs, Farmers’ Clubs, Local Level Associations, etc.;
3. Technology Service providers and other service providers like Insurance Companies (providing micro insurance services), Post Offices, Railways, etc.;
4. Any other institution/ organization whose objectives are in conformity with the overall objectives of the FITF and are approved by the Advisory Board.

**Performance Evaluation of FIF and FITF**

In this study, the performance evaluation has been made from the view point of amount sanctioned and amount disbursed towards both the funds since its inception. The ratio of disbursement has been found to analyze the progress made by these funds. High rate of disbursement can help to fulfill the objectives of these funds and as well as it can also play leading role for economic development of India. Lower rate of disbursement indicates the efforts needed by the eligible institutes for betterment of rural mass, weaker sections and unbanked area of the country.

<table>
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<th>Year</th>
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<th>FIF</th>
<th>FITF</th>
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<td>Disbursement%</td>
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<td>9.78%</td>
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</tr>
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</table>
Year | Particulars | FIF | FITF | Total
--- | --- | --- | --- | ---
2010-11 | Sanctioned | 19 | 101.11 | 120.11 |
| Disbursement | 9.21 | 54.01 | 63.22 |
| Disbursement % | 48.47% | 53.42% | 52.64% |
2011-12 | Sanctioned | 75.96 | 221.07 | 297.03 |
| Disbursement | 18.9 | 128.39 | 147.29 |
| Disbursement % | 24.88% | 58.08% | 49.59% |
2012-13 | Sanctioned | 67.02 | 22.01 | 89.03 |
| Disbursement | 33.31 | 17.14 | 50.45 |
| Disbursement % | 49.70% | 77.87% | 56.67% |
Cumulative | Sanctioned | 181.64 | 365.49 | 547.13 |
| Disbursement | 69.77 | 201.3 | 271.07 |
| Disbursement % | 38.41% | 55.08% | 49.54% |

Source: Annual reports of NABARD, various issues

Progress Chart of performance of FIF

After the five years of inception, amount sanctioned toward FIF has been increased but the disbursement is not effective and it is far behind the amount sanctioned. Eligible institutes need to work hard for disbursement of the financial inclusion fund for the sake of unbanked area and weaker sections of the society because the fund has been increased but the major proportion of the fund becomes idle. Taking areal root of cumulative amount sanctioned and amount disbursed, it is noticed that only 38.41% success has been derived in financial inclusion fund by the eligible institutes for FIF.

Progress Charts of performance of FITF
As far as FITF concern, the amount sanctioned towards FITF was more compare to FIF in the year 2009. In the year 2009-10, it was lower compare to FIF and then after in next two years the amount sanctioned was largely increased. In first two years the disbursement made from FITF was very low but in the year 2010-11 and 2011-12, the disbursement was increased. In the year 2012-13 the amount sanctioned to FITF was reduced but disbursement was effective. Taking cumulative amount sanctioned and disbursement made it can be said that 55.08% outcome has been derived by the fund which needs more efforts for success of the fund. Eligible institutes for FITF require more attention for better outcome of the fund and fulfillment of the objective of the fund.

Progress Charts of performance of Total Fund

In consonance with the chart of total fund it was noticed that the amount sanctioned towards FIF and FITF was increased year by year up to 2011-12 but the amount distributed from the total fund was not good enough. In the year 2012-13, the amount of total fund was declined but the disbursement was improved. Taking overall view of total fund it was observed that 56.67% of the total fund was disbursed up to 31st March 2013. All eligible institutes should focus on low rate of disbursement of the total fund and should take necessary steps for the maximum utilization of the fund which will ultimately help to weaker section and unbanked area of the rural mass.

Proportion of Disbursed Amount to Total Sanctioned Amount

The amount sanctioned and deployed for different years cannot give clear picture about the direction of deployment success ratio. From the chart of proportion of disbursed amount to total sanctioned amount it was observed that the proportion of disbursement towards FIF was improved constantly up
to 2010-11 tends to decline in 2011-12 and improved in 2012-13. The proportion of disbursement towards FITF was constantly improved at lower rate compared to FIF up to 2009-10 but it was improved with higher rate from the year 2010-11 to 2012-13 constantly. The proportion of total disbursement was improved constantly up to 2010-11 and dropped in 2011-12 but it was little bit improved in 2012-13. It was observed that the rate of disbursement was improved in FIF, FITF and total fund has been improved.

Proportion of Cumulative Disbursement to Total Cumulative Sanctioned Amount

From the above chart of cumulative proportion of deployment it was observed that the cumulative deployment proportion of financial inclusion fund was 38.41% which shows less effectiveness while the cumulative proportion of deployment of financial inclusion technology fund was 55.08% which shows more than half success which turned to total cumulative deployment proportion to 49.51% because of low performance of FIF.

CONCLUSION AND SUGGESTIONS

The basic objective of FIF is to securing greater financial inclusion, particularly among weaker sections, low income groups and in backward regions where as the objective of FITF is to enhance investment in Information Communication Technology aimed at promoting financial inclusion are not fulfilled with convince and both the funds not performed effectively to fulfill the objective. In spite of these funds have five years’ experience; they are not come out at its maturity. By accessing cumulative percentage of total fund up to 31 March 2013, it was found that the total fund has not been reached to fifty percentages in these five years for disbursement. Even though FITF performed little better in comparison of FIF but eligible institutions for FIF and FITF needs to performed better in coming years by with better performance of total fund effectively for the upliftment of weaker sections, low income groups, unbanked area and backward regions with the help of stimulation of the transfer of research and technology in financial inclusion and increase the technological absorption capacity of financial service providers and users for economic development of India. The organizations like commercial banks, co-operative banks, regional rural banks and other institutions should have play vital role for maximum deployment from the fund for successful completion of the objective of the fund through the medium of Information Communication Technology and encourage an environment of innovation and cooperation among stakeholders.

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ABSTRACT

Industrial relation (I.R) plays vital role in organization. If I.R is done smoothly then its sure that organization will be successful organization. Human Resource Department and Union plays vital role in smoothing I.R.

Keywords: Tight rope; Industrial Relation; Trade Union

CASE STUDY

Rahul Khannais worried sick about Industrial Relations a month after he joined as Head HR for TrimixAuto. He put in his papers after serving for reputed organization and switched to Trimix Auto.

22 Years, “High Year of tenure” he climb the corporate ladder. He worked on Organizational Environment, Managerial Cognitive styles, Organizational innovations and strategic management Processes. He is Industrial Relation Consultant, Manager and Strategy Builder, Rahul wears many hats.

He started his career working for one of the best Manufacturing Company in Maharashtra. He is best known for his vision of the potential Industrial Relations. He performed his last assignment for large scale Automobile Company.

Rahul was well known for his democratic behavior. People define him as a situational manager. The value of situational manager is the flexibility or adaptability to adopt different management styles.

He was appointed forThrimix Auto to lead HR team and to keep his eye on the prize of labour issues. He has been assigned the task of presenting Blue prints for Board level discussion within 3 months of joining. He believes that the most effective leader is one who creates the right culture and builds the best team. He formed a Team of 5 members. Out of them 3 were highly experienced and rest two from shop floor staff. He put the stake in the ground to lead his team. The Team always discuss with various stake holders, union leaders, and permanent workers to work out the kinks. Rahul also met union members and workers to deal with an unpleasant situation realistically.

Thrimix is in a business since last 3 decades with 4 partners (alumina of IIM (A)). It has Headquarters in Pune. Company has established units at Ahmadabad,Nasik,Ratnagiri for the vision of expansion. Company also has tie up with large automobile companies for customized products. Manufacturing plant in Pune contributes around 75% of production and revenue. Its total workers strength is 5500 out of them 2100 workers are off roll. Trimix started facing deterioration of relations between workers and management due to fluctuations in middle management with a long history of feisty stand-offs, and
comes just as Industrial Relations appeared to be a new, calmer period. Few old workers were laid off by management as they were swimming against the tide. Management started outsourcing workers for expansion of units.

The instances of violence were suppressed by using force. The promoters managed the government machinery and local media in their way. They were very close with every ruling government.

The situation changed overnight when new Government formed. Management started to fight an uphill battle with workers and government as well. Local MP started poking his nose in factory recruitment and forming union. He pressurized management to hire local people as he is a union leader and local people are his supporters. Management decided to give tough fight and gave birth to new union. These union members were supporters of old Government. Now both unions have equal number of members. Situation took different way when third Union came in the picture. This third Union was consisting of on roll and off roll workers. Now what consequences we are expecting? It's not the size of the dog in fight; it's the size of the fight in the dog.

Workers started complaining consistently on low wages, work load, stress, promotional policies and benefit programs. Union members started comparing apple to oranges.

There was discontent among workers with technical qualifications as promotions at executive cadre were always looked grim. One of the promoter’s daughter Arjavi studied in Harvard Business School was raised some hopes. She introduced certain changes by hiring few key professionals including Industrial Relation (IR) expert Tanish. Tanish tried his best and presented workers grievances in front of management. He always tried to maintain cordial relation between employer and workers. Later he was resigned on the grounds of personal reason. He was replaced by retired IAS officer Sham Tripathi having zero industrial experience. He was notorious due to his high-handedness and stubborn nature.

Sham Tripathi installed CCTV cameras in each unit. (On shop’s roof / wall) and kept eye on it. He announced deduction in wages and issue of memos for minor mistakes in work and for late comers.

There was a distance between Canteen and units (shop floors) hence workers found running to avoid actions. Workers were seen running to toilets with tea and biscuits in hand to cover 15 minutes break. Workers were down in the dumps.

Union members started grumbling to provide medical and safety facilities at plant including 24/7 availability of doctors and ambulance. Sham Tripathi rejected the plea stating that ESI hospital facility is running and doctors are visiting the premises 2 hrs every day.

Workers reaction? They became violent. They started throwing slung and abusive language. Management took stringent action and suspended eight workers. Also transferred 9 workers, 1 office bearer to new plant in West Bengal. Majority of transferred workers were local people. Company faced massive lay off. There was a flash strike and administrative offices were ransacked by agitated workers. Management dismissed 12 workers on grounds of indiscipline. Also police complaint were lodged against 20 workers.

Matter went on toss. Workers went wild and declare indefinite strike. Production at all units remained paralyzed. Management tried their best to come out from such a drastic situation with the help of their baby union and the third union which is consists of off roll and on roll workers.

Observing that it’s a no-win situation Management agreed to withdraw the transfers of said workers but they were firm on disciplinary actions initiated. Union was adamant and they continued strike and entered into third week.

One afternoon 12 workers were critically injured and plat destroyed due to heavy “Boiler Explosion” during working hours. 2 Workers died on the spot in the blast. Workers went wild. They became violent and started vandalizing machines and administrative office. The Production Head and few from HR department were critically assaulted. Shashi (is this shashi or shyam?) was injured badly and taken to the hospital. The so called loyal union hardens their stand. The agitated workers complained of lack
of ambulance and medical facilities inside the plant which could have saved the life of workers. Sixty three more workers were given dismissal order. Lock out was declared by management for infinite period. The media started throwing stones and was on one foot to drag down company’s image.

Management agreed to withdraw suspension, transfer and dismissal of employee. However management treated the time lag as break in service for dismissed workers and stopped all increments for the year workers dismissed and suspended. Management finally agreed to review orders within six months subject to condition of satisfactory conduct of workers.

Production came on track. Shashi resigned, Arjavi appointed as a key management decision maker, after thoughtful consideration she hired Rahul with sole purpose of improving employment relations of company. It was going to be challenging job for Rahul who expected to walk on tightrope.

Questions

1. As HR Manager how to handle such situation?
2. What to do in order to avoid such situation in future?
TO ASCERTAIN AND ESTABLISH THE PRESENCE AND IMPACT OF COMPETITION IN NATIONAL HEALTHCARE

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ABSTRACT
This research report is based on the issue of the prevailing competition in the healthcare services. In the NHS, with regard to one of its trusts that is the Newcastle hospital in UK. NHS is the dominant health care services provider in the UK. The private sector healthcare services although existent and growing are still the not very sort after services due to high costs and accessibility issues. Due to this there is not much external stimulating competition in the UK healthcare sector. However with decentralization of NHS structure and functioning greater deal of incentives have been introduced and more flexibility is provided to each healthcare and social care unit under NHS. The research study will be covering the various aspects of the competition.

Keywords: National Healthcare

INTRODUCTION
In the UK NHS that is the National health care service which is funded by the government through tax revenue is the dominant organization catering to healthcare and social welfare needs of the residents through its various trusts. In the post-world war period NHS was developed with the principal of making healthcare accessible to all. Over 60 years NHS has run various trusts covering hospitals, primary healthcare i.e. local surgeries, Mental and social welfare service etc. Over 350 hospitals in UK and many a local surgeries along with other social and healthcare servicing units are operated by the NHS organization. Thus NHS is the dominant health care services provider in the UK. The private sector healthcare services although existent and growing are still the not very sort after services due to high costs and accessibility issues. Due to this there is not much external stimulating competition in the UK healthcare sector. However with decentralization of NHS structure and functioning greater deal of incentives have been introduced and more flexibility is provided to each healthcare and social care unit under NHS. This has been recognized as Internal competition i.e. competition between various hospitals and surgeries which has led to improvement in the level of services provided. In 2006 a case study conducted by London School of economics was mentioned by David Cameron and since then much debate has been conducted on the benefits of giving incentives and budgeting control to practitioners rather than formal bodies to eliminate bureaucratic holdbacks and regulate the level of services provided by promoting internal competition. The concerned research study would try to throw some light on the issue of the competition prevailing in the environment and its impact on Newcastle Upon Tyne Hospitals NHS Foundation Trust

Organization background
The research study so undertaken will be conducted with regard to the Newcastle upon Tyne Hospitals NHS Foundation Trust. It is the foundation Trust and is one of the major trusts which is providing the healthcare services in UK. It offers wide range of specialist services in the UK to the residents and non resident people. The New castle hospital is the highly repudiated and renowned
organization for its effective provision of the quality services. It has quality staffs which are directed towards the provision of the services and is highly committed in the excellence and are rendering the consistent high performance over the years. It has also been rated as the high quality provision of the healthcare services which is rated by the healthcare commission as declared in the year 2010. It is one among the five trusts in the country which has been able to achieve such rank.

The new castle hospital provides the number of specialist services such as Comprehensive Cancer Services, Cardiothoracic Services for the adults and children, Care of the Elderly, Children’s Services, Critical Care that is through ICU (Intensive Care Unit), Dental Services, Dermatology, ENT, Genetics, General / Internal Medicine, Musculoskeletal Services, Neurosciences that is Neurology, Neurosurgery, Neurophysiology, Ophthalmology, Plastic and Reconstructive Surgery, Radiology, Renal Services (including state of the art Dialysis Suite), specialist Hematology and various Surgical Services, endocrine and thyroid, hepato-pancreato-biliary, upper gastro-intestinal and vascular), Transplant Surgery (heart, lung, liver, kidney, pancreas), Urology, Women’s Services such as the Maternity Unit, Gynecology, Reproductive Medicine, Special Care Baby Unit.

It is one of the most important and the major unit of the NHS foundation. It has also been known for the continuously being engaged in the research work.

**Research questions**

The following research questions are being discussed in the concerned research study. With the help of analysis the following research questions will be answered. These questions are as follows:

1. What is the impact of the competition on the National Healthcare Services?
2. Is the competition has led to the efficient service provision in the hospital?
3. Is the competition has led to the reduced transaction costs?
4. What all marketing strategies should be adopted in order to face the competition?
5. Has the prevailing market conditions and competition has led to the provision of quality services?
6. With regard to facing the competition it has increased the stress level in the management and staff?
7. What is the impact of the competition on the availability and requirement of the resources?

**AIMS AND OBJECTIVES**

The concerned study is based on understanding and analyzing the structure of UK Healthcare sector with regard to NHS and private healthcare services and the prevailing competition. Also to ascertain how competition can be rightfully regulated within the NHS via tools such as commissioning and decentralization of monetary control.

**LITERATURE REVIEW**

The review of the literature is the main segment of the entire research study. It provides the insight into the study and better understanding of the issue. The study conducted by LSE in 2006 showed the decline in death rate where competition between various hospitals was present and thus was supported by Liberal government which was not in power then.

According to Robinson R. (1996) in the year 1990 the Conservative administration has initiated various reforms in order to encourage competition level among the various healthcare service providers also by the differentiating the role of the financer and provider of the health care services. In view point of Rosen R, Mays N(1998) the healthcare services which were being given by the public and private suppliers who are engaged in the competition competing for the contracts from the purchase of the following services. According to Miraldo M, (2008) the contract which take place
between the purchasers and the suppliers of the healthcare services which is valid for the year. In view point of Propper C, Wilson DB (2006) the NHS trust hospitals have engaged in the completion with the other hospitals in order to have access to the contracts from the buyers for that year.

Wanless D, Appleby J, et al. (2007) Provided that while initiating the contracts there have been seen the high amount of regulation form the concerned authorities with regard to the price of the contracts. Goldacre MJ, Lambert TW, Parkhouse J. (1998) Provided the evidence that the purchasers were ready to shift business from their main suppliers, even though there was very limited level of incentives.

The evidence so found was found in accordance to the NHS internal market reforms. According to Sussex J, Farrar S (2009) the competition so prevailing among the NHS health care service providers were based on the internal market reforms being initiated by the NHS. With regard to the competition Robinson R.(1996) stated that the NHS internal market has not led to emergence of the competition and the competing for the increased incentives and provide that due to the competition there seen the fall in the price of the services in the market. Miraldo M, et al (2008) provided that that increased level of competition should not always associated with the provision of the poorer quality. Robinson R.

Propper C, (2006) provided that the considerable leveraging of the services is due to the increased budgets which provide the chance for further improvements in the provision of the effective health care services and improved GP-secondary care provider communication, possibly due to better patient tracking necessitated by fund holding contracts. In view point of Propper C, (2006) while evaluating the quality of healthcare services so received by the patients of fund holders and non-fund holders it was found that the fund holders were recorded more as they were self-selected. Sussex J, Farrar S. (2009) has given the study by comparing the referral rates of the fund holders and non-fund holders prior to and subsequent to the introduction of the competition policy. Goldacre MJ, Lambert TW, Parkhouse J. (1998) provided that in spite of the government maintaining and playing the regulatory role in the health care services of the NHS there are various market forces that may have had the intended impact of lowering the prices.

Rosen R, Mays N.(1998) concluded that the estimated effect of fund holding status was to significantly reduce waiting times for fund holder-contracted elective admissions in the study as compared with patients of non-fund holders. A study given by Talbot Smith A, Pollock (2006) with regard to the comparing of waiting times for elective care patients supported this estimation with significantly lower waiting times for fund holding patients compared to non-fund holding patients. There found the minute proper evidence of understanding the impact of market reforms on equity in the patient care. Propper C, Wilson DB, Simon. (2006) provided that the implied fund holding had potentially contributed to increased inequity in primary care.

Glennerster H. (1998) found that fund holding allowed GPs to choose the subsets of the populations they deemed to most need special services. Additionally, hospitals had been seen to select fund holders’ patients from waiting lists before those of non-fund holders.

RESEARCH METHODOLOGY

The concerned chapter of the research study will be based on the methods so undertaken to carry out the further study and the data collection sources as relevant for conducting the research. The main sources of data collection will be used for the purpose of data collection they are primary and secondary sources. The primary sources may include such as questionnaire, interviews, sample survey etc and on the other hand the secondary sources are already available to the researcher such as journals, newspapers, government reports, websites etc. the core behind carrying out the research study is to analyze and evaluate the impact of competition on the national health services with regard to the Newcastle Upon Tyne Hospitals NHS Foundation Trust. However in order to carry out the study the data so required will basically include the primary data. The following chapter of research methodology discusses the tools and techniques for the purpose of collecting data which will be required for the analysis of the data so as to derive on the desired outcome. The appropriate data
collection and its analysis will assist the researcher to carry out the study in an effective manner so as to get the suitable and reliable results.

The research study is based on understanding the impact of competition on the national health services with regard to the Newcastle Upon Tyne Hospitals NHS Foundation Trust. So it is duly required for the researcher to have the relevant and satisfactory data to arrive at the potential results. The section of research methodology is very important and is the base for the whole research study. It provides the essential support for conducting the research study.

**Qualitative research:** It includes in depth interviews and survey for the purpose of data collection. It is the most important research approach in order to gather the data to arrive at the desired results. It is the type of the research which includes all those methods that do not contain the quantitative analysis. In the concerned research the qualitative method include the in depth interviews and questionnaire.

**Quantitative research:** In the concerned research study is the combination of both theses techniques that is qualitative and quantitative research approaches as the combination involves through qualitative approach includes the personal views and the ideas regarding the research study that has been gathered via interviews and questionnaire which can be thus put into the various quantitative tools and techniques for the analysis purpose.

**Methods of data collection:** It is the data which is required to conduct the research study and which will be analyze so as to reveal the desired and reliable results.

**Primary data collection methods:** The primary data collection methods are the vital tool for conducting the research study. The following concerned research study will be based on the two essential data collection sources which will be interviews and the questionnaires filling for collecting the primary data for the study. The primary data for the following research study will mainly include the questionnaire which will be filled duly from the sample population representing the entire population who will be affected from the study. The primary data collection methods involve in depth analysis and consideration for framing the required questions to be put in the questionnaire or to be asked while conducting the interviews.

**Secondary data collection methods:** In order to conduct the efficient and effective research study the secondary data is also very importantly required along with the primary data. The secondary data are available to the researcher widely through internet websites, government reports, journals, newspapers etc. however from among the following data collection sources via secondary methods the internet itself is the huge source. Also it includes the data from the related research studies which has been conducted by the other researchers which is also known as review of the literature.

For the purpose to collect the data with regard to understanding the impact of the competition on national health services in Newcastle Upon Tyne Hospitals NHS Foundation Trust. Therefore it is required to conduct the interviews and questionnaire. Thus questionnaire will include the questions according to the research study and also the structured interviews will be conducted thus the responses so received will be taken as the data and so it will be analyzed further in the data analysis phase.(Miraldo M, 2008)

**Sample size**

80 respondents will be taken as sample representing the entire population. These will be from the Senior Management, general staff, and patients of the Newcastle hospital.

**Sampling Type**

For the research study, the researcher will employ probable sampling. And the judgmental sampling will not be used in the concerned research study because the concerned issue is broad in scope.
FINDINGS AND THE ANALYSIS

In order to bring the study at the significant end the various questions were framed with regard to better understand the impact of the competition on the NHS with regard to one of its major unit that is the Newcastle Upon Tyne Hospitals NHS Foundation Trust. For the purpose of gathering the views on the subject matter the questionnaire was formulated and the study was performed by the potential respondents so received from this selected sample under study. The analysis of the questionnaire is being presented:

Level of competition:

The business environment is now days becoming highly competitive. So it is very important to have the clear understanding of the impact on the working of the organization. As the competition is the inseparable element of the business and measures are being taken accordingly.

Q. What is the level of the competition being prevailing in the hospital?

1. Minor 10%  2. Significant 75%  3. Insignificant 10%  4. Can’t say 5%

Reduction in costs: In order to face the competition effectively the organization often tries to cut down the cost in rendering the services at the considerable reduced costs. Since to remain effective for the long run and attract more of the people to receive the services it is required the provision of services at the competitive costs.

Q. Is the prevailing competition level has led the hospital to cut down its costs in the provision of services?

1. Yes 80%  2. No 15%  3. Can’t say 5%

Quality of services: In order to face the competition effectively it is required for the organization to render the quality services and in the healthcare sector the quality cannot be compensated with delivering the healthcare services. The success of the health care unit more or less is often determined by the quality provision of the health care services to the patients being visiting in the hospital. The competition can be effectively faced by the provision of the quality services.

Q. Is competition has led to the increase in the provision of the quality services?

1. Yes 85%  2. No 10%  3. Can’t say 5%
Management of the facilities: Competition often makes the organization to focus more on the effective management of the various facilities of the health care service provider. It is very important for the hospital to have the effective organization and management of the facilities being used in providing the treatment to the patients so suffering and visiting the hospital. Thus competition can be effectively be faced and overcome through the timely availability and the effective management of the various facilities in the hospital.

Q. Is the competition has led to the effective management of the various facilities in the hospital?
1. Efficient 75% 
2. Inefficient 5% 
3. No change 20%

Reduction in transaction costs: In order to face the prevalent competition in the health care services it is important to render the cost effective services. There are number of transactions being taken place in the hospital and its activities and all these transactions incurred some costs. Therefore in order to become cost effective and competent enough to render the services at the reduced transaction costs. This will ultimately reduce the over costs so incurred on the health care services provision.

Q. Is competition has led to the reduction in the transaction costs in the hospital?
1. Yes 85% 
2. No 15%

Increased stress level: It is often seen that in order to face the competition there is increased level of the stress on the management and the staff people working in the hospital. The provision of the effective and quality health care services to the people visiting the hospital often increase the level of stress. Aldo the timely delivery of health care services is also require rendering the effective treatment to the patients. All these pressures lead to the stress level among the management and staff people.
Q. Is there increased level of stress on rendering services due to competition?
1. Satisfied 70%  2. Somewhat satisfied 10%  3. Not satisfied 20%

Innovation: In the health care segment there is immense potential for the innovation however it can be in the provision services or the new treatment or equipments in providing treatment to the patients and so on. There is continuous innovation in the concerned field of medicine and health care. Also it is very important that in order to effectively face the completion it is important to have considerable focus on the innovation and increase the core competency over the others in the market.

Q. Is competition has encouraged more of the innovation activities?
1. Yes 80%  2. No 15%  3. Can’t say 5%

Increased in cost due to innovation: The R&D and innovation activities involve the considerable and huge cost. In the health care segment the R&D and innovation is continuously require to provide more of the effective treatment to the patients visiting the hospital and suffering from severe diseases. However with regard to the incorporation of the innovation and the research and development activities the management has to keep considerable cost which can be incurred on incorporating such activities.

Q. Is innovation has led to considerable increase in cost of the provision of treatment?
1. Yes 85%  2. No 15%

Conclusion: The data so collected through the survey so undertaken form the respondents has been analyzed and has put into the various charts to determine easily the responses and so make the understanding more easy and clear on the issue this feeding the data into the charts will make the
researcher to make the conclusions and recommendations easy. The following chapter is of discussions of the results which will incorporate the discussions on the outcomes so revealed from the data so collected.

DISCUSSIONS OF RESULTS

The potential data in the form of responses will be interpreted on the various points as discussed in the earlier chapter. With regard to the level of competition when the respondents were asked regarding the level of competition that is being affecting the working of the hospital. The responses so received showed that the majority of the respondents that is about 75% responded that the competition has significantly affected the working and the operations of the hospital where as there were very few 10% and 10% of the respondents responded that there is minor and insignificance of the competition prevailing in the market on the hospital where as the 5% respondents has answered can’t say. Also it was found from the responses so received it was found that due the emergence of the competition in the healthcare services there was considerable amount of reduction in costs was found in rendering the health care services to the people visiting the hospital. About 80% of the respondents agreed on the fact the hospital have reduced significant cost on its services. Though interpreting the results it is found that the hospital has focused more on the rendering of the quality of health care services. The majority of the respondents revealed that there was more focus given on the rendering of the provision of the effective services about 85% of the total respondents responded that there was more provision of the quality services to the people visiting the hospital. On the other hand there were about 10% responded that there were no change in the quality level and 5% has not to say anything on the concerned subject. By analyzing the data majority of the respondents about 75% of the total respondents revealed that due to the prevailing competition the hospital have increased on the efficiency on the management of the facilities. This increased focus on the management of the facilities will be helpful in facing the competition being prevalent in the health care services. On the other side of the responses about 20% of the respondents revealed that they have not notices any change in the management of the facilities in the hospital. And about 5% of the respondents revealed that there should more of the concentration should be given on the management of the hospital facilities. With regard to the transaction costs the data so received found that the majority of the respondents revealed that due to the competition in the health care services the hospital has focused considerably reduction in the transaction costs in order to make the unit more competent enough to face the competition with other units of the health care services. About 85% of the respondents revealed that there have been the efficiency in carrying out the various transaction of the hospital. Also there were about 15% of the respondents who responded that there was seen no reduction in costs with regard to the carrying out the transaction in the hospital. Concerning to the facing the extent of prevailing competition in the market the management often faces the problem of stress in rendering the quality health care services. When the respondents were asked regarding the stress level due to the competition. Majority of the respondents that is about 70% were contended on the fact that due to the increased competition there is significant level of rise in the stress level among the management and the staff people. And about 10% of them were some what satisfied and revealed that there is increase in the stress level but it is not so much where as on the other side 20% of the total respondents were not satisfied with the statement with regard to the increase in the stress level.

Also innovation is the core of the field of the health and medicine. With regard to the facing of the competition the respondents were asked regarding the increased innovation in the treatment and provision of the services. The results so obtained found that there were majority of the respondents about 80% of them agreed on the fact that there is increased focus on incorporating the innovation. Where as some respondents about 15% responded that the hospital was continuously involved in the innovation activities but it is not due to the competition. Where as there were some of the respondents of the total that is about 5% has not given any views on it. Thus it is obvious that the R&D and the innovation of the facilities and the treatment to cure the disease involve huge amount of costs. With regard to facing the competition the hospital has focused considerably on the innovation activities but due to incorporation of such activities the ultimate cost on providing the treatment has also resulted to
increase. Thus the cost so incurred on the innovation and the R&D activities has led to the increase in the over all cost of the provision of the quality services to the patients. Due to increase in the innovation costs the treatment cost for the patients has also increased. As the ultimate effect of the cost so incurred on the innovation and research and developmental activities it would increase the cost of the treatment for the patients. When the respondents were asked with regard to the increase in cost of the treatment to their patients the majority of the respondents about 85% responded that they felt the considerable increase in the cost of treatment due to the innovation and where as about 15% respondents responded that they have not feel any increase in the cost on the treatment. However while analyzing the various aspects of the competition and its impact on the Newcastle hospital it was found that there is immense pressure of competition in the healthcare industry in UK. As with facing the competition the organizational culture provides the great assistance with regard to overcome such conditions. Culture is the dominant factor that encourages the personnel working in the organization to work more enthusiastically. It is the culture and its values that are playing the major role in provision of the services on the timely and with effective quality basis. In the health care services the culture of the hospitals does play a very critical role in the provision of the treatment and also leads to potential impact on the patients so receiving the treatment. If the prevalent culture of the hospital is very effective and positive it will lead to potential impact on the patients so receiving the treatment there. With the growth of the competition in the health care services the environment has become more stressful but however it has managed its prevalent culture and is successfully delivering the services through the efficient management of the culture. However the Newcastle upon Tyne Hospitals NHS Foundation Trust has been facing the intense competition in the healthcare segment which has led to the various measures for the hospital to incorporate for rendering the enhanced effectiveness and the better quality services to the services users. The prevailing market conditions have led to the considerable increase of stress level among the service providers of the Newcastle hospital for the rendering the quality and the timely services to the patients visiting the hospital.

Also with regard to the studies on the NHS it was found that due to various changes being incorporated in the hospital patients were very loyal to the hospital and believed that it was part of their community. Satisfaction levels did not fall even when reported during a period of ant infestation. In the review there noticed the slight cultural shift to a more business-like ethos within the trust, they found that an externally focused, pro-market approach had not taken root within the organization, despite considerable potential for a healthcare market to develop in the trust’s area—the edge of a large city. Managers were vague about what exactly patients wanted, and a view prevailed that GPs (not patients) were the real ‘customers’ of the hospital. Staff sensed that a new management culture was being ushered in, characterized by a need for managers to show they were prepared to close down services and make staff redundant. Managers agreed they felt they were expected to take on this attitude. The authors also noted a shift to a more risk-averse culture focused on short-term gains. Also in order to face the competition various hospitals have worked very hard and taken various major and strategic decisions to face the competition pressures according to the NHS reforms. The review of the studies provided that the emergence of the competition has led various benefits in the healthcare services such as provision of quality services, reduced costs, effective transaction etc. some studies provided that due to the increase in competition the hospital has enhanced the provision of the quality services which ultimately led to the reduction in the mortality rates and more effective timely treatment to the patients of the hospital. After the considerable analysis of both the secondary data from the literature and the primary data so collected through the sample survey, it was found that the new castle hospital of NHS foundation trust has been considerably facing the competition in the health care market from the other services providers in UK.

**Conclusion:** With the significant analysis of the both primary and the secondary data it is found that there is significant level of impact of the competition on the National Health care Service unit that is the new castle hospital. The findings of the analysis so interpreted that there is given due focus on the facing of the competition prevailing in the environment. In order to face the competition and enhance the competitive advantage over the other providers of the health care services the new castle hospital
has focused on the number of parameters which can be effectively put into practice in order to face the competition and its effects such provision of quality services, reduction in costs of the treatment, increased efficiency in management, increased R&D activities but however in facing such competition it is also found that there is considerable increase in the stress among the hospital personnel and also the increased innovation activities has led to the increased in the over all costs so incurred on providing treatment. But being the very sensitive segment of the economy health care providers should give the due concern on the competition factor which is prevalent in the UK. (Lewis R, Gillam S.2003) After the considerable analysis of the data the following chapter will provide some recommendations on the concerned issue which has been undertaken in the study. These suggestions and recommendations will be directed towards the management people and the various parties being affected from the study.

CONCLUSION AND RECOMMENDATIONS

The today’s business environment is very competitive and challenging. Even the health care sector is not been spared from the competition. The health care sector is very sensitive and requires the very important notice towards the prevailing issue. However for the long term success and in building the goodwill in the market and the people visiting in the hospital it is very important to face the competition successfully. In spite of the availability of the lack of the related issues with regard to the NHS and the impact of the competition on it various researchers has come at the following conclusion. However the present findings from the review of the literature has brought at the outcomes that the competition has led to the increased speed and convenience in providing the treatment, reduced cost of transaction with increased efficiency in the provision of services in the New castle hospital which is the trust founded by the NHS. Various recent indicators which are very difficult to measure such as the changes made in the management structure of the NHS and the funding of it in determining the market policies as very questionable. With the analysis of the literature with regard to facing the competition and there by facing it resulted in the reduced waiting lists of the patients visiting the hospital, increase in the quality staff personnel is the potential outcome of the increased level of the competition in health service segment.

The impact of the competition has significantly affected the culture of the NHS. This requires the effective implementation of effective and personalized care plans and also the personal health budgets for the suffering for the considerable long time. The introduction of the competition has brought a system wide knowledge of the costs, efficiencies and the accountability. Also there has seen the large scale reduction in costs so associated with the rendering of the services and incorporating innovation.

By understanding the prevailing pattern and the government policies and the competition level has shown that the following obstacles will also be present in the coming years if the suitable and the effective policies would not be adopted by the hospital management. By looking and analyzing the prevailing competition scenario it is required for the management of the New castle hospital one of the subsidiary of the NHS to concentrate on the effective and efficient development of the skills, efficiency in the services and provide services at the considerable at reduced costs. The one significant question that arises due to the prevailing conditions is it required that the hospitals require competing in order to attract business through rendering efficient services. And if so require is the effective system performance in the hospital. The competent market has led to improved services given to the patients. However it is found from the evidence that the NHS is standing in the falling situation due to the increased costs in facing the competition without yielding the additional returns to the hospital. However there were many studies which demonstrated that the stress should not be given on the competition but should more of the stress would be given on the provision of the timely and effective services to the people visiting the hospital. The Newcastle hospital is however is being ranked as one of the top providers among the number of providers in the healthcare services in UK.. also the increase in costs so incurred on incorporating the innovation and technology of the healthcare services along with the reduced incentives which has been resulted due to the prevailing competition. Thus the study has revealed that there is significant level of impact on the working and the operations of the services
being rendered by the hospitals. After conducting the over all research study the question so arise that is there any need to compete in the health care service sector in order to increase the business. The answer if it is yes than more of the concentration should be given on the effective rendering of system. The market should be systematically structured and there should be more improvement in the provision of the services and so do not require any setting up of the reforms to face the competition. Also in the review of the studies it is provided by the department of health that there should be less stressed which should be given on the competition and but should consider on the partnership in the NHS. The more of the stress should be given on the partnership and the effective planning but should not focus on the competition. (Lewis R, Gillam S.2003)

REFERENCES

SOCIO - ECONOMIC STATUS OF CASHEW NUT WORKERS: A STUDY ON INFORMAL SECTOR

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ABSTRACT
A major part of population in India and other developing countries work in informal sector. Informal sector has become an increasingly popular subject of study, not just in economics, but also in sociology and anthropology. Keith Hart was the first person to introduce the term Informal Sector. He distinguished formal and informal income opportunities on the basis of whether the activity entailed wage or self-employment. Therefore, the concept of informal sector used by Hart was limited to small self-employed individual workers. Although Hart’s concept of informal sector had some limitations, the introduction of this concept made it possible to incorporate activities that were previously ignored in theoretical models of development and in national economic accounts. The term ‘informal sector’ came in a broader sense in the academic literature only after the visit of an International Labour Organisation employment mission to Kenya in 1972. The National Sample Survey Organisation, which has been conducting surveys of unorganised enterprises at periodical intervals, generally adopted the following criteria for the identification of unorganised sector: In the case of manufacturing industries, the enterprises not covered under the Annual Survey of Industries are taken to constitute the unorganised sector. And in the case of service industries, all enterprises, except those run by the Government and in the corporate sector were regarded as unorganised. The cashew is one such crop which is seasonal. Seasonal employment is not confined to India and the phenomenon is found in the entire world. Further, labour flexibility is an important factor in seasonal industries. The human resources management practices applicable to seasonal employment are typically different in comparison to the regular employment.

Keywords: Informal Sector; Individual Workers; Amalgam; Seasonal Employment

INTRODUCTION
A major part of population in India and other developing countries work in informal sector. Informal sector has become an increasingly popular subject of study, not just in economics, but also in sociology and anthropology. Keith Hart was the first person to introduce the term Informal Sector. He distinguished formal and informal (both legitimate and illegitimate) income opportunities on the basis of whether the activity entailed wage or self-employment. Therefore, the concept of informal sector used by Hart was limited to small self-employed individual workers. Although Hart’s concept of informal sector had some limitations, the introduction of this concept made it possible to incorporate activities that were previously ignored in theoretical models of development and in national economic accounts. The term ‘informal sector’ came in a broader sense in the academic literature only after the visit of an International Labour Organisation (ILO) employment mission to Kenya in 1972. The ILO then evolved a conceptual framework and guidelines for the collection of statistics on informal sector and presented the same in the Fifteenth International Conference of Labour Statisticians (ICLS) held in February, 1993 in the form of a resolution. The resolution was then endorsed by the United Nations Statistical Commission (UNSC) and made a part of the System of National Account (SNA), 1993 by...
the United Nations Economic and Social Council. It distinguished various definitions by using three main criteria and various sub-criteria. It adopted the main criteria to describe ‘the institutional patterns with which the society shapes the informal sector. They are political, economic and social. The more specified sub-criteria, which are used to define the amalgam of the informal sector activities, vary across the main criteria. The main sub-criteria used regarding the political aspect of the informal sector are: Government regulation, Illegal activities, and National statistics (GNP).

The idea behind this classification is that it captures the influence of the informal Sector involving lack of government regulation, illegal activities and as a consequence Substantial errors in measuring the national product (GNP) in politics and vice-versa. The majority of researchers selected have used the first criteria to define the informal Sector, in the ‘national statistics’ aspect. Even though the introduction of a political aspect in the study of the informal sector was an achievement, the basic criterion - which has also received most attention - is the economic one. The sub-criteria used in this category are numerous. The First Indian National Commission on Labour defined the Informal “sector work force” as “those workers who have not been able to organize themselves in pursuit of their common interest due to certain constraints like casual nature of employment, ignorance and illiteracy, small and scattered size of establishments”. “Unorganized sector” consists of all unincorporated private enterprises owned by individuals or households engaged in the production or sale of goods and services and operated on a proprietary or a partnership basis and employing less than 10 persons.

The National Sample Survey Organisation (NSSO), which has been conducting surveys of unorganised enterprises at periodical intervals, generally adopted the following criteria for the identification of unorganised sector:

i. In the case of manufacturing industries, the enterprises not covered under the Annual Survey of Industries (ASI) are taken to constitute the unorganised sector.

ii. In the case of service industries, all enterprises, except those run by the Government (Central, State and Local Body) and in the corporate sector were regarded as unorganised.

REVIEW OF LITERATURE

Keith Hart (1971) the terms, informal, income-generating activities, Informal sector, self-employed individuals, urban proletariat and sub-proletariat in his paper while reviewing literature on urban unemployment and introducing the concept of the ‘unremunerated sector’, a close intellectual cousin of the ‘informal sector’. He attempted to provide an analytical base to the highly descriptive nature of the distinction between the formal and the informal sectors.

The National Commission on Labour, (1979) A series of studies aimed at the collection of data on employment, wages, working and living conditions of manual employees at different places of the country were also proposed by the Labour Bureau. They included studies on Jari industry at Surat, Matches and Fire Works industry in and around Sivakasi, Metal ware industry in Moradabad, Agarbatti industry in Karnataka, and Graphics industry in Andhra Pradesh.

The World Bank (2013), views that the unorganized sector is extremely persistent India’s economy has undergone amazing changes during the past 20 years, but the share of the unorganized sector has remained stubbornly persistent. The employment share in the unorganized sector for manufacturing in 2005 is almost exactly the same as it was in 1989 at 81%. While the organized sector has grown over the past three decades, the unorganized sector has kept pace.

Cashew Nut Industry Profile

The cashew tree, native to Brazil, was introduced to Mozambique and then India in the sixteenth century by the Portuguese, as a means of controlling coastal erosion. It was spread within these countries with the aid of elephants that ate the bright cashew fruit along with the attached nut. The nut
was too hard to digest and was later expelled with the droppings. It was not until the nineteenth century that plantations were developed and the tree then spread to a number of other countries in Africa, Asia and Latin America. Cashew processing, using manual techniques, was started in India in the first half of the twentieth century. It was exported from there to the wealthy western markets, particularly the United States. In the 1960s, some of the producing countries in East Africa began to process nuts domestically rather than sending them to India for processing. This allowed them to benefit from the sale of both processed nuts and the extracted cashew nut shell liquid.

The study has been carried out in the processing units in the Palasa-Kasibugga zone, Srikakulam district. The various components like establishment of the units form of ownership, small scale cashew nut processing units. Technology for the processing cashew and byproducts are the major components. During the last two decades, the scenario in Palasa-Kasibugga cashew zone Srikakulam district has significantly changed and it is having a major bearing on the existing farming systems. There are also new farming systems, innovations being integrated by the innovative farmers in their overall farming systems. It is well known that farmers not only have technological needs but other needs also namely inputs, credits, social marketing, facilitation for group activities, conflict resolution, community organization, etc. The public sector alone is not able to meet all these needs in an effective manner.

NEED FOR THE STUDY

The employment pattern based on duration may be categorized into regular, seasonal, part-time, temporary etc. In India there are basically four season’s summer, rainy, autumn and spring. In agriculture, different crops depend on climatic conditions and hence are depended on seasons. Seasonal industry may be defined as those which depend on the climatic conditions and seasons. Further, employment in such industry are called seasonal employment. The seasonal employment is directly related to season and climatic variations. The cashew is one such crop which is seasonal. Seasonal employment is not confined to India and the phenomenon is found in the entire world. Further, labour flexibility is an important factor in seasonal industries. The human resources management practices applicable to seasonal employment are typically different in comparison to the regular employment. The characteristics of seasonal employment are similar to unorganized or informal sector. The working conditions, conditions of service, welfare and social security characteristics in unorganized sector are highly rated research areas. Many studies do exist in the area of unorganized sector but only few researchers concentrated on seasonal employment. In Andhra Pradesh cashew nut processing industry is concentrated in Narsipatnam Zone and Palasa-kasibugga Zone. The Palasa-kasibugga zone is one of the biggest cashew nut processing zones in India and it is next to Kerala. The cashew nut is a major foreign exchange earner for India. The seasonal migratory agricultural labour-force assumes significance in cashew nut processing in cashew factories in Palasa zone of Srikakulam district in Andhra Pradesh. The season starts from March and extends upto October/November every year. Most of these laborers are basically peasants (marginal Farmers) and landless laborers belonging to drought prone belt of the state, especially Berhampur, Rayagada districts in Odissa and some of them come from Raipur and Khorba districts from Chhattisgarh. In that backdrop a need is felt to undertake a comprehensive study on working conditions, conditions of service, wages and social security. The current research is inadequate or incomplete to have an understanding of the labour-management practices, therefore the present study is proposed and taken up in the Palasa zone of Srikakulam District. The study is broad based and covers employee’s factory wise.

OBJECTIVES OF THE STUDY

The study was undertaken with the following objectives.

- To understand the nature and characteristics of informal employment in cashew nut industry in the study area.
- To profile the socio-economic conditions of the informal workers in the cashew nut industry.
METHODOLOGY

The methodology is an important part which describes the approach and tools adopted by the researcher to accomplish the stated objectives. The methodology consists of 1.Research Design 2.Sampling Design 3.Data Sources 4.Statistical Design 5.Data Analysis Design and 6.Limitation.

Research Design

The study is categorized as social survey research; the research design differs in accordance with the nature of the study. Since the study is being conducted in the informal seasonal cashew industry the above approach is chosen.

Sampling Design

The sampling design for the study spells out the study area and method of selection of the sample from the universe.

Study Area

The study area chosen for the study is Palasa – Kasibugga Zone in Srikakulam District of Andhra Pradesh. The study area is confined to the Palasa – Kasibugga zone of Srikakulam district of Andhra Pradesh. The zone has eighteen villages and the aggregate crop area is 10,000 hectares. There are one eighty three factories in the study area of which eighty one are registered and one hundred and two are unregistered.

Sample Size

Through convenience sampling 30 registered and 30 unregistered factories are selected for the study. The sample size of 300 was drawn from thirty registered factories and thirty unregistered factories. Further, from each factory a sample of 5 is chosen by applying convenience sampling technique.

Data Sources

The study is based on both primary and secondary data information.

Statistical Design

The data analysis was done with the help of statistical package (SPSS) 17.0 versions. The data was classified using frequency classification and percentage. The percentage method was applied item wise. Further, Analysis of Variance (ANOVA) was applied along with t-test to the nine dimensions to understand the relationship between the dimensions. Percentage, ANOVA, t –test.

DATA ANALYSIS AND INTERPRETATION

The data analysis was done in the following manner. Initially the item validity is tested by applying. Next, coming to the data part first, the item wise response was analyzed using the percentage method. Later, ANOVA was applied to test the variance between the dimensions. Further the t-test was used to understand the significant relationship between the dimensions.

A. Demographic Profile of Sample Respondents

This demographic profile covers various facets of respondents’ personality, household income, marital status, family background, length of service etc. This analysis is essential as these aspects have a direct or indirect impact to a considerable extent on the individual job performance, work culture, standard of living, job satisfaction, formal and informal relations with peers and others.

**Table 1. Gender-wise distribution of sample respondents**

<table>
<thead>
<tr>
<th>Factor</th>
<th>Number of respondents</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Female</td>
<td>177</td>
<td>59.0</td>
</tr>
<tr>
<td>Male</td>
<td>123</td>
<td>41.0</td>
</tr>
<tr>
<td>Total</td>
<td>300</td>
<td>100.0</td>
</tr>
</tbody>
</table>
The Table 1 indicates that Gender-wise distribution of sample respondents. Out of the total sample respondents from Palasa- Kasibugga cashew zone, Fifty nine percent are female and the remaining Forty one percent are male.

**Table 2. Age-wise distribution of sample respondents**

<table>
<thead>
<tr>
<th>Age</th>
<th>Number of respondents</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>18-30 years</td>
<td>132</td>
<td>44.0</td>
</tr>
<tr>
<td>31-40 years</td>
<td>106</td>
<td>35.3</td>
</tr>
<tr>
<td>Above 41 years+</td>
<td>62</td>
<td>20.7</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>300</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

The Table 2 indicates that age-wise distribution of sample respondents. Out of the total sample respondents, a highest of Forty four percent of workers are in between eighteen to thirty years age group, thirty five percent are in between Thirty one to forty years, nearly twenty one percent are above forty years. Hence, the above analysis shows that more than forty four percent of workers are in between eighteen to thirty years age group.

**Table 3. Literacy-wise distribution of sample respondents**

<table>
<thead>
<tr>
<th>Factor</th>
<th>Number of respondents</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Literate</td>
<td>161</td>
<td>53.7</td>
</tr>
<tr>
<td>Illiterate</td>
<td>139</td>
<td>46.3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>300</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

The Table 3 As per the academic qualifications of the sample respondents, it is considered imperative to carry out the opinions in this regard. The Table 4a.3 shows that Literacy -wise distribution of sample respondents. Among the total sample respondents, fifty four percent of employees are literates, forty six percents are Illiterates. The above table indicates that more than fifty four percent of employees are literates, and where as forty seven percent are illiterates.

**Table 4. Skill-wise distribution of sample respondents**

<table>
<thead>
<tr>
<th>Factor</th>
<th>Number of respondents</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unskilled</td>
<td>169</td>
<td>56.3</td>
</tr>
<tr>
<td>semiskilled</td>
<td>43</td>
<td>14.3</td>
</tr>
<tr>
<td>Skilled</td>
<td>88</td>
<td>29.3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>300</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

The Table 4 shows Skill-wise distribution of sample respondents. It is clear from the table, among all the total respondents, Fifty six percent of respondents are unskilled, followed by skilled (Twenty nine percent), and the remaining Fourteen percent of respondents are semiskilled. Hence, the above data reveals majority or most of employees are unskilled in that Palasa-Kasibugga cashew zone.

**Table 5. Experience-wise distribution of sample respondents**

<table>
<thead>
<tr>
<th>Experience</th>
<th>Number of respondents</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Below 3 years</td>
<td>142</td>
<td>47.3</td>
</tr>
<tr>
<td>3-5 years</td>
<td>87</td>
<td>29.0</td>
</tr>
<tr>
<td>Above 5 years</td>
<td>71</td>
<td>23.7</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>300</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

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The Table 5 indicates that experience-wise distribution of sample respondents. From the table it is clear that forty seven percent respondents are having less than three years experience, Twenty nine percent are having Three to Five years and twenty four percent of respondents are having above five years experience. Therefore, the above analysis shows that most of the respondents are having below three years of experience.

**Table 6. Marital status of sample respondents**

<table>
<thead>
<tr>
<th>Marital status</th>
<th>Number of respondents</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unmarried</td>
<td>104</td>
<td>34.7</td>
</tr>
<tr>
<td>Married</td>
<td>145</td>
<td>48.3</td>
</tr>
<tr>
<td>Separated</td>
<td>51</td>
<td>17.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>300</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

The Table 6 indicates that marital status-wise distribution of sample respondents. From the table it is clear that forty eight percent respondents are married, thirty five percent are unmarried and seventeen percent of respondents are separated from family. Therefore, the above analysis shows that most of the respondents are married.

**Table 7. Family Size of sample respondents**

<table>
<thead>
<tr>
<th>Family Size</th>
<th>Number of respondents</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>2-4 no’s</td>
<td>62</td>
<td>20.7</td>
</tr>
<tr>
<td>5-7 no’s</td>
<td>184</td>
<td>61.3</td>
</tr>
<tr>
<td>More than 7 no’s</td>
<td>54</td>
<td>18.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>300</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

The Table 7 indicates that Family Size-wise distribution of sample respondents. From the table it is clear that sixty one percent respondents are having five to seven members in the family, twenty one percent two to four members and eighteen percent of respondents are having above seven members in the family. Therefore, the above analysis shows that most of the respondents are having five to seven members in the family.

**Table 8. Family System of sample respondents**

<table>
<thead>
<tr>
<th>Family System</th>
<th>Number of respondents</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Joint family</td>
<td>212</td>
<td>70.7</td>
</tr>
<tr>
<td>Nuclear family</td>
<td>88</td>
<td>29.3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>300</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

As per the family system of the sample respondents, it is considered imperative to carry out the opinions in this regard. The Table 8 shows that family system -wide distribution of sample respondents. Among the total sample respondents, nearly seventy one percent of respondents are under joint family system, twenty nine percent are under nuclear family system. Therefore, the above table indicates that more than seventy percent of respondents are under joint family system.

**B. Analysis of Socio economic conditions of informal cashew nut workers**

**Table 9. Type of House residing of sample respondents**

<table>
<thead>
<tr>
<th>S. No</th>
<th>Type of House</th>
<th>Yes</th>
<th>No</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Own house</td>
<td>113 (37.7)</td>
<td>187 (62.3)</td>
<td>300(100)</td>
</tr>
<tr>
<td>2.</td>
<td>Rental house</td>
<td>185(61.7)</td>
<td>115(38.3)</td>
<td>300(100)</td>
</tr>
<tr>
<td>3.</td>
<td>Pukka house</td>
<td>168(56.0)</td>
<td>132(44.0)</td>
<td>300(100)</td>
</tr>
<tr>
<td>4.</td>
<td>Thatched house</td>
<td>130(43.3)</td>
<td>170(56.7)</td>
<td>300(100)</td>
</tr>
</tbody>
</table>

Note: * Parenthesis indicates percentages
The Table 9 indicates the Type of House the employees are residing. From the table it is clear that sixty two percent respondents are residing in rental houses, whereas thirty eight percent are having own houses and fifty six percent of respondents are residing in pukka houses and forty three, more than forty three respondents are residing thatched houses. Therefore, the above analysis shows that most of the respondents are residing in pukka and rental houses.

### Table 10. House amenities of sample respondents

<table>
<thead>
<tr>
<th>S. No</th>
<th>House amenities</th>
<th>Yes</th>
<th>No</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Electricity</td>
<td>222(74.0)</td>
<td>78(26.0)</td>
<td>300(100)</td>
</tr>
<tr>
<td>2.</td>
<td>Water</td>
<td>185(61.7)</td>
<td>115(38.3)</td>
<td>300(100)</td>
</tr>
<tr>
<td>3.</td>
<td>Drainage</td>
<td>168(56.0)</td>
<td>132(44.0)</td>
<td>300(100)</td>
</tr>
<tr>
<td>4.</td>
<td>Toilets</td>
<td>130(43.3)</td>
<td>170(56.7)</td>
<td>300(100)</td>
</tr>
</tbody>
</table>

The Table 10 indicates that house amenities-wise distribution of sample respondents. From the table it is crystal clear that seventy four percent respondents are having Electricity facility, sixty one percent are having potable water facilities, fifty six percent of respondents are having drainage facilities to their houses and more than fifty six respondents are not having toilets in their houses. Therefore, the above analysis shows that most of the respondents are not having toilets in their houses.

### Table 11. Mode of cooking of sample respondents

<table>
<thead>
<tr>
<th>S. No</th>
<th>Mode of Cooking</th>
<th>Yes</th>
<th>No</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>LP Gas</td>
<td>90 (30.0)</td>
<td>210 (70.0)</td>
<td>300(100)</td>
</tr>
<tr>
<td>2.</td>
<td>Kerosene</td>
<td>23 (7.7)</td>
<td>277 (92.3)</td>
<td>300(100)</td>
</tr>
<tr>
<td>3.</td>
<td>Firewood</td>
<td>83 (27.7)</td>
<td>217 (72.3)</td>
<td>300(100)</td>
</tr>
<tr>
<td>4.</td>
<td>Cow dung</td>
<td>104 (34.6)</td>
<td>196 (65.3)</td>
<td>300(100)</td>
</tr>
</tbody>
</table>

The Table 11 indicates that mode of cooking by the sample respondents. The above table reveals that more than thirty four percent respondents are using dried cow dung for cooking, thirty percent respondents are using liquid petroleum gas, twenty seven percent of respondents are using country firewood and seven percent respondents are using Kerosene as fuel for cooking. Therefore, the above analysis shows that most of the respondents are using dried cow dung for cooking.

### Table 12. Use of Home Appliances by sample respondents

<table>
<thead>
<tr>
<th>S. No</th>
<th>Home Appliances</th>
<th>Yes</th>
<th>No</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Television</td>
<td>160(53.3)</td>
<td>140 (46.7)</td>
<td>300(100)</td>
</tr>
<tr>
<td>2.</td>
<td>CD Player</td>
<td>92(30.7)</td>
<td>208(69.3)</td>
<td>300(100)</td>
</tr>
<tr>
<td>3.</td>
<td>Mixie/Grinder</td>
<td>100(33.3)</td>
<td>200(66.7)</td>
<td>300(100)</td>
</tr>
<tr>
<td>4.</td>
<td>Refrigerator</td>
<td>41(13.7)</td>
<td>259(86.3)</td>
<td>300(100)</td>
</tr>
<tr>
<td>5.</td>
<td>Furniture</td>
<td>90(30.0)</td>
<td>210(70.0)</td>
<td>300(100)</td>
</tr>
</tbody>
</table>

Table 12 Use of Home Appliances by sample respondents. It is very intimidating to note through the above table that fifty three percent respondents are having television, thirty three percent having Mixie/Grinder, thirty percent of respondents are having CD player, thirty percent respondents are having furniture and thirteen percent respondents are having refrigerators in their houses. Therefore, the above analysis shows that all most all of the respondents are having one or the other electronic gadgets in their houses and many are having television sets.

### Table 13. Civil supply card by sample respondents

<table>
<thead>
<tr>
<th>S. No</th>
<th>Ration Card</th>
<th>Yes</th>
<th>No</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>White Card</td>
<td>246 (82.0)</td>
<td>54 (18.0)</td>
<td>300(100)</td>
</tr>
<tr>
<td>2.</td>
<td>Pink Card</td>
<td>54(18.0)</td>
<td>246(82.0)</td>
<td>300(100)</td>
</tr>
</tbody>
</table>

The Table 13 indicates that Type of Civil supply card possessed by sample respondents. From the table it is clear that eighty two percent respondents are having white card, and eighteen percent of the
respondents having pink card. Therefore, the above analysis shows that most of the respondents are having white card.

**Table 14.** Use of government and private hospital by sample respondents

<table>
<thead>
<tr>
<th>S. No</th>
<th>Hospital</th>
<th>Yes</th>
<th>No</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Govt Hospital</td>
<td>236 (78.7)</td>
<td>64 (21.3)</td>
<td>300(100)</td>
</tr>
<tr>
<td>2.</td>
<td>Private Hospital</td>
<td>64 (21.3)</td>
<td>236 (78.7)</td>
<td>300(100)</td>
</tr>
</tbody>
</table>

The Table 14 indicates that use of government and private Hospital by sample respondents. From the table it is clear that seventy eight percent respondents are using government hospitals, and twenty one percent of the respondents are using Private Hospital. Therefore, the above analysis shows that most of the respondents are using government hospitals.

**Table 15.** Owning House hold cattle by sample respondents

<table>
<thead>
<tr>
<th>S. No</th>
<th>House hold pets</th>
<th>Yes</th>
<th>No</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Cattle</td>
<td>226 (75.3)</td>
<td>74 (24.7)</td>
<td>300(100)</td>
</tr>
<tr>
<td>2.</td>
<td>Livestock</td>
<td>263 (87.7)</td>
<td>37 (12.3)</td>
<td>300(100)</td>
</tr>
</tbody>
</table>

The Table 15 indicates that owning house hold cattle by sample respondents. From the table it is clear that more than seventy five percent respondents are having cattle, and more than eighty seven percent of the respondents having livestock. Therefore, the above analysis shows that most of the respondents are having both cattle and livestock.

**Table 16.** Sources income generation by sample respondents

<table>
<thead>
<tr>
<th>S. No</th>
<th>Agriculture sources</th>
<th>Yes</th>
<th>No</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Own agriculture</td>
<td>47 (15.7)</td>
<td>253 (84.3)</td>
<td>300(100)</td>
</tr>
<tr>
<td>2.</td>
<td>Agriculture labour</td>
<td>121 (40.3)</td>
<td>179 (59.7)</td>
<td>300(100)</td>
</tr>
<tr>
<td>3.</td>
<td>Construction worker</td>
<td>83 (27.7)</td>
<td>217 (72.3)</td>
<td>300(100)</td>
</tr>
<tr>
<td>4.</td>
<td>Coconut labour</td>
<td>49 (16.3)</td>
<td>251 (83.7)</td>
<td>300(100)</td>
</tr>
</tbody>
</table>

The Table 16 indicates the Sources of income generation by sample respondents. The above table reveals that forty percent respondents are becoming agriculture labour after the season of cashew, twenty seven percent respondents are joining as construction labour, fifteen percent of respondents are having their own agriculture, and sixteen percent respondents are becoming coconut labour. Therefore, the above analysis shows that most of the respondents are looking for alternative employment after the season of cashew.

Table 17 shows ANOVA test for socio-economic conditions There is significant difference between the treatment means superscript alphabetical are indifferent.*1% level of significant (p < 0.01). There is highly significant difference between the socio-economic conditions variables. Superscript alphabetical indicates there is no significance difference between that treatments means otherwise there is significant difference between the treatment means superscript alphabetical are indifferent.Married, separated, unmarried *1% level of significant (p < 0.01). There is highly significant difference between the socio economic conditions variables.
Table 17. anova test for socio-economic conditions

<table>
<thead>
<tr>
<th>Socioeconomic Conditions</th>
<th>GROUPS</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Std. Error</th>
<th>f-value</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Female</td>
<td>177</td>
<td></td>
<td>73.41</td>
<td>9.595</td>
<td>0.721</td>
<td>156.468</td>
<td>0.000</td>
</tr>
<tr>
<td>Male</td>
<td>123</td>
<td></td>
<td>64.81</td>
<td>2.578</td>
<td>0.232</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Qualification</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Literate</td>
<td>139</td>
<td></td>
<td>75.96</td>
<td>9.309</td>
<td>.790</td>
<td>188.397</td>
<td>0.000</td>
</tr>
<tr>
<td>Illiterate</td>
<td>161</td>
<td></td>
<td>64.65</td>
<td>2.344</td>
<td>.185</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Family System</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Joint Family</td>
<td>212</td>
<td></td>
<td>71.58</td>
<td>9.739</td>
<td>.669</td>
<td>129.493</td>
<td>0.000</td>
</tr>
<tr>
<td>Nuclear</td>
<td>88</td>
<td></td>
<td>65.82</td>
<td>1.879</td>
<td>.200</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: Means for groups in homogeneous subsets are displayed, 1% level of significant (p < 0.01)

Table 18. test for socio-economic conditions

Table 18 shows T- test for socio-economic conditions It indicates also about employee’s in socio economic there is highly significance difference between gender mean female score 73.41 male score 64.81 and the respective standard deviations are 9.595,2.578 Therefore, the calculated f-value 156.468 found significant at 0.000 1% level. It indicates also about employee’s in socio economic there is highly significance difference between literate mean literate score 75.96 illiterate score 64.65 and the respective standard deviations are 9.309,2.344 Therefore, the calculated f-value 188.397 found significant at 0.000 1% level.

It indicates also about employee’s in socio economic there is highly significance difference between family mean joint family score 71.58 nuclear family score 65.82 and the respective standard deviations are 9.739,1.879 Therefore, the calculated f-value 129.493 found significant at 0.000 1% level.
CONCLUSION

The analysis reveals that the individuals of the age of 18 to 30 years of age group is working more in number in cashew nut industries. Most of them are women workers, majority of the workers are literates. The income of the cashew nut workers is low when compare to other processing industries. The study shows that after marriage also the women are working in cashew nut industry, this due to the burden in their family. The study indicates that there is no significant relationship between demographic factors and socio economic factors except for gender and marital status. In short, workers in cashew factory are satisfied with their job.

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AN IMPLEMENTATION OF CORE BANKING SOLUTION
WITH SPECIAL REFERENCE TO SBI, SHIVAMOGGA

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ABSTRACT
The Present research Paper Provides a Platform to understand, An effective implementation of Core banking solution with special reference SBI Shivamogga. There is a sea change in the Indian banking sector and financial system as a result of revolution in information technology. Core banking Solution empowers banks to transform their business, leveraging agile new generation technologies. Bank has become a modern driven system. core banking solution has a centralized branch computerization model where the branches are connected to a central host, which incorporated branch automation module and online multiples delivery channel like ATM, RTGS, NEFT, ABB, debit cards, tele banking, internet banking etc one roof. core banking solution are leaving an indelible mark as banks embark on a total overhaul of their legacy platform. Analysis made with the help of primary data collected from personal interviews from customer of the bank. The analysis and interpretation will be made by using suitable statistical tools and techniques in order to arrive a authenticate information about the core banking services.

Keywords: ATMs; Any time banking; Core banking; Datacenter

INTRODUCTION
Core Banking is normally defined as the business conducted by a banking institution with its retail and small business customers. Many banks treat the retail customers as their core banking customers, and have a separate line of business to manage small businesses. Larger businesses are managed via the Corporate Banking division of the institution. Core banking basically is depositing and lending of money. Normal core banking functions will include deposit accounts, loans, mortgages and payments. Banks make these services available across multiple channels like ATMs, Internet banking, and branches. Core Banking Solutions is new jargon frequently used in banking circles of India. The advancement in technology especially internet and information technology has lead to new way of doing business in banking.

Core banking is general term used to describe the services provided by a group of network bank branches, bank customers may occurs their funds and other simple transaction from any of the member. Thus Core Banking Solution is a stride-headed towards enhancing the customer services through Any-where and Any-time banking. Core Banking Solution (CBS) is one of the recent developments in the field of banking, and has proved to be very useful. It is a facility provided by banks in which a person, having an account in one branch, can operate his account, in another branch. This has become possible, because each account holder is given a specialized, computerized and unique account number. In simple terms, CBS is a type of banking, in which a person, who opens a bank account in a particular branch of a bank, will be a customer of the bank, rather than being a customer of a particular branch. Therefore, he can transact anywhere, at any time. The prime features
of the CBS are that it facilitates banking operations like ATM's, Electronic Fund Transfers, Tele-banking, and Internet Banking etc.

Core Banking Solution in India: A Paradigm Shift

Core banking is a general term used to describe the services provided by a group of networked branch branching. Bank customers may access their funds and other simple transactions from any of the member branch offices. The word Core refers to Centralized Online Real Time Exchange; this basically means that all the branch branches access applications from centralized database center. The institute of development and research in banking technology (IDRBT) was established in Hyderabad in 1999, by RBI for the purpose of setting up Indian financial network which is the backbone of E-banking. The connection between banks branches and the data center is established through Phone Line. This enables banks the customer to carry CBS enables banks to render better services to the customer and to can carry their banking transaction on the basis of Anywhere, Any time and Anyhow. It reduces the cost of transaction, improves efficiency and save times. CBS has net working of branches which enables customers to operate and manages their accounts and avails themselves of banking services from any branches of banks irrespective of the branch with which he maintains his accounts. In CBS all server (Firewall, Application server, Database server, ATM server, Web server, Antivirus server, Internet banking database server) are centrally located normally called on the Central Data Centre. The customer of a bank no more a customer of a single branch but he become a customer of bank.

All information’s of the computers can been seen in the Data Centre by network, we can he call that local area network. We can get the information of all branches from one data centre. Earlier before introduce CBS the banks was adopted Automatic ledger posting machine (ALPM), it means that they maintenance manually like maintaining Day book, Ledger account etc. At first time the Institute of development and research in banking technology (IDRBT) was introduced SBS at 1991 by RBI in Hyderabad (Data centre) but now the Data centre’s are in Metropolitan cites Mumbai, Chennai, Calcutta. Core banking is most advanced then Internet banking. In CBS banks are having unrealized database. There is only one server. It is called HUB. Easy accessibility of data can be possible because of centralized database. This helps management information system (MIS) to take quick and accounts decision. The advanced technology information supporting the CBS and high standard of business functionality provides financial institutions a competitive advantage. Core Banking Solution is a set of integrated core banking components as mentioned earlier which could be tailored to fit the institutions individual business requirements. Core Banking Solutions (CBS) or Centralized Banking Solutions is the process which is completed in a centralized environment i.e. under which the information relating to the customer’s account (i.e. financial dealings, profession, income, family members etc.) is stored in the Central Server of the bank (that is available to all the networked branches) instead of the branch server. Depending upon the size and needs of a bank, it could be for the all the operations or for limited operations. This task is carried through advanced software by making use of the services provided by specialized agencies. Due to its benefits, a no. of banks in India in recent years have taken steps to implement the Core Banking Solutions with a view to build relationship with the customer based on the information captured and offering to the customer, the customized financial products according to their need.

LITERATURE REVIEW

Anandh Sharma (2008) in their article the Technology Initiatives by State Bank of India stated about highlight the trends in the Core Banking Solution, space and what 2006 holds out for banks. And this article also draws attention to the strategic challenges before the banks shareholders as well as some of the critical success factors that banks need to be the maximum out of the Core Banking transaction initiatives.

Imran Adeel Haider (2009) in their article Challenges to the Core Banking Solution Implementation Project – Part II, stated about lack of Information Technology Resources with bank .lack of
experience in project Manager, missing comprehensive training program and usually the Core Banking Solution vendors claim to offer lower overheads, advanced technology, lower maintenance costs etc.

K C Chakrabarty (2010) in their article Banking Technology beyond CBS: Issues and way forward stated about CBS has technological based banking services. It provides the effective monitory services like ATMs, Tele banking and MIS server facilities etc. It helps to developing the economy. The technology advances enable the broader and inclusive banking sector. By way of providing 24 X 7 working and offers the human touch. That customer seeks moreover 79.4% of the total number public sector bank adopt CBS. After the technology adoption 90% of staffs involved in front office jobs of enhancing customer base and ensuring customer loyalty.

OBJECTIVE OF THE STUDY

The present objectives of the study are as follows -

- To understand the effectiveness of Core Banking Solution in SBI, Shimoga
- To know the impact of Core Banking solution on Bankers and customers of SBI
- To analyze the Banking service provided to the SBI customers in India;
- To examine the risk factors involved in Core Banking Solution in SBI; and
- To offer few suggestion and measures to reap maximum benefits from Core Banking Solution to the SBI customers.

SCOPE OF THE STUDY

The present study focused on Core Banking Solution of SBI, Shimoga. It covers the Core Banking Solution’s silent feature, its impact on customer’s progress and Core Banking Solution in current period. In Shimoga SBI branch has about 5842 numbers of customers for this study. The sample is taken about 50 in numbers, the respondent are select randomly on the basis of their income level and not covers the other banking services like Tele Banking, Mobile banking, E-banking etc.

HYPOTHESIS OF THE STUDY

The hypotheses of the present study are -

\( H_0^1: \) Core Banking Solution has no significance difference between other banking services

\( H_{a1}: \) Core Banking Solution has significance difference between other banking services.

\( H_0^2: \) Core Banking Solution has no effect on the SBM customers.

\( H_{a2}: \) Core Banking Solution has strongly effective on the SBM customers.

METHODOLOGY OF THE STUDY

The present study is collected from both primary and secondary sources. The primary data is collected by conduct private survey in shivamoga. It covers SBI bank customers in the shivamogga. The structured questionnaires were sent out to all the customers and banker’s in SBI Bank branch, shivamogga. The respondent are randomly selected and it about 50 in number. The secondary data are collected from the RBI reports/bulletin, books, journals, magazines, articles/research paper/newspaper, online source, bank websites, and Indian Banks’ Association (IBA), Indian Institute of Banking and Finance (IIBF), Institute for Development and Research in Banking Technology (IDRBT).

Sampling Design

The present study focused on Core Banking Solution in SBI Bank branch shivamogga. For the study the respondents are selected randomly, i.e. simple random sampling technique were used to collect the data relating of Core Banking Solution and its performances.
Statistical Tools and Techniques

The present study used different statistical tools and techniques for the analysis and interpretation of data. The techniques used are frequency distribution, tables, charts, Chi Square Test ($X^2$) to test the set of prepositions in the current study to check the ultimate result with the stated hypothetical statement.

Analysis and Interpretation of Data

The survey has been conducted and the opinion of the customers are obtained and collected. The sample size is 50 respondents are approaches shivamogga. On their response, here the analysis has been made. The data analysis is interpreted in the form of table and their after inferences mentioned below the table.

Table 1. Socio - Economic Respondent Profile

<table>
<thead>
<tr>
<th>SL. No</th>
<th>Particulars</th>
<th>Respondent details</th>
<th>No of Respondent</th>
<th>In Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>01.</td>
<td>Gender</td>
<td>Male</td>
<td>32</td>
<td>64</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Female</td>
<td>18</td>
<td>36</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>TOTAL</strong></td>
<td><strong>50</strong></td>
<td><strong>100</strong></td>
</tr>
<tr>
<td>02.</td>
<td>Age</td>
<td>16-20</td>
<td>02</td>
<td>04</td>
</tr>
<tr>
<td></td>
<td></td>
<td>21-25</td>
<td>17</td>
<td>34</td>
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<td></td>
<td></td>
<td>25-35</td>
<td>17</td>
<td>34</td>
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<td></td>
<td></td>
<td>35-45</td>
<td>08</td>
<td>16</td>
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<tr>
<td></td>
<td></td>
<td>45-55</td>
<td>06</td>
<td>12</td>
</tr>
<tr>
<td></td>
<td></td>
<td>55 and above</td>
<td>00</td>
<td>00</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>TOTAL</strong></td>
<td><strong>50</strong></td>
<td><strong>100</strong></td>
</tr>
<tr>
<td>03.</td>
<td>Qualification</td>
<td>SSLC-PUC</td>
<td>02</td>
<td>04</td>
</tr>
<tr>
<td></td>
<td></td>
<td>PUC</td>
<td>05</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Graduate</td>
<td>22</td>
<td>44</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Post Graduate</td>
<td>21</td>
<td>42</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Professional</td>
<td>00</td>
<td>00</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Others</td>
<td>00</td>
<td>00</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>TOTAL</strong></td>
<td><strong>50</strong></td>
<td><strong>100</strong></td>
</tr>
<tr>
<td>04.</td>
<td>Occupation</td>
<td>Business</td>
<td>10</td>
<td>20</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Employee public sector</td>
<td>05</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Employee private sector</td>
<td>10</td>
<td>20</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Professional</td>
<td>10</td>
<td>20</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Others</td>
<td>15</td>
<td>30</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>TOTAL</strong></td>
<td><strong>50</strong></td>
<td><strong>100</strong></td>
</tr>
<tr>
<td>05.</td>
<td>Annual Income</td>
<td>Below 10000</td>
<td>03</td>
<td>06</td>
</tr>
<tr>
<td></td>
<td></td>
<td>10000-30000</td>
<td>06</td>
<td>12</td>
</tr>
<tr>
<td></td>
<td></td>
<td>30000-50000</td>
<td>14</td>
<td>28</td>
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<tr>
<td></td>
<td></td>
<td>50000-100000</td>
<td>14</td>
<td>28</td>
</tr>
<tr>
<td></td>
<td></td>
<td>100000 and above</td>
<td>13</td>
<td>16</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>TOTAL</strong></td>
<td><strong>50</strong></td>
<td><strong>100</strong></td>
</tr>
<tr>
<td>06.</td>
<td>Marital Status</td>
<td>Married</td>
<td>18</td>
<td>36</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Unmarried</td>
<td>29</td>
<td>58</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Married Single</td>
<td>03</td>
<td>06</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Divorce</td>
<td>00</td>
<td>00</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Widow</td>
<td>00</td>
<td>00</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>TOTAL</strong></td>
<td><strong>50</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>
Table 1. Socio-Economic Respondent Profile (Contd….)

<table>
<thead>
<tr>
<th>SL. No</th>
<th>Particulars</th>
<th>Respondent details</th>
<th>No of Respondent</th>
<th>In Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>07.</td>
<td>Family Type</td>
<td>Nuclear</td>
<td>26</td>
<td>52</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Joint</td>
<td>19</td>
<td>38</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Others</td>
<td>05</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td></td>
<td>TOTAL</td>
<td>50</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Survey Data

Inference

The above table gives profile of the respondents. The respondents can be categorized based on their age, gender, education, occupation, annual income, marital status, and family type. In terms of gender out of 50 respondents, 64% of female and the rest 36% male. And in terms of age 34% are of 21-25 age group and 25-30 are from the age group of 34%. Remaining belongs to other category. Also a high percentage of the respondents are belongs to other category and employed in private sector and comparatively significant percentage of them has high level of education (post-graduation/graduation). And majority of them have the annual income of 30000-50000 and 50000-100000 both 28%. Majority of the respondents that is 58% are unmarried and remaining are married and married single. And high percentage of them are belongs to nuclear family type 52%.

Table 2. Awareness of SBI Core Banking Solution, shivamogga Branch

<table>
<thead>
<tr>
<th>Awareness</th>
<th>Number of Respondents</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>50</td>
<td>100</td>
</tr>
<tr>
<td>No</td>
<td>00</td>
<td>00</td>
</tr>
<tr>
<td>TOTAL</td>
<td>50</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Survey Data

Inference

The above table shows that among the 50 respondents, all 100% of respondents are aware about the SBI core banking solution in Indian banking sector. Because of the effective implementation of core banking service in SBM branches throughout the India.

Table 3. Satisfaction of SBI Core Banking Solution

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Number of Respondents</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Agree</td>
<td>06</td>
<td>12</td>
</tr>
<tr>
<td>Agree</td>
<td>29</td>
<td>58</td>
</tr>
<tr>
<td>Neither Agree Nor Disagree</td>
<td>10</td>
<td>20</td>
</tr>
<tr>
<td>Disagree</td>
<td>05</td>
<td>10</td>
</tr>
<tr>
<td>Strongly Disagree</td>
<td>00</td>
<td>00</td>
</tr>
<tr>
<td>TOTAL</td>
<td>50</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Survey Data

Inference

From the above table it is known that among 50 respondents, the satisfaction towards SBM Core Banking Solution is 12% of respondents are of having Strongly Agree, 58% of respondents are of having Agree, 20% of respondents are of having Neither Agree Nor Disagree and the rest of the 10% of respondents are of having Disagree about the SBI Core Banking Solution.
Table 4. Benefits SBI Core Banking Solution

<table>
<thead>
<tr>
<th>Beneficial</th>
<th>Number of Respondents</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>YES</td>
<td>50</td>
<td>100</td>
</tr>
<tr>
<td>NO</td>
<td>00</td>
<td>00</td>
</tr>
<tr>
<td>TOTAL</td>
<td>50</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Survey Data

Inference
The above table shows that among the 50 respondents, all 100% of respondents are happy with the core banking solution of SBI bank. Because of the 100% of SBM core banking solution implementation in all the branches.

Table 5. Effectiveness of CBS in SBI

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Number of Respondents</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly effective</td>
<td>10</td>
<td>20</td>
</tr>
<tr>
<td>Effective</td>
<td>25</td>
<td>50</td>
</tr>
<tr>
<td>Neither effective Nor ineffective</td>
<td>07</td>
<td>14</td>
</tr>
<tr>
<td>Ineffective</td>
<td>05</td>
<td>10</td>
</tr>
<tr>
<td>Strongly not effective</td>
<td>03</td>
<td>06</td>
</tr>
<tr>
<td>TOTAL</td>
<td>50</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Survey Data

Inference
From the above table it is known that among 50 respondents, the effectiveness towards SBI Core Banking Solution is 20% of respondents are of having strongly effective, 50% of respondents are of having effective, 14% of respondents are of having Neither effective Nor ineffective and the rest of the 06% of respondents are of having Strongly not effective about the SBM Core Banking Solution.
Table 6. Whether CBS is effective compare to other banking services

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Number of Respondents</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>YES</td>
<td>33</td>
<td>66</td>
</tr>
<tr>
<td>NO</td>
<td>17</td>
<td>34</td>
</tr>
<tr>
<td>TOTAL</td>
<td>50</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Survey Data

Inference

From the above table it is known that among 50 respondents, using towards SBI Core Banking Solution is 66% of respondents are CBS is more expensive compare to traditional banking and rest of the 34% of respondents are CBS is less expensive compare to traditional banking.

Testing Of Hypothesis

01. $H_0$: Core Banking Solution has no significance difference between other banking services.

$H_a$: Core Banking Solution has significance difference between other banking services.

Table 7. Whether CBS is effective compare to other banking services

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Number of Respondents</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>YES</td>
<td>33</td>
<td>66</td>
</tr>
<tr>
<td>NO</td>
<td>17</td>
<td>34</td>
</tr>
<tr>
<td>TOTAL</td>
<td>50</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Survey Data.

Table 8. showing the $X^2$ value of the SBM Customers

<table>
<thead>
<tr>
<th>Scale</th>
<th>OF</th>
<th>EF</th>
<th>$(OF-EF)^2$</th>
<th>$(OF-EF)^2/EF$</th>
</tr>
</thead>
<tbody>
<tr>
<td>YES</td>
<td>33</td>
<td>25</td>
<td>08</td>
<td>2.56</td>
</tr>
<tr>
<td>NO</td>
<td>17</td>
<td>25</td>
<td>-8</td>
<td>2.56</td>
</tr>
</tbody>
</table>

$X^2 = \sum (OF-EF)^2/EF$

Degree of freedom (df) = (n-1)

Where

$X^2$ = chi-square test

OF = Observed frequency

EF = Expected frequency

n = Number of items

df = Degree of freedom

Inference

The table value of $X^2$ for the 1 degree of freedom 1 at 5% level of significance is 3.873. The calculated value of $X^2$ is 5.12 which is much higher than the table value and hence the result of the experiment does not support hypothesis ($H_0$). Thus we can conclude that the null hypothesis is rejected.

02. $H_0$: Core Banking Solution has no effect on the SBI customers.

$H_a$: Core Banking Solution has strongly effective on the SBI customers.
Table 9. Effectiveness of CBS in SBI

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Number of Respondents</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly effective</td>
<td>10</td>
<td>20</td>
</tr>
<tr>
<td>Effective</td>
<td>25</td>
<td>50</td>
</tr>
<tr>
<td>Neither effective Nor ineffective</td>
<td>07</td>
<td>14</td>
</tr>
<tr>
<td>Ineffective</td>
<td>05</td>
<td>10</td>
</tr>
<tr>
<td>Strongly not effective</td>
<td>03</td>
<td>06</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>50</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: Survey Data

Table 10. showing the $X^2$ value of the SBI Customers

<table>
<thead>
<tr>
<th>Scale</th>
<th>Of</th>
<th>Ef</th>
<th>$(Of-Ef)^2$</th>
<th>$(Of-Ef)^2/Ef$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly effective</td>
<td>10</td>
<td>10</td>
<td>00</td>
<td>00.0</td>
</tr>
<tr>
<td>Effective</td>
<td>25</td>
<td>15</td>
<td>15</td>
<td>22.5</td>
</tr>
<tr>
<td>Neither effective Nor ineffective</td>
<td>07</td>
<td>10</td>
<td>-03</td>
<td>00.9</td>
</tr>
<tr>
<td>Ineffective</td>
<td>05</td>
<td>-05</td>
<td>-05</td>
<td>02.5</td>
</tr>
<tr>
<td>Strongly not effective</td>
<td>03</td>
<td>10</td>
<td>-07</td>
<td>04.9</td>
</tr>
<tr>
<td>$\sum (Of - Ef)^2/Ef$</td>
<td></td>
<td></td>
<td></td>
<td>30.8</td>
</tr>
</tbody>
</table>

Degree of freedom = $N-1$ i.e. 5-1= 4

Inference

The table value of $X^2$ for the degree of freedom 4 at 5% level of significance is 9.488. The calculated value of $X^2$ is 30.2 which is much higher than the table value and hence the result of the experiment does not support hypothesis ($H_0$). Thus we can conclude that the null hypothesis is rejected.

MAJOR FINDINGS OF STUDY

1. From the survey Core Banking Solution has strongly effective on the SBI customers and majority of respondent freely respondent to SBI Core Banking Solution has significance service provided compare to other banking services.

2. In the survey 64% of male and 36% of female are transaction in SBI, shivamogga. In graduate and post graduates are account in this branch. In majority of respondent are taking in savings account and majority of customers deals in occasionally, all respondents know the SBI product/services.

3. From the survey Adult age group people and their qualification level is graduate and post graduates and their annual income is Rs 30000-100000 are more aware about the Core Banking Solution in SBI

4. Most of the respondents are deals in occasionally and they use less frequently in ATM services and they are satisfying their Core Banking Solution in SBI.

5. In SBI CBS concept respondents are fully beneficial, because it is anywhere any time banking, time saving and more convenient to the customers.

6. In majority of respondents are SBI CBS services area greening the customer. CBS transaction ATMs are more used in customers. And 54% of respondents are CBS is more expensive compare to traditional banking.

7. In the survey most of the respondents are taken all the facilities taken from the bank. In majority of the respondent prefer ATMs are secured.

8. In 70% of respondent having some problems like busy network, lack of operating skill in the customer.
9. Most of the people transact without visiting the Bank.

SUGGESTIONS

1. Rural Customers of the bank are less aware of the concept of core banking so employees of the bank are suggested to conduct some awareness program with respected to core banking.

2. Customers should be educated with respect to all the benefits available with the core banking.

3. Some suggestions were given to the employees of the bank to educate & increase the awareness among customers. The following are the details -
   - All the details with respect to core banking should be displayed at the Counter hall so that the customers come to know the procedure instead Of wasting their time.
   - Customer meet should be held in the branch to introduce the product and its utilization for customers as a mass practical campaign.
   - Detailed scheme broachers should be held at branch counters which helps the customers to read leisurely.

4. The growth percentage would further be increased if the bankers are given effective and complete training on core banking and also by educating and increasing the awareness level of core banking solution to the customers of the bank.

CONCLUSION

The study was conducted to understand the performance evaluation of Core Banking Solution in SBI: An empirical Evidence of shivamogga branch. In a country like India, there is a need for providing better and cost efficient banking services to public. To the objective of the survey, the response has been collected from Banker and 50 customers of the SBI, shivamogga Branch. An analysis was being made an introduce Core Banking Solution which helped in knowing the growth of SBI Bank. This shows that the introduction of Core Banking Solution has made a significant impact on the SBI shivamogga Branch. The growth percentage would further be increased in the bank are given effective services on Core Banking Solution and also educating and increase awareness level of CBS to the customer of the SBI bank. Everything has been taken into account to judge the CBS is the effectiveness. To conclude with the concept of Core Banking Solution has made a significant effect of SBM bank at Shankaraghatta branch. Main aim of the survey is to create the awareness in the Core Banking Solution and encourage them to use CBS in SBI.

REFERENCE


9. www.canara bank.com
ABSTRACT

Job satisfaction plays an important role for success of an executive/employee in the corporate world. Job scope is quiet tedious, demanding, complex, stressful, long hours of working etc for all the corporate in broad sense and for the ICT industry in particular. Because of such high demanding in nature executives often look stressed, exhausted. One of the greatest attitudes to possess for the executives working in these industries is “Job Satisfaction”. Of course Job satisfaction is not attained or acquired without really creating such congenial environment in the work place.

The various factors to provide job satisfaction to the executives fairly depends on different job facets and parameters. To derive full pleasure, happiness and liking towards the job one should be driven to such state of mind by creating such atmosphere at the work place. In this paper we have dealt with the factors, job facets and other parameters which are the key things for bringing in job satisfaction to the employees from bottom to top as well to create positive feelng for the employees besides motivation, thereby creating an efficient, effective and productive employees towards achieving better revenues, better margins, better brand image, better reputation to the industry.

Thus this paper focuses on the background of Job Satisfaction with giving various theories of it and finally enlighten on the challenges and the remedial actions for deriving it. In the end this paper presented a test/survey model to find out the level of Job satisfaction for the executives and thereby concluding with the understanding of the employee’s commitment vis a vis the job satisfaction.

Keywords: Job Satisfaction; Facets; Executives; Software Industry; Motivation; Communication
INTRODUCTION

Job satisfaction is simply how much content an individual has achieved with his or her job. A collection of feelings that an individual holds towards his or her job. It is the feeling of an individual and if his or her feeling is positive or negative determines the job satisfaction. Positive feeling generates job satisfaction and negative generates job dissatisfaction. At the more specific levels of conceptualization used by academic researchers and human resources professionals, job satisfaction has varying definitions.

Affective job satisfaction is usually defined as an unidimensional subjective construct representing an overall emotional feeling individuals have about their job as a whole. Hence, affective job satisfaction for individuals is pleasure or happiness their job in general provides. Cognitive job satisfaction is defined as being a more objective and logical evaluation of various parameters of a job. As such, cognitive job satisfaction can be unidimensional if it comprises evaluation of a job, such as pay, promotion, pay increment, bonus, special award or multidimensional if two or more parameters of a job are simultaneously evaluated. Cognitive job satisfaction does not assess the degree of pleasure or happiness that arises from specific job facets, but rather gauges the extent to which those job facets are judged by the job holder to be satisfactory in comparison with objectives they themselves set with other jobs.

OBJECTIVES

- To know the challenges in the ICT sector for the executives in obtaining Job Satisfaction.
- How the productivity is affected if Job satisfaction is not achieved by the executives.
- To evaluate the level of Job Satisfaction through a test which is close to the test of Cooper.

History

Maslow’s Hierarchy of Needs theory, a motivation theory, laid the foundation for job satisfaction theory. This theory explains that people seek to satisfy five specific needs in life – physiological needs, safety needs, social needs, self-esteem needs, and self-actualization need. This model served as a good basis from which early researchers could develop job satisfaction theories.

Job satisfaction can also be seen within the broader context of the range of issues which affect an individual’s experience of work, or their quality of working life. Job satisfaction can be understood in terms of its relationships with other key factors, such as general well-being, stress at work, control at work, home-work interface, and working conditions.

Job Characteristics Model (JCM)

Hackman & Oldham proposed the JCM, which is widely used as a framework to study how particular job characteristics impact on job outcomes, including job satisfaction. The model states that there are five core job characteristics:

- skill variety,
- task identity,
- task significance,
- autonomy,
- feedback.

The five core job characteristics can be combined to form a Motivational Potential Score (MPS) for a job, which can be used as an index of how likely a job is to affect an employee's attitudes and behaviors.

Motivating Potential Score

The motivating potential score (MPS) can be calculated, using the core dimensions discussed above, as follows:

\[
 MPS = \frac{\text{Skill Variety} + \text{Task Identity} + \text{Task Significance}}{3} \times \text{Autonomy} \times \text{Feedback}
\]
Jobs that are high in motivating potential must be also high on at least one of the three factors that lead to experienced meaningfulness, and also must be high on both Autonomy and Feedback. If a job has a high MPS, the job characteristics model predicts that motivation, performance and job satisfaction will be positively affected and the likelihood of negative outcomes, such as absenteeism and turnover, will be reduced.

**Factors That Influence Job Satisfaction**

**Environmental factors**

**Communication overload and communication underload:** According to the ideas of communication overload and underload, if an individual does not receive enough input on the job or is unsuccessful in processing these inputs, the individual is more likely to become dissatisfied, agitated, and unhappy with their work which leads to a low level of job satisfaction.

**Superior-subordinate communication:** It is an important influence on job satisfaction in the workplace. The way in which subordinates perceive a supervisor's behaviour can positively or negatively influence job satisfaction. Communication behaviour such as facial expression, eye contact, vocal expression, and body movement is crucial to the superior-subordinate relationship. Nonverbal messages play a central role in interpersonal interactions with respect to impression formation, deception, attraction, social influence, and emotional. Nonverbal immediacy from the supervisor helps to increase interpersonal involvement with their subordinates impacting job satisfaction. The manner in which supervisors communicate with their subordinates non-verbally may be more important than the verbal content. Individuals who dislike and think negatively about their supervisor are less willing to communicate or have motivation to work whereas individuals who like and think positively of their supervisor are more likely to communicate and are satisfied with their job and work environment. A supervisor who uses nonverbal immediacy, friendliness, and open communication lines is more likely to receive positive feedback and high job satisfaction from a subordinate. Conversely, a supervisor who is antisocial, unfriendly, and unwilling to communicate will naturally receive negative feedback and create low job satisfaction in their subordinates in the workplace.

**Vital Challenges for deriving Job Satisfaction in IT sector:** Job Satisfaction has different parameters which influence it. Let me deal some of them here and these are purely by recording them from the industrial experience where these factors have influenced Job Satisfaction and also in turn affected the productivity, efficiency, effectiveness of that particular Industry.

- In life two things which an individual can not choose. Those are of course Parents and the second one is your boss. A boss can provide positive motivation or he can demotivate an employee depending on his/her personality and behaviour towards the individual. Bosses who are true leaders take more responsibility for his/her subordinates mistakes and takes less credit for the success of the team. The

- other type of leaders are commonly we find in the organizations who doesn’t work but blame his team for a failure and credit self when there is an award for team achievement. AsFormer President of India APJ Abdul Kalam said that his director and superior at ISRO Dr. Vikram Sarabhai was so encouraging his subordinate that it is a pleasure to work with him and job satisfaction and retaining with the institute is tremendous when working with such leaders. If the boss you have is encouraging, supportive, participatory and put you to task exploring, then your satisfaction towards job is high and vice versa.

- There is lot of competition in ICT field. There is more demand for the high IQ engineers. Attrition levels are very high. This itself is a parameter which indicates us that the Job Satisfaction is low for those engineers who are looking for a change.

- To motivate and to provide more job satisfaction ICT companies are creating a very congenial environment in the work place by providing games, snack bars, gyms, yoga centre, swimming
etc. To ensure that the executives are released of their stress and to ensure that they get better feeling and satisfaction to work in that specific IT company.

- Retaining talent is a much bigger task for the HR professional. If we lose talent, to again fill that vacancy it is a tedious job for the HR. Today in the IT sector focus is on how to retain talent and how to reduce attrition rate.

- Job satisfaction is an attitude and not behaviour.

- Normally no boss likes his/her subordinate to be smarter than him/her. If you happen to work with this type of boss, one should be careful not to be over enthusiastic and trying to overtake boss. As the saying goes it is preferable not to be in front of your boss and rear of a donkey. If you have any innovation or creative discovery at your office the best way to get recognized is that it should be disclosed to the ultimate boss or the CMD besides putting that in the public domain of the company. This will not snatch your discovery and your name would be recognized by your co-employees and this can bring in large job satisfaction. There is all possibility if your boss is greedy can claim your discovery as his/her and may de-motivate you.

- In a new environment one faces lot of initial hick ups and may get dissatisfied in his/her job. As they say that time teaches you many lessons including it bring you job satisfaction. Patience is important for realising once dreams. Dreams realization takes you to the level of job satisfaction. Definitely a satisfied employee brings in for the organization lot of positives such as more production, more earnings, more margins, more reputation, more quality, more brand equity etc. Lesson from this explanation is that have patience for reaching your goals.

- If you can see your subordinates achieve job satisfaction you too will. How can we make them happy at the work place? Only by sharing their job by participating with them, providing them with ideas to explore possible alternatives vis a vis new dimensional achievements.

- Find the schematics which can provide you a clear picture on Job Satisfaction.
Measuring Job Satisfaction through a test which is having closer relation to the research carried out by “Cooper”

**HS** - High Satisfaction; **LS** - Low Satisfaction

1) Communication and information flow in your organization: HS* 5 4 3 2 1 *LS
2) Your remuneration: HS* 5 4 3 2 1 *LS
3) Your position in your organization: HS* 5 4 3 2 1 *LS
4) Relation with your subordinates & superiors: HS* 5 4 3 2 1 *LS
5) Your chemistry with your boss: HS* 5 4 3 2 1 *LS
6) Recognition in your organization: HS* 5 4 3 2 1 *LS
7) Your participation in important decision making: HS* 5 4 3 2 1 *LS
8) Training and development imparted to you: HS* 5 4 3 2 1 *LS
9) Job responsibility given to you: HS* 5 4 3 2 1 *LS
10) Reward on your achievement: HS* 5 4 3 2 1 *LS
11) Facilities for you in your organization: HS* 5 4 3 2 1 *LS
12) Commuting facility for you: HS* 5 4 3 2 1 *LS
13) Food, snacks, cold and hot beverages facility: HS* 5 4 3 2 1 *LS
14) Respect for you in your organization: HS* 5 4 3 2 1 *LS
15) Inter department cooperation: HS* 5 4 3 2 1 *LS
16) Stress release through relaxation methods: HS* 5 4 3 2 1 *LS
17) Relation with peers: HS* 5 4 3 2 1 *LS
18) Empathy towards each other employees: HS* 5 4 3 2 1 *LS
19) Problems at office due to your boss: HS* 5 4 3 2 1 *LS
20) Flexibility at work: HS* 5 4 3 2 1 *LS
21) Change management in the organization: HS* 5 4 3 2 1 *LS
22) Strategies adopted by you in the organization: HS* 5 4 3 2 1 *LS
23) Environment of the organization: HS* 5 4 3 2 1 *LS
24) Concern for the employees: HS* 5 4 3 2 1 *LS
25) Safety and surveillance arrangements: HS* 5 4 3 2 1 *LS

**CONCLUSION**

Job satisfaction is most vital for anyone who is working for an organization. Otherwise the results of the organization would be adverse. Moreover for the ICT industry as these jobs are quiet demanding, hard work, stressful, result oriented and requires long hours of work. The attrition rates are very high compared to the other sectors. Due to the above demanding qualities required by the ICT professionals it is very easy for them to lose interest on the job or becoming demotivated or disappointed.

The only way to enhance happiness and interest for these professionals is by creating a healthy and congenial environment in the work place, and also it is very important for these professionals to find a way to relax at work place. Many of these companies are providing different tools, equipment and
facilities to rejuvenate its employees and to remove fatigue thereby bringing in fresh energy to take up the challenges and to give better results to the organization.

Finally it is to reaffirm that to create a successful ICT Industry an industry with better ROI job satisfaction is a vital factor for its executives as well for the its employees. Provide an atmosphere in the industry where an employee feels that this is his destination and this is place of temple for his career progression. This win win situation will bring in fruitful results to the Industry as well a golden career for the ICT executives.

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CLAUSE 49: IMPRESSION ON CORPORATE PERFORMANCE

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ABSTRACT
This Study provides the background of regulatory environment prevail for corporates in India before India’s adoption of major governance reforms (with reference to Clause 49) which is based on a voluntary 1998 Code of Corporate Governance, developed by the Confederation of Indian Industry (CII, an organization of large Indian public firms). Sectorial differences have been found while evaluating the corporate performance through graphical analysis over a span period of 10 years before and after the announcement by the Securities Exchange Board of India (SEBI, India’s principal securities regulator) for adoption of Clause 49 during this study, the profit after tax and EPS of the listed companies specifically the group of companies selected for this study has shown the positive effect on the above specified components but these changes may be due to macro or micro economic factors other than the reforms.

Keywords: SEBI; Corporate Governance; Clause 49

INTRODUCTION
Corporate governance today became an essential part of the culture that defines better run companies and those held in esteem by the investors and stakeholders. As Indian corporate are finding new space in domestic and global markets for business growth, their interaction with the financial markets and investing community too witnessed significant surge. In this process, corporate governance came as an effective instrument for companies to communicate with the various types of stakeholders in general and investors in particular. As the rigor of the regulation intensified, governance standards began to be codified and formed an important part of the evaluation and assessment process. Clause 49 of the Listing Agreement of the Stock Exchanges and DPE Guidelines on Corporate Governance are the key instruments that drive compliance of the corporate governance standards and practices by companies.

Regulatory Framework of Corporate Governance in India
Companies Act, 1956
Companies Act, 1956 provides for basic framework for regulation of all the companies. Certain provisions were incorporated in the Act itself to provide for checks and balances over the powers of Board viz.:

- Loan to directors or relatives or associated entities (need CG permission) (Sec 295)
Interested contract needs Board resolution and to be entered in register (Sec 297)

Interested directors not to participate or vote (Sec 300)

Appointment of director or relatives for office or place of profit needs approval by shareholders. If the remuneration exceeds prescribed limit, CG approval required (Sec 314)

Audit Committee for Public companies having paid-up capital of Rs. 5 Crores (Sec 292A)

Shareholders holding 10% can appeal to Court in case of oppression or Mismanagement (397/398).

Security Exchange Board of India (SEBI)

In Companies Act, 1956, SEBI has been given power only to administer provisions pertaining to issue and transfer of securities and non-payment of dividend.

Apart from the basic provisions of the Companies Act, every listed company needs to comply with the provisions of the listing agreement as per Section 21 of Securities

1. Report of Narayana Murthy Committee on Corporate Governance, 2003
2. Contract Regulations Act, 1956. Non-compliance with the same, would lead to delisting under Section 22A or monetary penalties under Section 23 E of the said Act.

Further, SEBI is empowered under Section 11 and Section 11A of SEBI Act to prescribe conditions for listing. However, Section 32 of the SEBI Act, 1992 states that the provisions of the SEBI Act, 1992 shall be in addition to, and not in derogation of, the provisions of any other law for the time being in force.

Considering the emergence of code of best Corporate Governance practices all over the world (like Cadbury Greenbury and Hampel Committee reports), in 1999, SEBI constituted a Committee on Corporate Governance under the Chairmanship of Shri Kumar Mangalam Birla, to promote and raise the standard of Corporate Governance in respect of listed companies. SEBI’s Board, in its meeting held on January 25, 2000, considered the recommendations of the Committee and decided to make the amendments to the listing agreement on February 21, 2000 for incorporating the recommendations of the committee by inserting a new clause in the Equity Listing Agreement – i.e. Clause 49.

Subsequently, after Enron, WorldCom, and other corporate governance catastrophes, SEBI felt that there was a need to improve further the level of corporate governance standards in India and constituted a second corporate governance committee chaired by Mr Narayana Murthy, of Infosys Technologies Limited. Based on the recommendations of the aforesaid Committee, SEBI issued a circular on August 26, 2003 revising Clause 49 of the Listing Agreement. Based on the public comments received thereon and the revised recommendations of the Committee, certain provisions of the regulatory framework for corporate governance were modified and relevant amendments were made to Clause 49 of the Listing Agreement. The revised clause 49 superseded all the earlier circulars on the subject and became effective for listed companies from January 01, 2006. It is applicable to the entities seeking listing for the first time and for existing listed entities having a paid up share capital of Rs. 3 crores and above or net worth of Rs. 25 crores or more at any time in the history of the company.

Clause 49 of listing Agreement (SEBI)

Clause 49 of the Equity Listing Agreement consists of mandatory as well as non-mandatory provisions. Those which are absolutely essential for corporate governance can be defined with precision and which can be enforced without any legislative amendments is classified as mandatory. Others, which are either desirable or which may require change of laws are classified as non-mandatory. The non-mandatory requirements may be implemented at the discretion of the company. However, the disclosures of the compliance with mandatory requirements and adoption (and
compliance) / non-adoption of the non-mandatory requirements shall be made in the section on corporate governance of the Annual Report.

Gist of Cause 49 is as follows:

**Mandatory provisions comprises of the following:**

- Composition of Board and its procedure - frequency of meeting, number of
- Independent directors, code of conduct for Board of directors and senior management;
- Audit Committee, its composition, and role
- Provision relating to Subsidiary Companies
- Disclosure to Audit committee, Board and the Shareholders
- CEO/CFO certification
- Quarterly report on corporate governance
- Annual compliance certificate

**Non-mandatory provisions consist of the following:**

- Constitution of Remuneration Committee
- Despatch of Half-yearly results
- Training of Board members
- Peer evaluation of Board members
- Whistle Blower policy

As per Clause 49 of the Listing Agreement, there should be a separate section on Corporate Governance in the Annual Reports of listed companies, with detailed Compliance report on Corporate Governance. The companies should also submit a quarterly compliance report to the stock exchanges within 15 days from the close of quarter as per the prescribed format. The report shall be signed either by the Compliance Officer or the Chief Executive Officer of the company.

**Other Clauses in the Listing Agreement**

Apart from Clause 49 of the Equity Listing Agreement, there are certain other clauses in the listing agreement, which are protecting the minority shareholders and ensuring proper disclosures

- Disclosure of Shareholding Pattern
- Maintenance of minimum public shareholding (25%)
- Disclosure and publication of periodical results
- Disclosure of Price Sensitive Information
- Disclosure and open offer requirements under SAST

**OECD Principles on Corporate Governance**

OECD, in its endeavour to improve the governance practices, had published its revised principles on Corporate Governance in 2002. The OECD Principles of Corporate Governance have since become an international benchmark for policy makers, investors, corporations and other stakeholders worldwide. They have advanced the corporate governance agenda and provided specific guidance for legislative and regulatory initiatives in both member and non-member countries. The Financial Stability Forum has designated the Principles as one of the 12 key standards for sound financial systems.
OECD Principles on Corporate Governance are as follows:

i. Principle I: Ensuring the Basis for an Effective Corporate Governance Framework i.e.
   - should promote transparent and efficient markets,
   - be consistent with the rule of law and
   - clearly articulate the division of responsibilities among different supervisory,
   - regulatory and enforcement authorities

ii. Principle II: The Rights of Shareholders and Key Ownership Functions protected and facilitated
   - protect and facilitate the exercise of shareholders’ rights

iii. Principle III: The Equitable Treatment of Shareholders
   - Should ensure the equitable treatment of all shareholders
   - opportunity to obtain effective redress for violation of their rights

iv. Principle IV: The Role of Stakeholders in Corporate Governance- recognized
   - should recognise the rights of stakeholders
   - encourage co-operation between corporations and stakeholders in creating wealth, jobs, and
   - the sustainability of enterprises

v. Principle V: Disclosure and Transparency
   - Timely and accurate disclosure is made on all material matters including the financial
   - situation, performance, ownership, and governance of the company.

vi. Principle VI: The Responsibilities of the Board-Monitoring Management and Accountability to Shareholders
   - should ensure the strategic guidance of the company,
   - the effective monitoring of management by the board, and
   - the board’s accountability to the company and the shareholders

Indian Corporate Governance Framework is in compliance with the Corporate Governance principles
of OECD.

OECD steering committee on corporate governance reviews the principles and its compliance by
member and non-member countries by conducting regular thematic peer review of member and non-
member countries. Various topics in which thematic peer review conducted by OECD are as follows:

Thematic Peer Review Topic
1. First Board Practices- Incentives and Governing Risks
2. Second The Role of Institutional Investors in promoting good corporate governance
3. Third Minority Protection- Related Party Transactions
4. Fourth Board Member Nomination and Election
5. Fifth Supervision and Enforcement

SEBI has been actively participating in the OECD Asian Roundtable Conferences and in Corporate
Governance Committee and sub-committee meetings as observers. SEBI and OECD have entered into
bi-lateral co-operation agreement in the area of Corporate Governance. In the Third Thematic Peer
Review Exercise of OECD on "Minority Protection- Related Party Transactions", India was one of the five jurisdictions (Belgium, France, India, Israel and Italy) that were subject to the in-depth review.

As a part of on-going bi-lateral policy dialogue between SEBI and OECD, a Policy Dialogue on “Minority Protection- Related Party Transactions” was held on December 14-15, 2011 at SEBI Bhavan. Apart from Representatives of SEBI, MCA, Stock Exchanges, Professional Bodies and Industry Experts, OECD representatives, participants from regulatory authorities in Israel and Italy participated in the said meeting. Based on the discussions and suggestions came up in the meeting, certain actions points were identified and processed upon.

Recent policy steps taken by SEBI for ensuring better governance in listed Companies

The introspection that followed the Satyam episode has resulted in some major changes in Indian corporate governance regime. Some of the recent steps taken in this regard are as follows:

1. Disclosure of pledged shares: It is made mandatory on the part of promoters (including promoter group) to disclose the details of pledge of shares held by them in listed entities promoted by them. Further, it was decided to make such disclosures both event-based and periodic.

2. Peer review: In the light of developments with respect to Satyam SEBI carried out a peer review exercise of the working papers (relating to financial statements of listed entities) of auditors in respect of the companies constituting the NSE – Nifty 50, the BSE Sensex and some listed companies outside the Sensex and Nifty chosen on a random basis.

3. Disclosures regarding agreements with the media companies: In order to ensure public dissemination of details of agreements entered into by corporates with media companies, the listed entities are required to disclose details of such agreements on their websites and also notify the stock exchange of the same for public dissemination.

4. Maintenance of website: In order to ensure/enhance public dissemination of all basic information about the listed entity, listed entities are mandated to maintain a functional website that contains certain basic information about them, duly updated for all statutory filings, including agreements entered into with media companies, if any.

5. Compulsory dematerialization of Promoter holdings: In order to improve transparency in the dealings of shares by promoters including pledge / usage as collateral, it is decided that the securities of companies shall be traded in the normal segment of the exchange if and only if, the company has achieved 100% of promoter’s and promoter group’s shareholding in dematerialized form. In all cases, wherein the companies do not satisfy the above criteria, the trading in securities of such companies shall take place in trade for trade segment.

6. Peer reviewed Auditor: It has been decided that in respect of all listed entities, limited review/statutory audit reports submitted to the concerned stock exchanges shall be given only by those auditors who have subjected themselves to the peer review process of ICAI and who hold a valid certificate issued by the ‘Peer Review Board’ of the said Institute.

7. Approval of appointment of ‘CFO’ by the Audit Committee: In order to ensure that the CFO has adequate accounting and financial management expertise to review and certify the financial statements, it is mandated that the appointment of the CFO shall be approved by the Audit Committee before finalization of the same by the management. The Audit Committee, while approving the appointment, shall assess the qualifications, experience & background etc. of the candidate

8. Disclosure of voting results: In order to ensure wider dissemination of information regarding voting patterns which gives a better picture of how the meetings are conducted and how the different categories of investors have voted on a resolution, listed entities are required to
disclose the voting results/patterns on their websites and to the exchanges within 48 hours from the conclusion of the concerned shareholders’ meeting.

9. Enabling shareholders to electronically cast their vote: In order to enable wider participation of shareholders in important proposals, listed companies are mandated to enable e-voting facility also to their shareholders, in respect of those businesses which are transacted through postal ballot by the listed companies.

10. Manner of dealing audit reports filed by listed entities: SEBI board has approved a mechanism to process qualified annual audit reports filed by the listed entities with stock exchanges and Annual Audit Reports where accounting irregularities have been pointed out by Financial Reporting Review Board of the Institute of Chartered Accountants of India (ICAI-FRRB). In order to enhance the quality of financial reporting done by listed entities, it has been, inter-alia, decided that:

- Deficiencies in the present process would be examined and rectified.
- SEBI would create Qualified Audit Report review Committee (QARC) represented by ICAI, Stock Exchanges, etc. to guide SEBI in processing audit reports where auditors have given qualified audit reports.
- Listed entities would be required to file annual audit reports to the stock exchanges along with the applicable Forms (Form A: 'Unqualified' / 'Matter of Emphasis Report'; Form B: 'Qualified' / 'Subject To' / 'Except For Audit Report').
- After preliminary scrutiny and based on materiality, exchanges would refer these reports to SEBI/QARC
- Cases wherein the qualifications are significant and explanation given by Company is unsatisfactory would be referred to the ICAI-FRRB. If ICAI-FRRB opines that the qualification is justified, SEBI may mandate a restatement of the accounts of the entity and require the entity to inform the same to the shareholders by making the announcement to stock exchanges.

11. Recently, NSE held a conference jointly with SEBI and CFA Institute on “Independent Directors - issues and Challenges” – to create awareness among independent Directors;

OBJECTIVE OF THE STUDY

The primary objective of the study is to assess the effectiveness of clause 49 of listing agreement, SEBI on the performance of the companies through graphical analysis. The aim is to compare the differences in the average returns of the selected companies before and after implementation of the clause on the basis of various parameters like profit after tax and earning per share and profitability.

METHODOLOGY

The research methodology includes empirical analysis of the financial performance of selected companies by taking data from their past annual and financial statement. Secondary sources (specifically prowess) of data collection have been used to compare average annual returns of 5 years before and 5 year after implementation of the clause to assess the performances of companies.

DATA SELECTION AND ANALYSES

Data Selection

The present study analyses 30 companies listed in Bombay Stock Exchange which also represent BSE SENSEX to assess the impact of clause 49 of listing agreement issued by SEBI 2000-2010.
About BSE SENSEX

The BSE SENSEX (Bombay Stock Exchange Sensitive Index), also called the BSE 30 (BOMBAY STOCK EXCHANGE) or simply the SENSEX, is a free-float market capitalization-weighted stock market index of 30 well-established and financially sound companies listed on Bombay Stock Exchange (BSE). The 30 component companies (Annexure-I List of companies) which are some of the largest and most actively traded stocks are representative of various industrial sectors of the Indian economy. Published since January 1, 1986, the SENSEX is regarded as the pulse of the domestic stock markets in India. The base value of the SENSEX is taken as 100 on April 1, 1979, and its base year as 1978-79. During the introduction of the SENSEX in 1986, some of the companies included in the base calculation in 1979 were removed and new companies were added.

Measures Used for Assessing the Performance of Companies

Profit after tax, Earning Per Share, Profitability Ratios like PAT as % of capital employed, PAT as % of net worth, PAT as % of total assets, PAT as % of total income and PBDITA as % of total income have been used for measuring the performance of the corporates in this study.

GRAPHICAL ANALYSIS

Graphical presentation of EPS

Statistical analyses have already proved the positive effect of the clause on the companies EPS and profits. The following graphical analysis provide another support to the derived results. Following graphs represent EPS* of sample companies during the study period.

All graphs below have the following Axis

Y-axis: EPS* (in Rs.)
X-axis: Years

EPS*:- EPS have been adjusted for the face value differences found during different time period for respective companies. It has been adjusted by making the EPS calculated for a specific face value for example if the face value per share of a company has been changed from Rs.10 to Rs.5 than the EPS of that current/previous period is multiplied/divided by 2, through this return on a comparable amount of investment has been calculated. Similar exercise is done for each company and each change in EPS of respective companies.

Figure 1. Graphical Representation of EPS

Figure 2. Graphical Representation of EPS
Figure 3. Graphical Representation of EPS

Figure 4. Graphical Representation of EPS

Figure 5. Graphical Representation of EPS

Figure 6. Graphical Representation of EPS

Figure 7. Graphical Representation of EPS

All EPS Graphs are Plotted after adjusting the Face Value of Each Share and Companies Selected for Each Graph are Based on The Same Face Value Per Share for Example Rs.10/5/2/1 Per Share.
It is clearly evident from the above graph that on an average each company got an increase in EPS after implementation of clause 49 however, the change in the slope of curves also reflect the effect of sectorial differences as well as the effect of other factors.

**Graphical presentation of Profit after Tax (PAT)**

As it is already tested and proved above by the statistical analysis that the clause have a positive effect on the company’s profitability these results also gets the support of graphical analysis as below. Following graphs represent PAT of sample companies.

All graphs below have the following axis

Y-axis: PAT (in Million Rs.)

X-axis: Years

![Graphical Representation of PAT](image1)

**Figure 8.** Graphical Representation of PAT

![Graphical Representation of PAT](image2)

**Figure 9.** Graphical Representation of PAT

![Graphical Representation of PAT](image3)

**Figure 10.** Graphical Representation of PAT

![Graphical Representation of PAT](image4)

**Figure 11.** Graphical Representation of PAT
It is clearly evident from the above graph that on an average each company got an increase in PAT after implementation of clause 49 however, the changes in the slope of curves reflect the effect of sectorial differences as well as the effect of other factors.

FINDINGS OF THE STUDY AND RECOMMENDATIONS

The design of the corporate governance framework in India is considered matching that of the advanced countries, on aspects of enforcement and quality of supervision, even though scope exists for significant improvement. The planned implementation of clause 49 laid a benchmark for listed companies and affects their performance in real terms which can be identified in the above study. Some of the major highlights of the study are:

**EPS Analyses**

Through a comparative analysis of 2000-2005 period & 2005-2010 periods, it is apparent that EPS have been showing an upward trend & this holds true for all most all the companies under consideration. This can be attributed to the implementation of clause 49 by SEBI. Another point of consideration can be that the behavior reflected by all firms is not identical in all terms. They are showing a rising trend but the rate of increase is showing varied behavior. Even exceptionally some companies showing a steep decline in EPS during 2005 like sun Pharmaceuticals ltd, Infosys Ltd, Dr. Reddy’s laboratories and Larsen and Tubro Ltd which can be linked with the sectorial or industrial differences. We can attribute this to the presence of factors other than the event under study which can be firm specific factors or macro-economic level factors like most of the companies are effected by the recession occurred in 2008 after subprime crises of US as showing a slow growth or decline in their EPS after that. Most of the companies recovered after that in 2009-10.

**PAT Analysis**

Profit after tax figures of companies also presenting the same picture as of EPS except they are consistently increasing. All companies having upward sloping PAT curves with diverse magnitudes, this variance could be assigned to the differences of industries or to internal factors of the company. The statistical analyses found huge differences in the average profits before and after implementation of clause which is also supported by the graphical presentations.

**Profitability Ratios**

These ratios are giving pretty much different results as compare to previous analyses as most of the companies showing independent results over the clause implementation. Except some of them most of the company ratios are on a declining or static move some specific reasons for each ratio can be identified as below.
PBDITA as % of total income

Profit before depreciation interest tax and amortization (PBDITA) or operating cash flow ratio in the above study showcase the different results for each company. The very basic reasons which could be assigned for these differences are the differences in the asset base or debt financing of companies as this ratio represent the PBDITA over total income. Some companies have an increasing trend while others are indifferent or declining.

PAT as % of total income

Profit after tax (PAT) as a % of total income provide the information about how much money will be available for owners of the company out of the total funds generated during the year. Most of the companies differing in their results like BHEL and Bharti Airtel Ltd. Showing an upward swing in 2005 after implementation of clause, some like HUL or Dr. Reddy’s Laboratories Ltd showing a steep decline or some of them like SBI, NTPC and HDFC Ltd. Etc. are indifferent.

PAT as % of total assets

Profit after tax as a % of total assets also doesn’t deviate much with the above results, however the differences between the companies in this regard can be due to differences in the assets base of the companies i.e. companies belonging to industries with huge investment in assets like manufacturing or infrastructure having low ratio as compare to companies with comparatively low investment industry like IT. This ratio helpful in ascertain the returns of the companies on investment in the form of assets.

PAT as % of net worth

This ratio can be defined as PAT as a % of owners’ equity also which reflect return on owner’s fund. In the above study for all the companies, these ratios also follow the above trend i.e. doesn’t provide a clear cut effect of the clause on company’s profitability. Every company affected by its internal as well as external factors.

PAT as % of capital employed

Capital employed can be defined as, Fixed assets plus working capital or Total assets less current liabilities. Earning over capital employed provide a good measure of analysis of performance evaluation of a company. In the present study all companies following their other ratio trend in this frame also. Most of the companies found at least a ripple effect on their profits and ratios, however the extent of effect depend on their on factors. Even though the curves are not showing thrilling results but somewhere the clause left its effect by increasing or stabilizing the returns of the companies in general for all companies with very few exceptions.

In general all the companies showing positivity towards the corporate governance reforms, however the effectiveness of the clause can be increased by revising it after considering the specific industrial needs as all industries providing different results with the same clause. Another area which needs improvement is stricter penalties for non-compliance.

CONCLUSION

In the last few years, the thinking on the corporate governance in India has gradually crystallized into the development of norms for listed companies. However the bigger challenge in India lies in the proper implementation of those rules at the ground level. Even the most prudent norms can be deceived in a system suffering with widespread corruption.

The present project studies India’s adoption of major governance reforms (with reference to Clause 49) Over a span period of 10 years before and after implementation of clause 49. The study clearly reveals the effectiveness of the clause in different large cap companies. The selected group of companies statistically tested for their positive results on specified component i.e. accounting profits, earning per share and on profitability ratios out of them EPS and Average profits had increased considerably during the study period however the profitability ratios doesn’t provide a concluding
result as they are affected by the industrial as well as company specific factor a lot. Corporate governance in India, if practiced in the right spirit, it can lead to unlocking the new horizons for the companies by improving their efficiency. This is supported by the results of this study also.

There can be a scope for further study in the same area by Inclusion of more companies, Inclusion of more indices, Coverage of period beyond 2010, Comparative analysis of sectorial behavior owing in clause 49 and other variables for measurement of efficiency.

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DAWN OF SOCIAL MEDIA OPTIMIZATION IN INDIAN MARKETING SYSTEM

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ABSTRACT
Social media marketing has been a recent development and addition in the field of marketing. It has become a platform for both the companies and consumers to exchange their views directly through use of internet. It is the best source for attracting consumers, and creating brand awareness and brand loyalty simultaneously, for the product and service. The term social media optimization is a new-bee under the wings of social media marketing, which is catching its pace rapidly with time. As the producers are getting aware of the utilities of social networking sites and search engines, they are indulging in more and more of social networking sites and using the user-interface system for expanding a broader customer base. This article studies the evolvement of social media optimization from social media marketing, in context of which a brief introduction of both social media and optimization has been provided, along with picturesque representation of social media framework, development cycle, strategy framework and elements of social media optimization. A summary has been provided of the five famous rules given by Rohit Bhargava, along with the profile of top 15 social media agencies in India, and a concluding note on the benefits derived by companies of future of social media optimization in marketing biz.

Keywords: Social Media; Optimization; Strategies; Social Networking Sites

INTRODUCTION
The older concept of marketing which involved, “mass production, distribution and marketing”, has been replaced by the new concept of marketing, which involves “marketing through social media”. In the present era social media and information technology has become the major source of creating brand loyalty at minimum cost and to maximum customers simultaneously at a time. However quoting social media as a concept of new era cannot be completely true as utilisation of social media has existed in the field of marketing, from the pre-media age in the form of display marketing, where advertisements were put on hoardings and posters, but with the advent of time the hoardings changed to electronic display and further to social networking sites.

LITERATURE REVIEW
Evans L. (2010), in his book “Social Media Marketing: Strategies for engaging in Facebook, Twitter and Other Social Media”, has provided a clear picture of how social media is can be utilised by companies and industries to deepen relations with their customers.¹⁰

Kotler Philip et al. (2002), in his book “Social Marketing: Improving the Quality of Life”, has provided a vision of philosophy, logic, concepts, and tools of social marketing which can be utilised for strengthening the customer base¹¹
Dr. Saravanakumar M., Dr. SuganthaLakshmi T.,(2012), “Social Media Marketing”, in their work have identified the importance of technology and social media in business, and how the decision regarding consumers are being affected by social media marketing.

OBJECTIVE OF STUDY

- To analyse the importance of social media in marketing.
- To study the emergence of and use of social media optimization in marketing.
- To provide a bird’s eye view of position of social media agencies in India.

Social Media Marketing: An Overview

Social media marketing is a trend, not a tool, it’s a buzz not a technique and above all it’s an addiction not a habit. The term social media marketing clearly implies a collaborative relation of social and media to achieve marketing, i.e. it involves the use of socially available mediums of technology to market a product. It can take any form from forums to blogs to wikis to podcasts, etc. in the present era social media is the best available attractive way of promotion, which can be easily utilised to attract large genre of online customers. With the rising hype of social media in marketing business companies are including “designing of web – page” in their marketing strategies and plans of promotion. Though the decisions of promotion techniques have been influenced by technology and social media, yet the steps involved in process of decision making remains the same, viz.:

- Determining the market environment
- Selecting the target audience
- Designing the web page and additional offerings
- Managing the budget
- Monitoring the working

Adoption of social media involves eight major business competencies to be analysed and strategized, as represented in the following figure 1:

Source: Viapoint

Fig. 1: Social media adoption framework
Talking about the benefits social media is one of the cheapest available promotion techniques. It is the widest platform to connect, interact, socialise and access customers both instantly and continuously. It helps to reduce the cost involved in recruitment of those resources that link the producers with consumer’s viz.: salesmen, middlemen, agencies, representatives, etc. Social media marketing is not only merely creating a face for the company, rather it is an open arena where the producers warmly welcome every minute suggestion, discussion, idea, interest, disliking, choices, advices, etc. with the gaining hype, social media is not only merging with marketing, rather it is becoming a synonym for marketing of modern age.

The development of social media cycle and framework of social media strategy has been represented by fig. 2 and fig. 3 respectively.

Source: Rhxo Technology Group

Fig. 2: Social media development cycle

Source: www.intersectionconsulting.com

Fig. 3: Framework of Social media strategy
Thus it can be righteously said that social media marketing enables producers and consumers to share their experiences and knowledge, which in return creates brand loyalty, awareness, reputation, goodwill, wider consumer base and increased sales value.

Kotler & Zaltman, defined social marketing as “the design, implementation and control of programs calculated to influence the acceptability of social ideas and involving considerations of product planning, pricing, communication, distribution and marketing research.”

Emergence of Social Media Optimization

The term was first coined by Rohit Bhargava in his article, the 5 rules of social media optimization. With the birth of social media optimization, and its existence for quite a while, it is being arguably stated that search engine optimization is finally dead. Social media Optimization has been popularly defined as the marriage between social media and search engine optimization is mainly focused on attracting and driving customers and traffic to websites from social sites. Social media optimization being a modified version of both social media and search engine organization possess the benefits which has a wider array of functioning. Utilisation of search media optimization by developers and users has made it clear that it is best available source or link (as considered) to route traffics from social networking sites like Facebook, Twitter, Google+, etc. directly to the webpage of the company.

Source: Admysys

Fig. 4: Elements of Social media optimization

Thus it can be readily said that,

Social Media Optimization = Social Media + Search Engine Optimization

The process involved in strategizing the search engine optimization is explained through figure 5.
Social Media Optimization is actually providing companies with stronger recognition and better reputation in the online marketing system. Social media optimization is directly or indirectly creating value for companies by generating wider business exposure, creating brand recognition, providing competitive advantage and creating PR, which can be easily encashed in the form of wider traffic and increased sales. The major benefit provided by social media optimization is its cost effectiveness, as the companies gain accessibility to the website and social sites by just paying once and enjoying life long. Although the profit from social media optimization cannot be measured in monetary terms but it is measured through the feedback available which is termed as Return on Investment. The protocol to this process is that when a webpage is shared or liked by a user on a social network it is counted as a vote for that webpage’s quality and used for their ranking.

Therefore, it can be summarised that social media optimization is the widest and latest marketing tool with the power to link producers directly with their consumers, avoiding the discrepancies created by middlemen and grapevine communication. The biggest Return on Investment experienced from social media optimization, till date is its effectiveness to have direct and instant response from consumers on the quality and usage of products, which acts as the direct source of data utilised in strategizing new product development plans by companies.

**Famous 5 Rules of Social Media Optimization**

Considering search engine optimization as the base of search media optimization he implied social media optimization to be simple, tactical, interactive, cost efficient and quick. He conceptualised social media optimization as a practice of optimizing the search engines to link the relevant and concerned blogs, podcasts, twitter accounts and Facebook accounts of companies which will offer a wider range of accessibility to consumers. The 5 rules framed by him have been analysed below:

1. **Increased linkability** – through this rule he tried to discuss the advantages of being updated. This rule states that it is a priority for website and search engines to be creative and attentive, as this may attract the interests users. Creating different types of blogs and spaces for discussions and thoughts from consumers, along with day to day update will increase the size of traffic.

Source: Mambo media

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**Fig. 5: Steps involved in Social media optimization**

[Diagram of Social Media Optimization Process]
2. Tagging and book marking – this rule states that features of tagging like “add to del.icio.us” buttons should be made easier, as relevant tags and suggestion notes are very helpful for producers. Easily available bookmarking sites and tools, help the pages to gain popularity.

3. Inbound links – are incoming links to a website received from some other website. It is actually acts as a third party source in the social media optimization process. So to utilise the inbound links, it is necessary for developers to clearly list the recent linked blogs to their websites as clear visibility will rebound with broader traffic.

4. Content travel – in this rule, he stated that content related to developers, when submitted to relevant and related sites are always carried forward which ultimately routes back to website of developers.

5. Encouraging mashup – through this rule, he tries to encourage the website and search engine creators to allow open access to their content, till the extent it is not harmful for their working. As allowing the use of content, makes it easy for others to create mashup (a web application that combines data or functionality from more than one source) which drives more traffic and consumers to their sites.

These rules actually provided a base for the working of social media optimization in the marketing system. Although these rules are not exactly working like the newton’s law of gravity, but somewhere it helps new comers in the hemisphere of social media optimization to build their existence.

Array of Social Media Agencies in India

Social Media is now becoming an integral part of any company’s marketing strategy. In a survey conducted by global PR firm Burson-Marstellar, it was found that 79% of the Fortune 100 companies are using at least one of the popular social media platforms like Facebook, Twitter, YouTube or blog. Of the brands surveyed, 75% of them have felt the need for creating a presence on social media platforms and currently have one or are in the process of putting one in place. It has been observed that 31% of the marketers are spending 10% of their digital spend on social media; 11% are heavy spenders with more than 30% of their digital budgets going to this channel. With social media advertising picking up in India, the companies are putting leverage to channel it properly (the data and profile of companies have been cited from site of socialappshq). A short profile of top social media optimization companies ruling the social marketing biz, in India are discussed below:

- Media redefined: provides strategic solutions for large scale media campaigns and provides solution for maintaining and managing reputations for global brands. Based in New Delhi this company is considered to be a pioneer in blogger programing. Major Clients: Samsung Mobile, Maruti Suzuki Alto K10, Samsung Television, Micromax Mobile, NIIT etc.

- Pinstorm – an agency which works for integrated digital marketing solutions by providing plans, framework and strategies after analysing the buyer demand from their conversations. It is located in Mumbai. Major clients – ICICI Bank, ET Now, Café Coffee Day etc.

- Quasar – being the largest digital media and e-solution provider in India, it creates solution for providing uniqueness of brand to clients. Major Clients – Motorola, Xbox 360, Samsung

- Iffort – a company hailing from Noida, is well versed in web – marketing and crafting – implementing web solution for clients. Major Clients – Myheritage, Knowledge Platform.

- Phonetics – from Mumbai this company is a creative digital agency which creates content for internet and mobile marketing. It specialises in social media marketing, display - search marketing, viral videos, application development, etc. Major Clients- Reebok, SOTC, Adidas, NIIT, Cadbury.
Web – chutney – from New Delhi this company develops and creates solution for brands to get emotionally connected with consumers so that they can build sustained relationships with their customers. Major Clients – Unilever, P&G, HP, Airtel, Microsoft.

New media Guru – offers web solutions like web designing, development, search engine marketing, search engine optimization, etc. it is located in New Delhi. Major Clients – Bacardi, Nikon, Havells, Dell.

Foxymon – Mumbai based company, helps its client in areas of social media, web design, print and identity designs, etc. Major Clients – NLPL, Valencia, Neeta Lulla, Cadbury Bournville.

OMLogic – is a strategic and comprehensive online marketing service provider who specialises in search engine optimization, paid search, and search media marketing. It provides facilities of citizen evangelism and perception management campaigns. Major Clients- Yatra.com, HBO, Oriflame, Wave City Centre.

CONCLUSION
It cannot be denied that social marketing has become the buzz of marketing system. In today’s technology based world, it is hard for any company to restrict itself from getting addicted to social networking sites. From the study, above it can be easily noted that social media provides benefits of reliability, portability, cost – effectiveness, wider – clientele base, better awareness for updates of products, easily available feedbacks, gaining popularity, brand loyalty and direct link with customers.

Social media optimization being a new bee under the wings of marketing needs proper planning, before it is implemented as even a small negligence might hamper the image of the company. The system of Social Media Optimization getting viral day – to – day needs regular update from its creators as well as users. From the study, it can be seen that India has yet not reached the optimum exploitation level in social media sector, so it still has huge scope for future expansion.

In order to reap the benefits, companies should develop marketing strategies, imbibing marketing excellence and analytics, on the basis of conversations, discussions, suggestions and feedbacks available on the websites, blogs, webpages and search engines. it is necessary for all companies to have a strong social media team that can monitor the discussions and interactions of customers on their webpage, and is able to share information about the organisation directly with customers. The picture one can create amongst the consumers with the help of SMO can be easily en-cashed in future, in the form of brand loyalty and larger customer base.

REFERENCES
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A CONCEPTUAL STUDY ON IMPACT OF STRESS ON WORK-LIFE BALANCE

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ABSTRACT
The pressure of increasingly demanding work culture in our country is perhaps the biggest and most pressing challenge to the mental health of employees. The effect of increased working hours is having an important effect on the lifestyle of huge number of people, which will damage their mental well being. Stressful job conditions and work-life imbalance are pieces of a more complex puzzle. While not definite, one can suggest that employer actions to address workload distribution could provide employees who experience work-life conflict with a better balance. The need for employers to address work load and work schedules is root cause of work life imbalances. The tangible benefits of providing environment that supports work-life balance need to be more effectively and widely communicated. According to a survey done by Human Solutions, workers who report they have a good balance between work and personal/family life experience less stress than workers who lack this balance. The high incidence of job stress among knowledge workers raises concerns about the sustainability and cost of the job and career pressures the employees’ face. Employees need to assess the business and personal risks of job stress, focusing specifically on knowledge workers who put in excessive hours.

Work-life balance and stress go hand in hand. What seems to matter in this regard is the importance workers place on balance in their lives and the effectiveness of work place policies and practices in supporting them to achieve this goal. This paper focuses on the work life of both employers and employees’ and also suggests how work life balance has to be achieved. The employers needs to frame polices that would minimize the work load of employee without affecting the productivity of the organisation, for achieving successful work-life balance.

Keywords: Stress; Work-Life; Job, Balance; Work Load

INTRODUCTION
Work is a key factor from which many people derive satisfaction in life; equally they serve as a big source of stress in life. Many organisations continues to change themselves with their working environment, due to globalization of the world economy and economic rationalization, that drives to job restructuring, greater workload and job insecurity. Work related stress includes the effects on worker satisfaction, productivity of the organisation, their mental and physical health, absenteeism and its economic cost, greater impact on family and finally affects the potential of the employee. Work life balance has always remained a reason for quality of working life and its relation to the quality of life. Today work life balance is in debate because in affluent societies the excessive demands of work are
perceived to present a distinctive issue that needs to be addressed. Achieving a balance between home
life and work life is becoming increasingly a priority for many people. This implies that their primary
career objective is to balance and integrate their personal needs, their family needs and the
requirements of their career. A growing aspiration to balance work with other aspects of life can
doubtlessly be linked to the long hours that many individuals have to devote to work. Young people
wish to develop and manage their careers on their own terms, with an important part of this career
individualism being the achievement of balance between the work and non work aspects of their lives.
Work-life balance has been defined as 'satisfaction and good functioning at work and at home with a
minimum conflict. As such, it is sometimes characterized by 'the absence of unacceptable levels of
conflict between work and non-work demands'. Thus when demand from work and non work is not
mutual there arises a conflict. For this reason, a lack of balance between work and non-work is
commonly conceptualized as work/family conflict or work/non-work conflict. Such conflicts can occur
in both cases where, work roles interfere with non work roles and vice versa. Factors such as the
advances in information technology and information load, the need for speed of response, the
importance attached to quality of customer service and its implications for constant availability and the
pace of change with its resultant upheavals and adjustments all demand our time increases the work
pressure and can be sources of pressure. As a result demand for work dominates the life and sense of
work life balances arises.

REVIEW OF LITERATURE

Goddard, et al., 2006: Environments with pressures at work, coupled with psychologically induced
stress (job threat stress) have been associated with burnout, reduced job satisfaction, and lack of
organisational commitment.

Hardie, et al., 2005: High stress leads to ill-being, especially where an individual lacks the coping
resources or uses ineffective strategies to cope with stress;

Allen, et al., 2000: Importantly, satisfactory work-life balance and low work-life conflict were also
linked to non-work outcomes, such as life, family, marital and leisure satisfaction and family
performance.

Stanton, et al., 2001: Job stress can be defined as something in the work environment that is perceived
as threatening or demanding, or is something in the work place which gives an individual an
experience of discomfort. Job threat stress is described by individuals as qualities of work experience
which induce feelings of being overwhelmed or nerve-wracked. Job pressure stress is the perception of
work being demanding or time-pressured.

Lazarus, et al., 1984: Postulated three phases of cognitive appraisal that occur during stressful
situations, which have an impact on wellbeing, namely primary appraisal, secondary appraisal and
reappraisal. Primary appraisal referred to the cognitive perceptual process whereby an individual
perceives something as stressful, neutral or positive. Secondary appraisal involves evaluating what
might be done about a stressful situation and the individual deciding whether they have the coping
resources to deal with the stressor. Reappraisal involves an altered perception about how stressful the
situation is based on new information from the environment.

Aderman, et al., 1983: In order to reduce perceived job threat stressors on work-life issues and
employee wellbeing, person-centred stress management techniques could be recommended. Examples
are providing relaxation/mindfulness meditation classes, exercise promotion and providing facilities
such as gymnasiums, promotion of healthy eating and providing good food choices, and counselling

OBJECTIVES

1. To examine the signs of unhealthy work life balance
2. To identify what employers can do to reduce work life balance in work place
3. To suggest steps to overcome work life balance
The Signs of Unhealthy Work life Balance

1. **Exhaustion.** When we work long hours on a frequent basis and fail to establish boundaries between our work and home life, we end up suffering from physical and mental exhaustion. As a result, your ability to think clearly and your eye-hand coordination suffers. We are less productive and more prone to make mistakes. Our mind is fuzzy, our reflexes are slower, and we are at risk of injury, liability, and even tainting our professional reputation based on slow or ineffective performance.

2. **Absence.** When we fail to establish boundaries between our work and home life, we end up missing important family events. We also miss unique moments, anniversaries, and birthdays. Our absence can really damage our relationships with loved ones and make them feel unappreciated.

3. **No friendships.** By spending all of our time focused on our career, we don’t dedicate any time to nurturing and growing our friendships. Friends are an essential element of our support system. They keep us from getting isolated as a result of high amounts of work and give us positive energy and support. Having a support system is a key to having balance in our life, experiencing fulfilsment, and having personal satisfaction in life. However, friendships need to be nurtured. Otherwise, they don’t last as long or their quality diminishes.

4. **Work load increase.** The more hours we work at the office and the more consistently we do it, the more work we will receive in compensation. We will get more responsibility and more projects. Now, while this may be a great step towards career advancement and a salary increase, we have to make sure it is not affecting the other aspects of our life. This is a slippery slope which can easily result in a never ending and increasing cycle of work, concerns, and pressures.

Having no work life balance or an unhealthy amount of work life balance can result in persistent amounts of stress. This stress can lead to:

Cardiovascular disease, sexual health problems, weakened immune system, migraines and headaches, stiff muscles, backaches, acne, depression, weight gain, substance addiction, nervousness, trouble concentrating, forgetfulness, irritability, weak coping skills, insecurities, lowered self-esteem, feeling a lack of control, mental and physical fatigue

It’s easy to see how your career can affect your health. Don't be a statistic. Take control of your schedule, your career, and your personal life. You can have both a fulfilling career and personal life. This is a very big possibility and is in your hands. You have to really want it and be willing to make changes to create the amount of work life balance that is most effective and fulfilling for you.

**Changing Work Place for Work Life Balance**

Having our workplace involved in assessing our work-life balance is a good idea. The workplace should be able to do the following:

- Caution the workers of how long work hours could affect our well-being
- Encourage the employees to be more open about their problems in work especially with the hours. They should let the employees feel that they can speak up for their rights
- Develop useful policies that recognize the relationship of mental problem and work related stress. These rules should detail the responsibilities and roles of the employees to promote mental health. The rules should also detail the mechanisms on how the organization could help their staff who have mental health problems
- Give improved trainings to managers to help them spot poor work-life balance and stress. The managers should also be well trained in developing better systems for protecting their employees.
- Making sure that the jobs can be managed within a time frame; work with a prioritization scheme; meaning do the most important tasks first before moving on to less important work.
• Encourage relaxing routines that could promote excellent mental health like exercise.
• Audit work environments and identify the elements of policy, practice or culture that could be damaging to everyone’s healthy work-life balance
• Allow all the employees to attend support services and counselling held at working hours just like they would attend a medical appointment
• Monitor and evaluate the policies regularly against work indicators like absence, sickness and staff satisfaction

Suggestions to Overcome Stress and To Have a Balanced Work life

• Rather than classifying the workweek as five days long, allow employees to work four 10-hour shifts. This schedule enables employees to have three days off each week instead of the typical two-day weekend.
• When possible, incorporate a work-from-home policy. Offering this benefit even a few days per year can make a difference.
• Make day care available to staff on-site or incorporate a benefit which would provide day care at a discounted rate.
• Establish a deal with a local dry-cleaning service or even consider having one on-site.
• Offer a tax preparation service benefit.
• Offer free gift-wrapping services during the holidays and for special occasions.
• Consider presenting high-performing employees with family vacation packages in addition to, or in place of, monetary bonuses.
• Offer concierge services to help employees balance the many errands in life.
• Offer scheduling of flextime, where employees can provide their input on their preferred work schedule (7 a.m. to 4 p.m., 8 a.m. to 5 p.m., 9 a.m. to 6 p.m.). If multiple employees request the same shift, offer a rotating schedule to satisfy everyone.
• Offer seasonal hours, where employees can leave early on Fridays during certain seasons.
• Make yearly anniversaries with the company an extra paid time off day to encourage employees to celebrate their tenure. This day off will also serve as a reminder that their employer cares.
• Encourage employees to avoid checking their work e-mail and voice mail after the workday and on weekends, to separate work from their personal lives.
• Allow employees to take a longer lunch, if they come in early or work later, to make up the missed time. This option will make it easier for staff to schedule appointments or run errands on their break.
• Hold virtual meetings, so employees do not have to be on-site to attend.
• Encourage employees to take frequent breaks to rehydrate and go to the restroom (at least once every two hours). This may seem unnecessary to address, but many busy people forget to take time out of the day for their personal well being.
• While you may not be able to initiate all of these suggestions, even tackling a few will help employees see your organization’s concern for true work-life balance in the workplace. Address these recommendations with your leadership team as soon as possible to tailor your approach and set your plan into action.
CONCLUSION

Job stress in any organisation has been increasing over the last few decades and has important implications for performances. Despite its importance, there has been a lack of proper stress management program. As stress affects the outcome of productivity, monitoring and managing job stress is extremely important. Even with the availability of employee assistance programs in organisation such as stress management and flexible work arrangements, the complex nature of stress still seems to influence the health and work-life balance negatively. So it is the responsibility of the employer and employee to contribute to the better work life balance for fruitful productivity.

REFERENCE


ABSTRACT

Education is a basic human right and that its function is to develop the talents of the individual to the fullest extent possible to enable him to participate freely within a free society. Schools instil basic values according to criteria of principles and not of expediency. Individuals should not be indoctrinated with party political creeds or moulded in highly specific.

Keywords: Realisation; Totalitarian; Aspirations

INTRODUCTION

Formal education in Sudan was started by the British Colonial Administration after their re-occupation of the country in 1898. Previously education was limited to Quranic and other religious schools and the few Sudanese who enrolled in any activity which could be classified as modern or higher education were those who went to Egypt and enrolled in Al-Azhar University. Gordon Memorial College, which later became the University of Khartoum, was established in 1902 by the colonial powers in order to provide the administration with its needs of indigenous manpower in the fields of education and administration. The college had experienced different phases of change which mirrored the economic and social development in Sudan. The establishment of the medical, agricultural and engineering schools was in response to the changing realities and needs as well as the aspirations of the population.

The establishment of technical colleges in Sudan was closely related to necessity where colleges such as Shambat Agricultural College and Khartoum Technical College helped provide the much needed technical skills on which development projects and municipalities depended.

Higher Education and Development

As stated before, higher education in Sudan had mirrored the different phases of economic and social change in the country. The nature of the Sudanese economy and its historic inadequacies were reflected in the planning of higher education. The different institutions tended to be service institutions rather than leading edge proponents of technological changes.

Successive governments had treated higher education as a burden and expense despite their protestations to the opposite. The lack of proper planning and the tendency towards expansion in low
cost courses added to the woes of the economy and helped to propagate the ‘diploma disease’. In addition, the existence of a large number of graduates without proper job opportunities meant an accumulation of over-educated civil servants in government departments with nothing to do with their qualifications. Disenchantment, lack of satisfaction and a higher bill for the work force, increased pressures on already dwindling resources of an impoverished administration and caused a sharp decline in productivity.

**Higher Education under Bashir’s Government**

The higher education system in Sudan has suffered enormously under Bashir’s government and many changes with profound cultural and political implications were introduced. The overall impact of these changes is to attempt a social transformation in line with the ideology of the fundamentalist regime. The impact on the economy of the country and the much needed skilled manpower is of grave consequences as changes are motivated by hasty needs for political conformity.

The NIF has realised the impact of higher education on the society and the influence that graduates could exert long before other political groups in Sudan. The growth of the fundamentalist movement in Sudan is a testimony for this realisation as the whole movement originated and developed within higher education institutions and its hard core is mainly composed of university graduates.

Al-Bashir’s government was quick to set in motion a process which could enable it ensures control over the educated elite as well as higher education institutions. University staff associations were disbanded along with other trade unions but student unions, which were controlled by NIF supporters, were allowed to function in order to keep a tap on students activities in the early days of the government. The abolition of liberal university charters and harassment and dismissal of staff members and students were started in earnest.

**Higher Education Conference**

A conference on higher education was convened in order to furnish legitimacy on the NIF educational policy and to create an impression of consultation. A part from those attending because of their positions such as university vice-chancellors and senior figures in the higher education system, the conference was backed by fundamentalist supporters, some of whom had no knowledge of the workings of higher education institutions or their objectives. This could be understandable if the participants from outside the educational establishment were a representative sample of the complexions of the country as their participation is essential in order to ensure that higher education policies are reflections of the needs, aspirations and the values of the society. This was not actually the case and the high percentage of NIF supported helped to skew the deliberations and to create an intimidating atmosphere. The encroaching frustrations and lack of job satisfaction led several senior staff members to leave the universities, some emigrated while others either retired or joined the private sector in their professional capacity.

**OBJECTIVE**

The main objective to study the impact of Sudan’s economy in the field of higher education and what are the major benefits for the global changes will bring by Sudan’s economy with the change in the field of social and economical and political areas for the growth of country. some point for the favour of context as follows;

**Increases in Student Intake**

The education conference recommended the immediate increase in the number of students in higher education and the decision was implemented soon after. The recommendations could be commended if the conditions were appropriate for such changes. The reality of the situation is that higher education institutions are starved of resources and the pressures created by the existing numbers of students are enormous. The acute and chronic shortages of all modern teaching facilities, library stocks and laboratory supplies, and the enforced exodus of qualified staff, meant a sharp decline in the material
expenditure per capita as well as a souring student to staff ratio. These problems bode ills for the quality of teaching and the standards of students, and economic realities of the country makes any corrective action a delusion.

**Proliferation of Higher Education institution**

This government is following in the footsteps of all totalitarian regimes where glaring projects are given priority over low profile and productive proposals. A large number of universities and higher education institutions have been created without proper funding or manpower considerations. At least one new university was created in each state and some religious institutions were given the status of the university in blatant mockery of the meaning and essence of the word university. Most are nothing but elusive attempts to give the impression of success. Some existed on paper only, others were mere buildings that are not suitable for small secondary schools, never mind further education establishment. The acute deficiency in the teaching staff in the established universities, testifies to fallacy of staffing the new universities.

**Arabicisation**

The education conference - actually the government- has ordered a change to Arabic as medium of instruction in all higher education institutions, a controversy with its political, social, cultural and educational implications.

Political, Social and Cultural Implications Arabicisation is a highly sensitive issue in a country such as Sudan with a wide ranging cultural and ethnic diversity, and suffering from a brutal civil war with deep rooted racial and religious causes. The political and social history of the country makes any attempt to impose Arabic in the higher education system an explosive proposition, and leads to an increased polarisation in the country as Arabicisation is conceived to be synonymous with Islamicisation and Arab hegemony. Arabism is also linked to slavery and the abuses that accompanied the process, a dark episode in our history which could not be corrected without courageously acknowledging its existence and mend fences to ensure that it never happens again.

**Educational Implications**

A host of factors makes Arabicisation impractical and hasty attempts disastrous. An argument could be made that students understand better when they are taught in their own language which is a valid proposal if two conditions were satisfied: availability of facilities, and the intake into the education system is competent in the language. The two conditions are not satisfied as the lack of facilities and the cultural and ethnic diversity of the population make Arabicisation impossible if equal opportunities are to be assured. The lack of reference material and staff able to use Arabic as a medium of instruction had frustrated previous attempts of Arabicisation at places like the University of Khartoum. The availability of staff members who have an excellent command of both Arabic and their own speciality subjects at the same time was a rare commodity and there was a reasoned realisation that the process should be gradual and after all the required material was made available. The recognition that technical authorship is not in Arabic also added to the woes of those calling for swift changes.

**Changes in Enrollment Requirements**

Changes were made to the university entry system which made a credit in Arabic a mandatory requirement and allowed the use of Islamic studies to gain access to all departments. This is different from the old system where each department or faculty used to ask for subjects relevant to its activities, which is the norm all over the world. The immediate effect of these changes is to disadvantage non-Arabic speakers and those with no religious inclinations, no matter how they excel in their preferred and relevant subjects. This leads to a ripple effect in universities as intelligence activities needed to excel in subjects such as religion are not always compatible with those required in disciplines such as mathematics and engineering.
Academic Freedoms and Freedom of Association

For all intent and purpose, academic freedoms do not exist and any attempt to defend such ideals could be construed as heresy or political disobedience. The continuous ideological repression and intellectual terrorism practiced by this regime, lead to a dangerous form of mix between religion and scholarship and the atmosphere necessary for free thinking became a piece of the past. The subject of academic freedoms in Sudan was extensively covered by human rights organisations such as Amnesty International, Africa Watch, Article 19, Fund for Peace, and World University Service. Elected staff unions were dismissed and replaced by appointed ones, and Attempts to confer legitimacy through tightly controlled elections failed.

Dismissal and Harassment of Staff and Students

The dismissal of staff members and students for their political or trade union activities and beliefs became the norm. Scores of senior and experienced staff were dismissed from higher education institutions under the pretext of public interest. The continuous purges are leaving the zealots and the accommodating while all those with independent views are to be muzzled. Students dismissal for their political views and trade unions’ activities is a new and dangerous phenomena and it is designed to intimidate students and enforce their acquiescence and subjugation. As if the continuous threats of dismissal, detention and torture are not enough, the security keeps a continuous presence inside campuses and students’ demonstrations and protests are being put down with unprecedented brutality. In November 1989, the security forces opened fire using live ammunitions inside the University of Khartoum campus killing three students one of them a female.

All the students were shot inside the University buildings, in an act interpreted by observers as an intentional warning that demonstrations will be faced by bullets and no one should have any illusions about the brutal resolve of this regime

The Mix between Religion and Education

A new policy has been adopted where religious education became a core subject in all disciplines with the unmistakable purpose of indoctrinating students according to fundamentalist beliefs, a serious development in higher education in Sudan. No one could argue with the importance of enshrining ethics* into students’ conscience, but this is completely different from religious indoctrination. Since one of the main axioms of Islam is not to question or doubt what is perceived as the truth, the current practices could affect the character of educational system graduates and discourage them from using their brains for rational reasoning and questioning of accepted theory. It also develops a sense of helplessness which could easily be abused by unscrupulous quarters.

Popular Defence Training

Students are forcibly enrolled in the so called Popular Defence Camps under the pretext of military training. Those who have been through this humiliating experience liken it to those recorded of re-education camps run by fascists. The purpose of the whole practice is an exercise in ideological and religious indoctrination, an attempt to convert students into subordinate and obedient species, change their characters, and to enshrine fundamentalist’ principles into their minds. The programme curtails independent thinking and rational reasoning. Students are humiliated and made to feel humble and feeble and subjected to brutality not governed by any law or regulations. Protest at such practices was stifled and the break-away in December 1991 from Gitaina Camp, which resulted from unreasonable brutality by camp commandants, was ruthlessly suppressed. Families and parents were held to ransom in order to ensure that their sons spend the prescribed period at the camps and those who fail to attend loose their places at universities, are not allowed to travel and subjected to retribution.

CONCLUSIONS

Higher education in Sudan remains in a continuous state of transition dictated by political, economic and social changes. The current policies adopted by the RCC are the most far reaching ones and they
are extremely destructive. Changes in higher education are being dictated by political expediency rather than social or economic needs.

The regime has decided to opt for glamorous policies instead of consolidating the existing institutions which are in dire need for revitalisation. The current policy of higher education proliferation is eroding the existing institutions and are not creating better substitutes. The validation or accreditation of any of the courses offered by the new institutions, and most of those offered by the old ones, is virtually impossible. The policies are creating a substandard higher education system with its products being human tools rather than skillful users of tools.

REFERENCES

ABSTRACT

In this paper an attempt has been made to analyze the impact of global recession on financial performance of selected Indian automobile companies. For the purpose of analysis TATA Motors Limited & Maruti Suzuki India Limited the leading automobile companies of India have been taken into consideration. Secondary data have been collected through annual reports of selected companies and related websites. Further in the study the comparison of impact of recession on selected companies on the basis of Financial Performance have been analysed. Sample has been drawn by using convenient random sampling and statistical tools-ratios, paired t-test has been used. This study ends with findings and few suggestions.

Keywords: Recession; Financial Performance; Indian Automobile Industry

INTRODUCTION

Meaning of Recession

A recession is a business cycle contraction, a general slowdown in economic activity. During recessions, many macroeconomic indicators vary in a similar way. Production, as measured by gross domestic product (GDP), employment, investment spending, capacity utilization, household incomes, business profits, and inflation all fall, while bankruptcies and the unemployment rate rise.

REVIEW OF LITERATURE

Yao Chen, ‘Productivity of Automobile Industries using the Malmquist Index: Evidence from the Last Economic Recession’ in this paper focus on the financial information provided by Fortune Magazine is used to study the productivity changes in the global auto industry during 1991-1997, including automakers from the USA, Europe, Japan, and South Korean. The paper seeks to uncover global auto industry’s productivity changes during the early 1990s economic recession. Data envelopment analysis (DEA) is used to identify the empirical performance frontier. A new DEA-based Malmquist productivity index is used to further analyze the two Malmquist components. The analysis not only reveals patterns of productivity change and presents a new interpretation along with the managerial implications of each Malmquist component, but also the analysis identifies the strategy shifts of individual companies based upon is quant changes. The labor efficiency and overcapacity of the global
The auto industry is studied, and judgments can be made about whether such strategy shifts are favorable and promising.

K. Vidyakala, S. Madhuvanthi, S. Poornima, ‘Recession in Indian Banking Sector’ according to the study banks act as important players in the financial markets. They play a vital role in the economy of a country. The Recession that began in December 2007 impacted the revenues and profitability of businesses worldwide. We are in a globalised world and no more immune to the things happening outside our country. Built on strong financial fundamentals, strict vigil on risk appetite and firm monetary guidelines, Indian banks have proved among the most resilient and sound banking institutions in the world. But there has been considerable divergence in the performance of the various banking institutions in the country as also among the public, private and foreign banks operating in India. The Indian banking system is relatively insulated from the factors leading to the turmoil in the global banking industry. Going by the performance for the calendar year 2008, Indian public sector banks have not only been able to weather the storm of global recession but have been able to moderate its impact on the Indian economy as well, compared to its peers among the foreign and private banks. The banking sector faces profitability pressures due to higher funding costs, mark-to-market requirements on investment portfolios, and asset quality pressures due to a slowing economy. But Indian banks’ global exposure is relatively small, with international assets at about 6 per cent of the total assets. The strong economic growth in the past, low defaulter ratio, absence of complex financial products, regular intervention by central bank, proactive adjustment of monetary policy and so called close banking culture has favored the banking industry in India in recent global financial turmoil.

NEED OF STUDY

This study is an attempt to evaluate the impact of global recession on Indian automobile industry through selected companies over a selected period of time.

OBJECTIVES OF THE STUDY

- To analyze the impact of recession on Financial Performance of both the selected automobile companies.
- To study the comparison of impact of recession on financial performance of selected companies.

RESEARCH DESIGN AND METHODOLOGY

Hypotheses

**H01:** There is no significant difference in operating profit per share of selected automobile companies during pre and post-recession period.

**H02:** There is no significant difference in return on long term funds of selected automobile companies during pre and post-recession period.

**H03:** There is no significant difference in return on net worth of selected automobile companies during pre and post-recession period.

**H04:** There is no significant difference in return on capital employed of selected automobile companies during pre and post-recession period.

**H05:** There is no significant difference in dividend payout of selected automobile companies during pre and post-recession period.

**H06:** There is no significant difference in earning per share of selected automobile companies during pre and post recession period.
Scope of study
This study has been undertaken in TATA Motors Limited & Maruti Suzuki India Limited the two leading automobile companies of India.

Sample Size
The current study includes two automobile companies (TATA Motors Limited & Maruti Suzuki India Limited) and period of six financial years 2005-06 to 2010-11 has been taken into consideration.

Collection of Data
This study is based on secondary data which have been collected from annual reports of the selected companies and related websites.

Statistical Tools:
To test the hypothesis statistical techniques: Ratios, paired t-test have been used.

<table>
<thead>
<tr>
<th>INDIAN AUTOMOBILE COMPANIES</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TATA Motor Limited</strong></td>
</tr>
<tr>
<td><strong>Years (Pre)</strong></td>
</tr>
<tr>
<td>R1</td>
</tr>
<tr>
<td><strong>2005-06</strong></td>
</tr>
<tr>
<td><strong>2006-07</strong></td>
</tr>
<tr>
<td><strong>2007-08</strong></td>
</tr>
<tr>
<td><strong>Mean</strong></td>
</tr>
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<td><strong>2008-09</strong></td>
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</tr>
<tr>
<td><strong>Mean</strong></td>
</tr>
<tr>
<td><strong>t-value</strong></td>
</tr>
</tbody>
</table>

**Note:** Ratios: R1=Operating profit per share, R2=Return on long term funds, R3=Return on Net worth, R4= Return on Capital Employed , R5=Dividend payout, R6=Earnings per share

**Source:** Secondary data collected from website

In order to test the hypothesis, the mean score of pre and post selected years for operating profit per share of two Indian Automobile companies having no significant difference at (0.05 level of significance) the table value is (1.96) which is more than the t-value i.e. (TATA Motor -1.01) and (Maruti Suzuki 1.82). Therefore, it can be safely said that there is a no significant difference in the mean score of operating profit per share for selected years. Researcher can conclude that on this parameter both the selected Automobile companies are not affected by recession.

In order to test the hypothesis, the mean score of pre and post selected years for Return on Long term funds in case of TATA Motor having significant difference at (0.05 level of significance) the table value is (1.96) which is less than the t- value i.e. (TATA Motor -5.8). Therefore, it can be safely said that there is a significant difference in the mean score of Return on Long term funds for selected years.
Researcher can conclude that on this parameter of TATA Motor is affected by recession. Whereas, Maruti Suzuki showing no significant difference at (0.05 level of significance) the table value is (1.96) which is less than the t-value i.e. (Maruti Suzuki -0.83). Therefore, it can be safely said that there is no significant difference in the mean score of Return on Long term funds for selected years. Researcher can conclude that on this parameter Maruti Suzuki is not affected by recession.

In order to test the hypothesis, the mean score of pre and post selected years for Return on Net worth of two Indian Automobile companies having significant difference at (0.05 level of significance) the table value is (1.96) which is less than the t-value i.e. (TATA Motor -8.27) and (Maruti Suzuki -2.33). Therefore, it can be safely said that there is significant difference in the mean score of Return on Net worth for selected years. Researcher can conclude that on this parameter both the selected Automobile companies are affected by recession.

In order to test the hypothesis, the mean score of pre and post selected years for Return on Capital employed in case of TATA Motor having significant difference at (0.05 level of significance) the table value is (1.96) which is less than the t-value i.e. (TATA Motor –4.50). Therefore, it can be safely said that there is a significant difference in the mean score of Return on Capital employed for selected years. Researcher can conclude that on this parameter of TATA Motor is affected by recession. Whereas, Maruti Suzuki showing no significant difference at (0.05 level of significance) the table value is (1.96) which is more than the t-value i.e. (Maruti Suzuki -1.86). Therefore, it can be safely said that there is no significant difference in the mean score of Return on Capital employed for selected years. Researcher can conclude that on this parameter Maruti Suzuki is not affected by recession.

In order to test the hypothesis, the mean score of pre and post selected years for Dividend payout ratio of two Indian Automobile companies having no significant difference at (0.05 level of significance) the table value is (1.96) which is more than the t-value i.e. (TATA Motor 1.18) and (Maruti Suzuki -0.16). Therefore, it can be safely said that there is no significant difference in the mean score of Dividend payout ratio for selected years. Researcher can conclude that on this parameter both the selected Automobile companies are not affected by recession.

In order to test the hypothesis, the mean score of pre and post selected years for Earning per share in case of TATA Motor having significant difference at (0.05 level of significance) the table value is (1.96) which is less than the t-value i.e. (TATA Motor –4.47). Therefore, it can be safely said that there is a significant difference in the mean score of Earning per share for selected years. Researcher can conclude that on this parameter of TATA Motor is affected by recession. Whereas, Maruti Suzuki showing no significant difference at (0.05 level of significance) the table value is (1.96) which is more than the t-value i.e. (Maruti Suzuki 1.93). Therefore, it can be safely said that there is no significant difference in the mean score of Earning per share for selected years. Researcher can conclude that on this parameter Maruti Suzuki is not affected by recession.

**FINDINGS**

According to the analysis of Indian Automobile companies i.e. TATA Motor and Maruti Suzuki the results show that except R2, R3, R4, R6 in TATA and R3 in Maruti Suzuki there is no impact of recession on selected parameters. Therefore, researcher can say that there is impact of recession on Indian automobile companies (only TATA).

The profitability of TATA the Indian automobile company is affected by recession or slowdown because majority of selected parameters showing major changes in the pre and post recession period.

**REFERENCES**


5. Annual reports of TATA Motors Limited 2005-06 to 2010-11.

PORTFOLIO MANAGEMENT – A STUDY ON SELECTED COMPANIES

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ABSTRACT
The art and science of making decisions about investment mix and policy, matching investment to objectives, asset allocation for individuals and institutions, and balancing risk vs performance. Portfolio management all about strengths, weaknesses, opportunities and threats in the choice of debt vs equity, domestic vs international, growth vs safety and numerous other tradeoffs encountered in attempt to maximize return at a given appetite risk. This study focuses on 4 selected companies risk and return performance for the period five years to know the diversification of individual investments.

Keywords: Portfolio Management; Risk; Return; Diversification; Investment

INTRODUCTION
Portfolios are combinations of assets held by the investors. These combinations may be of various asset classes like equity and debt and of different issuers like Government bond and corporate debt or of various instruments like discount bonds, warrants, debentures and Blue chip equity or scrip’s of emerging blue chip companies.

The traditional Portfolio Theory aims at the selection of such securities that would fit in well with the asset preferences, need and choice of investor. Modern Portfolio Theory postulates that maximization of return and or minimization of risk will yield optimal returns and choice and attitudes of investors are only a starting point for investment decision and that vigorous risk-return analysis is necessary for optimization of returns. The return on portfolio is weighted average of returns of individual stocks and the weights are proportional to each stock’s percentages in the total portfolio.

Portfolio analysis includes portfolio construction, and performance of portfolio. All these are part of the subject of portfolio Management which is a dynamic concept, subject to daily and hourly changes based on information flows, money flows and economic and non-economic forces operating in the country on the markets and securities.

REVIEW OF LITERATURE
Akashi Josh(2000) reviewed the utility of derivatives in reducing risks. He opined that derivatives allow an investor to hedge or reduce risks. Charles Schwab-" (2003) revealed very practical, authoritative and easy-to-follow tips and suggestions for good investment in the stock market. According to him growth is the heart of successful investment. CRISIL Report on Risk Management (2006) stated that the loss potential from market risk will increase in the absence of strong risk...
management tools. Raghavan R.S. (2006) reviewed the need for a risk management system, which should be a daily practice in banks. He opined that bank management should take upon in serious terms, risk management systems, which should be a daily practice in their operations. Suresh G. Lalwani and Ravindra Gersappa (2007) emphasised the need for a greater consciousness of the risks attached to a fixed income securities portfolio, as the market in a situation of crunch can suddenly turn illiquid. Raghavan R.S. (2010) commented on the risk perceptions and the risk measure parameters. He opined that risk measures are related to the return measurements. Vijay Sood (2011) revealed the risks faced by banks and financial institutions and the degree of risk faced by them.

OBJECTIVES OF THE STUDY

1. To understand how Portfolio Management is done.
2. To analyze the risk return characteristics of sample scripts.
3. To calculate the correlation between different stocks.
4. Ascertaining portfolio weights.
5. To compute the portfolio returns and portfolio risks.
6. To construct an effective portfolio which offers maximum return for minimum risks.

SCOPE OF THE STUDY

The study covers the calculation of correlations between the different securities in order to find out at what percentage funds should be invested among the companies in the portfolio. Also the study includes the calculation of individual Standard Deviation of securities and ends at the calculation of weights of individual securities involved in the portfolio. These percentages help in allocating the funds available for investment based on risky portfolios.

METHODOLOGY

Research design or research methodology is the procedure of collecting, analyzing and interpreting the data to diagnose the problem and react to the opportunity in such a way where the costs can be minimized and the desired level of accuracy can be achieved to arrive at a particular conclusion.

Sources of Data: The methodology adopted or employed in this study was Mostly on secondary data collection i.e., Companies Annual Reports, Information from Internet, Publications, Information provided by Inter Connected Stock Exchange.

Period of Study: Financial data has been collected from the year 2009-2013 of selected companies i.e., GAIL, HUL, CIPLA, AIRTEL and DLF.

LIMITATIONS OF THE STUDY

- Construction of Portfolio is restricted to two companies based on Markowitz model.
- Very few and randomly selected scripts/companies are analyzed from BSE Listings.
- Data collection was strictly confined to secondary source. No primary data is associated with the project.
- Detailed study of the topic was not possible due to limited size of the project.
DATA ANALYSIS AND INTERPRETATION

GAIL:

<table>
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<tr>
<th>Year</th>
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<th>(P1)</th>
<th>D</th>
<th>(P1-P0)</th>
<th>D+(P1-P0)/ P0*100</th>
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<td>109</td>
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<tr>
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<td>2013</td>
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<td>363</td>
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HUL:

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CIPLA:

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Bharti Airtel:

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<th>(P1-P0)</th>
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DLF:

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</table>

AVERAGE RETURN: -8.39

Comparative Returns on Selected Scripts

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<thead>
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<th>Scrip</th>
<th>Rate of Return (%)</th>
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<td>GAIL</td>
<td>14.53</td>
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<tr>
<td>HUL</td>
<td>20.79</td>
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<td>Cipla</td>
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<td>Bharti Airtel</td>
<td>-5.51</td>
</tr>
<tr>
<td>DLF</td>
<td>-8.39</td>
</tr>
</tbody>
</table>

Calculation of Standard Deviation

Standard Deviation = \sqrt{\text{Variance}}

Variance = \frac{1}{n} (R-R)^2

GAIL:

<table>
<thead>
<tr>
<th>Year</th>
<th>Return (R)</th>
<th>Avg. Return (R)</th>
<th>(R-R)</th>
<th>(R-R)^2</th>
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<tbody>
<tr>
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<td>28.07</td>
<td>14.53</td>
<td>13.54</td>
<td>183.29</td>
</tr>
<tr>
<td>2011</td>
<td>-25.57</td>
<td>14.53</td>
<td>-40.11</td>
<td>1608.52</td>
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<tr>
<td>2012</td>
<td>-2.61</td>
<td>14.53</td>
<td>-17.14</td>
<td>293.94</td>
</tr>
</tbody>
</table>

TOTAL: 14897.20

Variance = \frac{1}{n} (R-R)^2 = \frac{1}{5} (14897.20) = 2979.43935

Standard Deviation = 54.5

HUL:

<table>
<thead>
<tr>
<th>Year</th>
<th>Return (R)</th>
<th>Avg. Return (R)</th>
<th>(R-R)</th>
<th>(R-R)^2</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>10.52</td>
<td>20.79</td>
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<td>2009</td>
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<td>23.67</td>
<td>20.79</td>
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<td>8.30</td>
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<tr>
<td>2011</td>
<td>24.69</td>
<td>20.79</td>
<td>3.90</td>
<td>15.17</td>
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<tr>
<td>2012</td>
<td>37.12</td>
<td>20.79</td>
<td>16.32</td>
<td>266.50</td>
</tr>
</tbody>
</table>

TOTAL: 560

Variance = \frac{1}{n} (R-R)^2 = \frac{1}{5} (560) = 112

Standard Deviation = 10.58
CIPLA:

<table>
<thead>
<tr>
<th>Year</th>
<th>Return (R)</th>
<th>Avg. Return (R)</th>
<th>(R-\bar{R})</th>
<th>(R-\bar{R})^2</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>-11.37</td>
<td>20.32</td>
<td>-31.70</td>
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<td>-13.05</td>
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<td>2011</td>
<td>-7.16</td>
<td>20.32</td>
<td>-27.48</td>
<td>755.33</td>
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<tr>
<td>2012</td>
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</tr>
<tr>
<td></td>
<td>TOTAL</td>
<td></td>
<td></td>
<td>6217.18</td>
</tr>
</tbody>
</table>

Variance = \frac{1}{n} (R-\bar{R})^2 = \frac{1}{5} (6217.18) = 1243.43

Standard Deviation = \sqrt{\text{Variance}} = \sqrt{1243.43} = 35.26

BHARTI AIRTEL:

<table>
<thead>
<tr>
<th>Year</th>
<th>Return (R)</th>
<th>Avg. Return (R)</th>
<th>(R-\bar{R})</th>
<th>(R-\bar{R})^2</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
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<td>-5.51</td>
<td>-25.05</td>
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<tr>
<td>2009</td>
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<tr>
<td>2011</td>
<td>-6.23</td>
<td>-5.51</td>
<td>-0.72</td>
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<tr>
<td>2012</td>
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</tr>
<tr>
<td></td>
<td>TOTAL</td>
<td></td>
<td></td>
<td>900.77</td>
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</tbody>
</table>

Variance = \frac{1}{n} (R-\bar{R})^2 = \frac{1}{5} (900.77) = 180.15

Standard Deviation = \sqrt{\text{Variance}} = \sqrt{180.15} = 13.42

DLF:

<table>
<thead>
<tr>
<th>Year</th>
<th>Return (R)</th>
<th>Avg. Return (R)</th>
<th>(R-\bar{R})</th>
<th>(R-\bar{R})^2</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>-79.21</td>
<td>-8.39</td>
<td>-70.82</td>
<td>5015.17</td>
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<tr>
<td>2009</td>
<td>67.52</td>
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<td>-30.77</td>
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<td>-33.58</td>
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<td>-25.19</td>
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</tr>
<tr>
<td>2012</td>
<td>34.09</td>
<td>-8.39</td>
<td>42.48</td>
<td>1804.56</td>
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<tr>
<td></td>
<td>TOTAL</td>
<td></td>
<td></td>
<td>13717.7</td>
</tr>
</tbody>
</table>

Variance = \frac{1}{n-1} (R-\bar{R})^2 = \frac{1}{5} (13717.7) = 2743.53

Standard Deviation = \sqrt{\text{Variance}} = \sqrt{2743.53} = 52.37

<table>
<thead>
<tr>
<th>Scrip</th>
<th>Risk (%)</th>
</tr>
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<tbody>
<tr>
<td>GAIL</td>
<td>54.58</td>
</tr>
<tr>
<td>HUL</td>
<td>10.58</td>
</tr>
<tr>
<td>Cipla</td>
<td>35.26</td>
</tr>
<tr>
<td>Bharti Airtel</td>
<td>13.42</td>
</tr>
<tr>
<td>DLF</td>
<td>52.38</td>
</tr>
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</table>
Portfolio Returns & Risks of the Selected Stocks

<table>
<thead>
<tr>
<th>Scrip A</th>
<th>Scrip B</th>
<th>Portfolio Return</th>
<th>Portfolio Risk</th>
</tr>
</thead>
<tbody>
<tr>
<td>GAIL</td>
<td>HUL</td>
<td>20.23%</td>
<td>8.958%</td>
</tr>
<tr>
<td>GAIL</td>
<td>CIPLA</td>
<td>50.98%</td>
<td>27.498%</td>
</tr>
<tr>
<td>GAIL</td>
<td>AIRTEL</td>
<td>7.613%</td>
<td>12.42%</td>
</tr>
<tr>
<td>GAIL</td>
<td>DLF</td>
<td>31.01%</td>
<td>50.57%</td>
</tr>
<tr>
<td>HUL</td>
<td>CIPLA</td>
<td>20.72%</td>
<td>9.016%</td>
</tr>
<tr>
<td>HUL</td>
<td>AIRTEL</td>
<td>13.26%</td>
<td>9.822%</td>
</tr>
<tr>
<td>HUL</td>
<td>DLF</td>
<td>20.20%</td>
<td>10.53%</td>
</tr>
<tr>
<td>CIPLA</td>
<td>AIRTEL</td>
<td>-6.33%</td>
<td>13.38%</td>
</tr>
<tr>
<td>CIPLA</td>
<td>DLF</td>
<td>29.31%</td>
<td>30.04%</td>
</tr>
<tr>
<td>AIRTEL</td>
<td>DLF</td>
<td>-7.2%</td>
<td>12.229%</td>
</tr>
</tbody>
</table>

**FINDINGS**

Investors would be able to achieve when the returns of shares and debentures Resultant would be known as diversified portfolio. Thus portfolio construction would address itself to three major via, selectivity, timing and diversification. In case of portfolio management, negatively correlated assets are most profitable. A rational investor would constantly examine his chosen portfolio both for average return and risk.

- Individual returns on the selected stocks including GAIL, HUL, Cipla, Bharati Airtel & DLF are 14.53%, 20.79%, 20.32%, -5.51% and -8.39% respectively.
- Individual risks on the selected stocks including GAIL, HUL, Cipla, Bharati Airtel & DLF are 54.58%, 10.58%, 35.26%, 13.42% and 52.38% respectively.
- Correlation between all the companies is positive except HUL & GAIL and HUL & Cipla which means most of the combinations of portfolios are at good position to gain in future.
- Portfolios Returns of Gail & Cipla (50.98%) followed by Gail & DLF (31%) and Cipla & DLF (29.31%) stood on the top while Portfolio Returns of Cipla & Airtel (-6.33%) and DLF & Airtel (-7.2%) stood at the bottom with losses.
- Portfolios Risk of GAIL &DLF (50.57%) and DLF & Cipla (30.04%) are very high while Portfolio Risks of HUL & Cipla (9.016%) and Airtel & HUL(9.822%) stood at the bottom.

**CONCLUSIONS**

Portfolio management is a process of encompassing many activities of investment assets and securities. It is a dynamic and flexible concept and involves regular and systematic analysis, judgment, and action. A combination of securities held together will give a beneficial result if they grouped in a manner to secure higher returns after taking into consideration the risk elements.

The main objective of the Portfolio management is to help the investors to make wise choice between alternate investments without a post trading shares. Any portfolio management must specify the objectives like Maximum returns, Optimum Returns, Capital appreciation, Safety etc., in the same prospectus.

This service renders optimum returns to the investors by proper selection and continuous shifting of portfolio from one scheme to another scheme of from one plan to another plan within the same scheme.

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MARCH

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FOREIGN DIRECT INVESTMENT: MYTH OR REALITY

Pushkar Dubey
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Email: pushkardubey@rediffmail.com

ABSTRACT
Retail sector occupies a prominent position in the economic development of the country. It contributes 14% of the total GDP of India. It comprises of both organised and unorganised sector. An organised sector comprises the retailers who are licensed and are registered for sales tax, income tax etc, whereas unorganised sector constitutes the traditional low volume retailers like kirana and betel shops. Unorganised retailing is predominant in India accounting for 92% of the retail sector. This creates ample of gap for the organised sector to set them in competition. Foreign direct investment (FDI) in Indian market is relatively old concept. It was introduced in Indian market in 1991 by allowing foreign investors to trade in the home country. On September 20th, 2012, a set of new regulations on FDI was introduced by Government of India. According to this rule FDI was approved for 51% in Multiband retailing and 100% FDI on Single brand retailing. In the view of this economic reform many of the political parties and states expressed their protest. States opposing the FDI rule includes Gujarat, UP, West Bengal, Bihar, Tamil Nadu, Kerala, Chhattisgarh and Odisha. Many critics point out that it was a positive move by the government in the time of economic recession, while others opposed it, as its long term consequences are still unknown. Although FDI in retail has advantages like abolition of middlemen concept, bringing in best of the management practices, provision of quality and variety in goods and services with least possible prices etc. It can also significantly contribute towards GDP of the nation, which will bring economic development and will create infrastructural reforms in the country. At the same time it has certain drawbacks like unorganised retailers will lose their livelihood, large scale unemployment can be seen in the future time, it will create disequilibrium in the Indian labour market, essential resources will get depleted, local and national brand of product will get exhausted. The biggest threat of Retail FDI is, their long term effects during the time of economic crises are still unknown. There is a popular saying that “Man proposes and God Disposes”. Allowing the foreign players to trade in Indian market through FDI reforms is how far positive move is a critical point of debate which will be solved in the future course of time.

Keywords: Foreign Direct Investment (FDI); Retail Sector; Gross Domestic Product (GDP); Economic Development

INTRODUCTION
Foreign direct Investment is the hottest point of discussion of late. Although this concept is old for the Indian market, but with the new FDI rules of organised retail sector, it is finding as a topic of interest to a common man. Although India has attended self sufficiency in production of food but the country is yet to achieve financial stability. The country still finds it difficult to manage key areas like inflation, employment, power and Infrastructure. In the above scenario the decision to allow foreign players to do business in the Indian market is how far a positive move is very difficult to analyse. However critics point out this agreement as a long term venture, the effect of which can be felt with the passage of time. The global crises in the past decade have also affected the Indian economy. Rise
in crude oil prices in the world market has burdened the common man to pay additional price, moreover rise in fiscal deficit has augmented more unemployment in the country. Corruption and government monopoly adds more power to the existing scenario.

Retail Sector in India

The current estimated value of the Indian retail sector is about 500 billion USD and is estimated to reach 1.3 trillion USD by 2020. The sector has witnessed a growth of 10.6% between the years 2010 to 2012. It comprises of both the organised and unorganised sector. While organised retail constitutes 8% of the total retail business, majority i.e. 92% is under the unorganised sector. This suggests that majority of Indian retail segment comprises of the traditional businessmen’s and small entrepreneurs. The unorganised retail Industry is expected to grow at 5%, while the progress estimates for the organised sector is about 25%. The overall retail market in India contributes 14% to the Gross domestic product (GDP), the contribution from the organised player remains low at 5-6% of the overall GDP. Thus, organised retailing in India has high potential for growth and has big role to play in satisfying the requirements of the Indian consumers. Indian retail market in total comprises of variety items. Items like food and grocery accounts for 60% of consumption followed by apparels (8%), Mobile and telecom (6%), Food services (5%), Jewellery (4%), Consumer electronics (3%), Pharmacy (3%) and others accounting 11% of the total market share. India remains a potential market for the investors. According to survey of Global retail development Index (2012) India ranks 5th in terms of market attractiveness all over the world. The overall retail market in India is expected to grow at the rate of 15-20% in the next five years which will contribute approximately 6-7% rise in GDP. The major organised retail players in India constitutes Pantaloon, Shoppers stop, Spencer, Lifestyle, Bharti, Reliance, Aditya Birla and Tata Trent. With the new regulations in FDI retails companies like Wal-mart, Carrefour, Tesco Plc, Metro Ag, Ikea are expected as potential investors in the Indian market.

OBJECTIVES OF STUDY

The current paper aims to present a picture of foreign direct investment in Retail sector in India. It highlights the significance and drawbacks of the FDI in the country. The author tries to focus on the present need of economic reforms in the form of FDI and future challenges to be faced by the country.

What is FDI?

In general sense, Foreign Direct Investment (FDI) is the investments made in various business sectors by the foreign players or entrepreneurs in a home country, with an aim to generate profit. According to Wikipedia “FDI is a direct investment into production or business in a country by an individual or company of another country, either by buying a company in the target country or by expanding operations of an existing business in that country”. Investments made by the foreign players into a domestic market may be due to the following reasons:

- To invest the excessive capital, with an aim to generate income and profit.
- To use the potential resources of the home country, which is wasted or remains unutilized.
- To utilize the competition gap which exist in the domestic market.
- To bring in new technology which is capable of producing better products and services, than the home country.
- To prove to be cost effective in production, sales and distribution.
- To transfer the best practices of corporate culture, skills, methods of working etc. to the home country, which can serve as ‘benchmarks’.
- To acquire the scope of competitive advantage and core competence in home country.
- To diversify the business across the globe.
History of FDI in India
With the view of bringing economic reforms, FDI was introduced in India in 1991 under Foreign Exchange Management Act (FEMA). By then, the leadership was under the control of finance minister Dr. Manmohan Singh and Prime Minister Sri. P.V. Narshima Rao. According to survey report of UNCTAD (2012) “at present time, India is the second most favourite choice for the investors to invest after China”. The attractive sector for the investors includes retail, services, telecommunication, construction activities and computer software and hardware. The total inflow of capital from FDI in 2012 worth $10.4 billion from major players like Mauritius, Singapore, US and UK. Prime Minister while addressing the country on September 21st 2012 spoke about the economic reforms of the country. He said in order to meet the fiscal deficit of the country in the form of government expenditure on rising crude oil prices in International market, there is a need of reformation and since ‘money does not grows in trees”; something is to be done to check the rise in prices. The option is to allow the foreign players to trade in the Indian market.

Benefits of Retail FDI in India
Every plan has certain benefits and limitations. Following points enumerates the beneficial impacts of FDI in India:

1. It reduces the level in channel of distribution of goods and services: FDI opens the door of direct marketing in Indian economy. Products produced by various sectors including agriculture can be sold directly to the manufacturer. This will eliminate the role of channel intermediary, and the margin of profit directly goes into the hands of the seller. The household can directly purchase the finished goods from the manufacturer. Thus abolishes the concept of middlemen to create a common platform for both seller and the buyer.

2. Provides benchmarks in Management practices: FDI will bring in best of management practices across the globe. This will act as a benchmark in setting the standards with respect to organisational culture, productivity, planning and organizing practices, developmental framework etc. High benchmarks in the organisation can easily eliminate its domestic competitors.

3. Quality goods and services at less price: FDI can provides quality goods and services to the people at large. Since the foreign players enjoy competitive advantage in the area of production, the selling price of the product is kept low.

4. Variety products: FDI can act as a satisfier to the variety seeking consumers. Consumers can find more variety in the product mix, and will lead to more satisfaction.

5. Knowledge to domestic Retailers: FDI in retail can act as a source of knowledge to the domestic retailers with respect to product development and practice of modern method of management.

6. Contribute to GDP: FDI can act as a major contributor to Gross domestic product in India. Rise in GDP can lead to growth and development of the economy.

7. Creates new employment opportunities: Large malls and shopping centers can absorb the manpower of the country. FDI creates both skilled and unskilled job opportunities for the people of the home country.

8. Resource utilization: with the creation of FDI market in retail sector, resources will be less wasted and will find effective utilization.

9. Promotes agricultural development: FDI retail market demands the essential inputs from the agricultural sector for the production of crucial goods, this in turn will boost the farmers of the country to produce more.
10. Increase in liquidity ratio (Foreign exchange reserves): FDI will generate more government revenue by fiscal duties which will increase the foreign exchange reserve. It will generate supplementary liquidity ratio, thereby banks and financial institutions can borrow additional funds from the central bank, leading to credit expansion in the domestic market.

11. Infrastructural development: warehouses, malls, shopping center etc. created in the course of business expansion by Foreign Investors will contribute to the Infrastructural development of the country.

Drawbacks of Retail FDI in India

FDI in retail sector is not free from limitations. Following worse consequences it can bring during its operation:

1. Threats to existing domestic Retailers and Entrepreneurs: Middleman like Retailers and entrepreneurs who are engaged in retail business, both in organized and unorganized sector will be under intimidation of competition.

2. Loss of Employment: Although FDI market provides both skilled and unskilled job employment, but it also results in creation of large scale unemployment in the country. Retail enterprises are most common form of business practiced in India. With the foreign investor play in the market, they will lose their business and means of livelihood.

3. Creates disequilibrium in the labour market: Paying high wages to the labors by the FDI market may decrease the supply of it. As this is a condition of exception to law of supply. According to this law if wages in the form of price raises excessively it will lead to decrease in supply of labour rather than increasing it. This will create a mismatch between demand and supply, resulting in disequilibrium in the labour market.

4. Threat to National and Local Brands: FDI in retail sector will act as a threat for the products of national and local repute. Variety in product mix offered by the foreign retailers, will throw Indian players out of the market.

5. Overuse of Limited Resources: FDI are projected to use excess of local and national resources for the production of goods, thereby the country’s resources will soon get depleted.

6. Control over internal affairs’ of the Country: Although Foreign players are meant to do business and they have their own strategical limitations or boundaries, but it is predicted that in a long run they might show interest over the internal affairs of the country.

CONCLUSION

Retail sector in India has ample of gap which has attracted foreign investors. With the new regulations in FDI, it has opened the door for the outside players to establish themselves. Although the country will be benefited by this move but its long term effect might be drastic. Therefore it is essential to have a close look on the companies who are willing to carry out their future trade. Proactive steps in this regards must be taken by the government, so as to minimise its drastic consequences.

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ABSTRACT

The present paper tries to critically analyze the role of Credit Rating Agencies in the current financial market. While credit rating agencies are expected to lend credence to the credit propositions, they have in fact eroded the confidence of investors by awarding undeservedly inflated ratings to junk securities. The investors who look for an objective and reliable opinion on their investment decision have suffered heavily due to the fatal misjudgments of these agencies. Such misjudgments have further fuelled the financial crisis.

Keywords: Credit Rating Agency; Role; Credence; Crisis; Investors; Misjudgments

INTRODUCTION

A credit rating agency is a company that assigns credit ratings. Credit ratings measures credit risk which is the possibility of loss due to inability or unwillingness of the borrower to pay the principal and or the interest. Credit rating agencies (CRAs) play a key role in financial markets by helping to reduce the informative asymmetry between lenders and investors, on one side, and issuers on the other side, about the creditworthiness of companies or countries. On one hand, CRAs' role has expanded with financial globalization and has received an additional boost from Basel II, on the other hand particularly since the mid-1970s, the informational value of credit ratings has plummeted faced with the challenges of globalized and technologically innovative markets and products. In the run up to the financial crisis, CRAs have been highly criticized for failing to appreciate properly the risks inherent in more complicated financial instruments (especially structured financial products backed by risky subprime mortgages) and issuing incorrect ratings that were far too high. Under such conditions, the role of CRA has become questionable.

OBJECTIVES

1. To analyze the relevance of credit ratings in the current scenario.
2. To identify the potential of Credit Rating Agencies in assessing the trend of financial crisis.

The Role of Credit Ratings

Reducing Information Asymmetry

Credit ratings can help reduce the knowledge gap, or "information asymmetry," between borrowers (issuers) and lenders (investors). The essential subject matter of this information asymmetry is borrower's creditworthiness. A borrower knows its own creditworthiness better than a lender does.

Improving Market Function and Efficiency

Essentially, credit ratings reduce the ability of one investor to outperform another by making better judgments about creditworthiness. In this view, ratings act as an equalizer in the fixed-income capital
markets, helping to put investors on more equal footing, thereby minimizing variations in returns that can arise from differences in the ability to make sound credit judgments.

**Advantage to investors**

Credit Rating provides objective, independent and reliable opinion on credit quality which facilitates an informed investment decision. It gives superior information about the rated product and that too at low cost, which the investor otherwise would not be able to get so easily. Thus the investor can easily recognize the risk involved and the expected advantage in the instrument by looking at the symbols.

**Regulatory Use of Ratings**

Credit ratings are used for regulatory purposes around the world, primarily in the context of financial regulations. The regulatory use of credit ratings increases their importance to certain market participants. For example, ratings play an important role in the commercial paper market, where issuers find it difficult to sell paper that does not qualify for investment by money market funds under Rule 2a-7 under the Investment Company Act.

**Marketability of securities**

Issuers seek ratings for a number of reasons, including to improve the marketability or pricing of their financial obligations, to improve the trust of their business counterparties or because they wish to sell securities to investors with preferences over ratings.

**Buy-Side Firms**

Buy-side firms, such as mutual funds, pension funds, and insurance companies, are among the largest owners of debt securities, preferred stock, and commercial paper in the U.S. Retail participation in the debt markets generally takes place indirectly through these fiduciaries. Most of the large buy-side firms active in the fixed income markets are substantial users of information from credit rating agencies, even though they typically conduct their own credit analysis for risk management purposes, or to identify pricing discrepancies for their trading operations.

**Sell-Side Firms**

Like buy side firms, many sell side firms example brokers, dealers make recommendations and sell securities to their clients. For example in the Over-the-Counter Derivative market, brokers, dealers tend to use credit rating to determine acceptable counterparties, as well as collateral levels for outstanding credit exposures. Large broker dealer themselves frequently obtain credit ratings as issuers of long term as well as short term debt.

**Paradox in Ratings**

Credit ratings continue to present an unusual paradox: rating changes are important, yet they possess little informational value. Credit ratings do not help parties manage risk, yet parties increasingly rely on ratings. Credit rating agencies are not widely respected among sophisticated market participants, yet their franchise is increasingly valuable. The agencies argue that they are merely financial journalists publishing opinions, yet ratings are far more valuable than the opinions of even the most prominent and respected financial publishers. Let us look at the above mentioned points in detail.

**Do they really reduce information asymmetry?**

Misuses of ratings—including "rating shopping" by issuers, the regulatory use of ratings, and the use of ratings as a substitute for an investor's own analysis—have all contributed to distortions of a credit rating's true role. Indeed, in extreme cases, those activities can cause ratings to increase (rather than reduce) information asymmetry. And when such misuses are widespread, the market may fail to realize the full value that credit ratings can offer. Unsolicited ratings are the credit rating industry's primary response to rating shopping, and Rule 17g-5 indicates growing regulatory support for unsolicited ratings, at least in the U.S. The hope is that greater understanding of what credit ratings
really are and what they aim to do can benefit all market participants and create a stronger, more efficient financial system.

**Differences in Rating Often Confuse**

Moreover, rating agencies sometimes differ in their assessments of a given issuer or security, either because they calibrate their rating scales differently or ascribe greater or lesser weight to different factors in their analyses. This is a natural result of the inherently complex nature of credit analysis—it is not a simple task with a single valid approach, and seasoned professionals looking at the same facts may reasonably come to different conclusions.

**Limitations in usage**

It is important to emphasize the limitations of credit ratings. They are not recommendations to renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. They do not take into account many aspects which influence an investment or lending decision. They do not, for example, evaluate the reasonableness of the issue price, possibilities for capital gains or take into account the liquidity in the secondary market. Ratings also do not take into account the risk of prepayment by issuer. Ratings neither take into account investors’ risk appetite nor the suitability of a particular instrument to a particular class of investors.

**Lack of responsibility**

Credit-related analyses, including ratings, and statements in the Content are statements of opinion as of the date they are expressed and not statements of fact or recommendations to purchase, hold, or sell any securities or to make any investment decisions. S&P assumes no obligation to update the Content following publication in any form or format. The Content should not be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions. CRA’s give opinions and analyses do not address the suitability of any security. They do not act as a fiduciary or an investment advisor. They emphasized, however, that they do not conduct formal audits of rated companies or search for fraud, and that the nature of their analysis is largely dependent on the quality of information provided to them. They undertake no duty of due diligence or independent verification of any information it receives.

**Regulations Ensured a Ready Market**

By employing ratings as a tool of regulation, U.S. regulators have fundamentally changed the nature of the product rating agencies sell. Today, issuers are paying rating fees, not to purchase credibility with the investor community, but rather to purchase a license from the regulators. The web of regulation added from 1973 until today has given the rating agencies a valuable and powerful franchise in selling regulatory licenses. Those lucky few rating agencies obtaining NRSRO status before the drawbridge was pulled up now have a product to sell regardless of whether they maintain credibility with the investor community.

**ISSuers pay Vs buyers pay**

Concerns have been expressed for a number of years about the potential conflict of interest that arises from the fact that the largest credit rating agencies rely on issuer fees for the vast majority of their revenues. Historically, rating agencies were financed solely by subscription fees paid by investors and other users of credit ratings. By the mid-1970s, however, the largest rating agencies began charging issuers for ratings, due to difficulties in limiting access to ratings information to subscribers, as well as to the demand for more comprehensive and resource-intensive analysis of issuers. In general, the fees that rating agencies charge issuers are based on the size of the issuance and the nature of the instrument being rated. It typically includes both a fee for the initial rating and an annual maintenance fee. The fees are not regulated and vary only slightly among the larger rating agencies. In some cases, the rating agencies will discount the fees for frequent issuers or negotiate flat rate fees. The practice of
issuers paying for their own ratings creates the potential for a conflict of interest. Arguably, the
dependence of rating agencies on revenues from the companies they rate could induce them to rate
issuers more liberally, and temper their diligence in probing for negative information. This potential
conflict could be exacerbated by the rating agencies’ practice of charging fees based on the size of the
issuance, as large issuers could be given inordinate influence with the rating agencies.

Development of Ancillary Businesses

In recent years, the large rating agencies have begun developing ancillary businesses to complement
their core ratings business. These businesses include ratings assessment services where, for an
additional fee, issuers present hypothetical scenarios to the rating agencies to determine how their
ratings would be affected by a proposed corporate action (e.g., a merger, asset sale, or stock repurchase). They also include risk management and consulting services. The development of these ancillary businesses creates another potential conflict of interest for rating agencies. Concerns have been expressed that credit rating decisions might be impacted by whether or not an issuer purchases additional services offered by the credit rating agency. (U.S. Securities and Exchange Commission, 2003)

CRA and the Financial Crisis

The recent bankruptcies of Enron, WorldCom, and Parmalat have prompted legislative scrutiny of the
agencies. The sharp downgrades of structured credit products that followed in the wake of the
subprime mortgage crisis and the more recent downgrades accompanying weakened sovereign balance
sheets have focused attention on credit rating agencies (CRAs) and their rating methodologies. It has been alleged that these CRAs bear a major responsibility for the current financial crisis. More specifically, it is alleged that they awarded undeservedly high ratings to junk securities. The fatal misstep to issue improper AAA ratings to mortgage-backed securities that included subprime mortgages was at the heart of the current economic crisis. The investors who were to benefit from these ratings have in fact bore the brunt of the financial crisis.

The credit rating agencies absolve themselves from all responsibility for the ratings assigned by them by saying that the grades are not a recommendation to buy, sell or hold the graded instrument, or a comment on the graded instrument’s future market price or its suitability for a particular investor. The worldwide credit crisis of 2007-08 has focused attention on credit rating agencies, as many observers have argued that undeserved high credit ratings on novel financial products contributed materially to the turmoil. A welter of regulatory reports on the crisis asserts that high credit ratings on novel financial instruments helped induce investors to purchase these instruments. When the instruments started to appear much riskier than traditional investments carrying similar ratings, investors lost confidence in the ratings and the novel instruments themselves, leading markets for the products to seize up and thus to severe adverse consequences for the global financial system. Whether this view is accurate or not, it highlights the potential importance of credit rating quality and raises the question whether the agencies have the right incentives to produce high-quality ratings.

From the review of previous literature it can be inferred that difference between actual credit
worthiness and assigned credit ratings occur due to a variety of factors. Some factors can be attributed
to the negligence of the rating agencies while others occur due to factors beyond their control. Negligence of the credit rating can be attributed to the fact that there exists an oligopolistic market
structure. There is a lack of competition in the industry. Moreover credit rating agencies have a ready
market because ratings are compulsory for some class of instruments. Thus there is not much pressure
to perform. Credit rating operates on the model of ‘issuer pay’ rather than ‘investor pay’. Thus there is a
principal agent problem. The other reason could be the errors of judgment and wrong assumptions
while evaluating credit proposition. It is also believed that parameters chosen to rate performance are
neither adequate nor sufficient.

There are some factors beyond the control of rating agencies. The difference in ratings can occur due
to lack of adequate disclosure by companies. In this case the onus falls on auditors of the company.
addition there are systematic factors which move the whole market up and down and so the companies, instruments also affected.

The credit rating agencies assert that there is no privity of contract between the credit rating agencies and the investors and so they cannot be made accountable for the losses suffered by investors. The business of credit rating agencies is just to give opinions on the credit position and they do not guarantee performance. So there occurs a disconnect between the role market has assigned to credit rating agencies and the role agencies assert for themselves.

Agency problems are a central theme in the literature on credit ratings. In 1975, credit ratings agencies shifted from an ‘investor pays’ to an ‘issuer pays’ model (White, 2010; Pagano and Volpin, 2010). Under the latter model, issuers may credibly threaten to switch to a competing agency, potentially lending positive bias to solicited ratings through ‘rating shopping’. Griffin and Tang, (2011) find that contacts between ratings agencies and their clients might augments rating mistakes: forecasts of the creditworthiness of collateralised debt obligations by one credit rating agency’s surveillance team, which has no interaction with clients (issuers), consistently beat those of ratings teams, which interact with clients. There is also evidence suggesting that positive bias increases with the value of the asset (and therefore the size of the agency’s fee) (He et al., 2011). By contrast, a negative ratings bias may follow from agencies’ ability to issue downside-biased unsolicited ratings (where no fee is charged), which permits agencies to credibly threaten issuers which do not solicit ratings (Partnoy, 2002; Fulghieri et al, 2010). Covitz and Harrison (2003) provide empirical evidence that reputation effects dominate conflicts of interest in the rating industry.

In India, CRISIL (Credit Rating and Information Services of India Ltd.) was setup in 1987 as the first rating agency followed by ICRA Ltd. (formerly known as Investment Information & Credit Rating Agency of India Ltd.) in 1991, and Credit Analysis and Research Ltd. (CARE) in 1994. All the three agencies have been promoted by the All-India Financial Institutions. The function of credit rating was institutionalized when RBI made it mandatory for the issue of Commercial Paper (CP) and subsequently by SEBI, when it made credit rating compulsory for certain categories of debentures and debt instruments. In June 1994, RBI made it mandatory for Non-Banking Financial Companies (NBFCs) to be rated. Credit rating is optional for Public Sector Undertakings (PSUs) bonds and privately placed non-convertible debentures up to Rs. 50 million. Fixed deposits of manufacturing companies also come under the purview of optional credit rating. The rating industry is an oligopoly and, therefore, the CRAs need not necessarily compete based on rating quality. The courts have held that credit ratings are protected under the first amendment, and therefore, the CRAs have been largely immune from civil litigation over rating failures (Mathis et al. 2009; White 2001, 2010; Bolton et al. 2012; Schwarcz 2002; Ashcraft and Schuermann 2008; U.S. Senate 2011). For these reasons, a market participant’s decision about how much to rely on credit ratings in debt pricing is largely based on his expectations of rating quality. In the wake of the recent U.S. structured finance “rating crisis” and recent European sovereign downgrades, many are asking whether credit rating agencies (CRAs) play a useful role in the market and whether their credit risk assessments are accurate.

While in the case of the Asian financial crisis and the concussions in 2001-2003 there were also some objective reasons for CRA’s wrong decisions, the global financial crisis of the past three years demonstrated that the problem concerning the inaccuracy of the credit ratings could be due entirely to their mistakes. Some cases again deal with bankruptcy of big corporations. In September 2008, Lehman Brothers went bankrupt while the investment bank’s rating was an investment one (A-). The insurance company AIG had the same rating (A-), when it was bailed out by the state’s financial aid and in both cases no fraud and no submission of false information has been found, the companies were public and operated on the most developed financial market, with the highest standards of transparency and the deterioration of their financial condition was not temporary but permanent. In these cases the mistake of the rating agencies is beyond any dispute.
Another critical point for the CRA is that they are late in their assessment. The first such case was Enron in 2001. The company had an investment rating of (BBB-) 4 days before the official bankruptcy despite the fact that the information about problems had been available months in advance. In 2002, the agencies awarded Worldcom an investment rating two months before bankruptcy and in 2003 Parmalat was awarded the same 18 days before bankruptcy. In April 2010, for example, S&P decided to downgrade Greece credit rating to BB+, below investment grade, shortly before a financial assistance package was due to be agreed with Eurozone member states and the IMF (Ryan, 2012). Fitch only downgraded Greece’s debts after George Papandreou, prime minister at the time, announced that the national deficit was much higher than indicated by the previous government. The agency maintained that countries were virtually risk free despite the constantly deteriorating competitiveness, rising foreign debt and national deficits. (Lindner, 2012). In all these cases the most recent ratings of the agencies determined the companies as stable, without any implication hinting solvency problems.

In support of the rating agencies one could state the argument that in all these cases there was fraud and that the information submitted by the companies was false. In contrast to the auditors CRA have no powers to examine the correctness of data and entirely rely on issuer’s good faith. Save for these popular cases, in that period, as a whole, they responded slowly to the considerable fluctuations of the financial markets. Research shows that the CRA increased or reduced the rating not only once but at small steps over time. The argument of the agencies is that by doing so they follow a policy of “through-the-cycle rating,” where ratings remain stable in the course of the economic cycle. For that purpose CRA do not change their assessments of debtor’s creditability if only temporary changes have occurred in his financial condition. Thus the rating reflects not the current assessment of the probability of bankruptcy, but the one in the long run, which better meets the investor’s interests. An additional argument to support the ratings’ stability is that by doing so one contributes to the reduction of fluctuations of the bond markets. However, the maintaining of stable ratings must not be at the expense of their exactness. In times of great changes of the market conditions the ratings “lag behind” the actual situation and in some more extreme cases such as the aforesaid they can be entirely inadequate.

**CONCLUSION AND RECOMMENDATION**

It has been alleged that these CRAs bear a major responsibility for the current financial crisis. More specifically, it is alleged that they awarded undeservedly high ratings to junk securities. The fatal misstep to issue improper AAA ratings to mortgage-backed securities that included subprime mortgages was at the heart of the current economic crisis. U.S. government officials have called for reform of the CRAs. They have called for “more disclosure from credit reporting agencies, including potentially the assumptions underlying their methodologies, fees received from issuers, and factors that could change their credit ratings.” The recent financial crisis revealed that the judgment of private rating agencies can have a huge impact on economic outcomes – and that it can be utterly mistaken. Given these past failings concerning structured products on US mortgage loans, it would be surprising if market participants again rely on the same rating agencies when assessing the default risks of governments in the current European sovereign debt crisis. And it could even be cataclysmic if these sovereign debt ratings were driving government bond yields irrespective of the development of the underlying economic fundamentals. This would put the fate of entire nations into the hands of private agencies, since bad ratings which are not in line with economic fundamentals could be justified *ex post* via self-fulfilling prophecies. Because there were weaknesses in the existing rules on credit ratings that have been highlighted both by the financial crisis and the euro debt crisis, new regulatory package on credit rating agencies were needed. There should be an attempt to reduce overreliance on external ratings, requiring financial institutions to strengthen their own credit risk assessment and not to rely solely and mechanistically on external credit ratings. The rating agencies should be made more accountable for their actions as ratings are not just simple opinions. Therefore, the new rules should ensure that a rating agency can be held liable in case it infringes intentionally or with gross negligence, the CRA Regulation, thereby causing damage to an investor. Credit rating agencies that will need to be more transparent notably regarding their pricing policy and the fees they receive, be more transparent.
about how they conduct their process of rating and reach their conclusions, be more independent from their shareholder base and from other CRAs and be liable towards investors when breaching intentionally or with gross negligence the CRA Regulation. The ratings must be objective—the methodology used must, in particular, be systematic and subject to some form of validation; the process should be free from political influence and economic pressure; ratings should be reviewed at least once a year; and general information about the methodology should be documented and publicly available. In addition, ratings should be judged credible and reliable by users, and should be available to all institutions with a legitimate interest in them on the same terms. Rating performance should be monitored by regulators, applying high statistical standards. Rating performance relative to outcomes should be published regularly (e.g., annually). To minimize rating shopping, unsolicited ratings should be encouraged (e.g., by mandatory rating disclosure). The use of structured finance ratings in public regulation, e.g., Basel II or consumer protection regulation, should be reconsidered (and dropped if necessary) in order to limit the pressure on CRAs. Agencies should be encouraged to adjust their rating methodology to innovations in the financial industry, e.g., to flag structured finance ratings or reveal incentive alignment and first loss piece retention as part of rating information. Rating fees should be linked to rating performance. An annual report on rating practices and rating competition by a central oversight body might help both to monitor market quality and draw attention to outstanding analytical uncertainties of which investors might be unaware. The activities of CRAs should be monitored, among other things by implementing a code of conduct.  

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TECHNICAL EFFICIENCY OF INDIAN BANKING SYSTEM: A STUDY WITH SPECIAL REFERENCES TO PUBLIC SECTOR BANKS

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ABSTRACT
Banking system which constitutes the core of the financial sector plays a critical role in transmitting monetary policy, impulse to entire economic system. Due to entry of New Private Sector banks and foreign banks, Indian banking system faces several challenges. The proposed study is an attempt to estimate the technical efficiency of Public sector banks in India. The study of technical efficiency proves to be a very vital for enhancing the productivity and profitability of public sector banks without additional of extra inputs and reduces the cost of operation. Data for the purpose of analyses has been extracted from website of reserve banks of India. The time period of the study taken to 2002 to 2012 because in this time period banking sector undergoes immense changes and these changes came in every parameter. For the analysis of the selected parameter of selected bank group of public sector banks, Cobb-Douglas production function is used for the evaluation then stochastic frontier was used. The study has been analysed that public Sector Banks should increase in the amount of deposits and borrowings, so that the performance of the bank improves.

Keywords: Technical Efficiency; Public Sector Banks

INTRODUCTION
Banking system which constitutes the core of the financial sector plays a critical role in transmitting monetary policy, impulse to entire economic system. In simple words bank refers to an institution that deals in money for the purpose of earning profit. Banks directly and indirectly affect the economic development of (Schumpeter 1961, smith 1969, Anagdi 2003) and establish all over the world to mobilise saving and invest into the economy either directly or indirectly for the production and generation of employment. An efficient banking structure can promote greater amount of investment that can help to achieve faster rate of an economy. Banking sector in India is broadly classified into three categories namely Public sector banks, Private sector banks and foreign sector banks. Development of Indian banking system introduced many more product and facilities in the banking sector. Due to entry of New Private Sector banks and foreign banks, Indian banking system faces several challenges. So the aim of the study to see the technical efficiency of the Public sector banks. We will test the different level of technical efficiency of Public sector banks.

Public sector banks: Public sector banks are the ones in which the government has major holdings. They are divided into two groups: (a) Nationalised banks (b) State bank of India and its associates. Public sector banks dominate 75% of deposits and 71% advances in the Indian banking system.

(a) Nationalised banks: Nationalized banks have always dominated the other banks in India and this occurred in 20th century. In 1969, fourteen banks were nationalized and in 1980, seven more banks were also nationalized. Nationalized banks in India are of higher quality because they are strong, clean
and have very transparent balance sheets than other banks. At present Nineteen nationalised banks are operating in India.

(b) State bank of India and its associates: State bank of India (SBI) was established on 1 July 1955. Later on State bank of India (subsidiary Banks) act was passed in 1959. The act enabled the State Bank of India to make the 8 former State associated banks as its subsidiaries.

**Efficiency: concepts and definitions:** Efficiency means the maximum output that can be produced from any given total of inputs. Technical efficiency measurement by frontier methods is based on the assumptions that a gap normally exists between a firm’s actual and potential level of technical performance. Thus the technical efficiency is measured as the ratio between actual output and the potential output. Farell (1957) proposed an output based measure of technical efficiency that could be derived by estimating Frontier production functions (FPF) with a specific function form such as cobb-Douglas. A frontier production function is defined as the locus of points representing the maximum level of output achievable from the given inputs vector.

**Technical efficiency:** Technical efficiency is measured as the ratio between the observed output and the maximum output under the assumption of fixed output, or alternatively as the ratio between the observed input and minimum input under the assumption of fixed output.

**OBJECTIVE OF THE STUDY**

The aim of the study to evaluate the efficiency of the Public Sector banks operating in India. The empirical exploration may yield some interesting insights that could be important for the policy makers as well as financial institution.

- To examine the technical efficiency of Public sector Banks

**LIMITATION OF THE STUDY**

- The study based on secondary data, so in that case it includes all the limitations inherent with secondary data.
- Only the qualitative information is considered for the present study.
- While computing data for the purpose of analysis, some adjustment have been made in information.

**RESEARCH METHODOLOGY**

The study has been conducted about the efficiency of Public sector banks. It analyses the technical efficiency & factor affecting tools of banks groups in term of selected parameter. Public sector banks groups:(a) Nationalised banks (b) State bank of India and its associates

**The database:** The data for study relate to 27 public sector banks operating in India out of which 19 nationalised banks and 8 SBI and its associates. Data for the purpose of analyses has been extracted from website of reserve banks of India. The time period of the study has been taken to 2002-03 to 2011-12 because in this time period banking sector undergoes immense changes and these changes came in every parameter.

**Selection of the Variables**

<table>
<thead>
<tr>
<th>Input parameter:</th>
<th>output parameter:</th>
</tr>
</thead>
<tbody>
<tr>
<td>i. Number of Employees</td>
<td>i. Bills purchased and discounting</td>
</tr>
<tr>
<td>ii Deposites</td>
<td>ii cash credit, overdrafts and loans</td>
</tr>
<tr>
<td>iii Borrowings</td>
<td>iii Secured by tangible assets</td>
</tr>
<tr>
<td>iv Fixed assets</td>
<td>iv Advances in India</td>
</tr>
</tbody>
</table>
Statistical technique: For the analysis of the selected parameter of selected bank group of public sector banks, cobb-Douglas production function is used for the evaluation then stochastic frontier. The following cobb- Douglas functional form is used to evaluate the result:

\[ Y_i = \beta_0 + \beta_1 \ln(D)_{it} + \beta_2 \ln(F)_{it} + \beta_3 \ln(B)_{it} + \beta_4 \ln(E)_{it} + v_{it} - u_{it} \]

Yi- advances (output) Bills purchased and discounting, cash credits, overdraft and loans Secured by tangible assets, covered by banks and government guarantees, advances in India, advances in outside India. Four inputs consists of: (E) Number of Employees, (D) Deposits, (B) Borrowings, (F) Fixed assets

Stochastic frontier analysis: Stochastic frontier analysis (SFA) is a method of economic modeling. It has its starting point in the stochastic production frontier models simultaneously introduced by Aigner, Lovell and Schmidt (1977) and Meeusen and Van den Broeck (1977). The production frontier model without random component can be written as:

\[ y_i = f(x_i; \beta) \cdot T E_i \]

where \( y_i \) is the observed scalar output of the producer \( i, i=1,...,I \), \( x_i \) is a vector of N inputs used by the producer \( i \), \( f(x_i, \beta) \) is the production frontier, and \( \beta \) is a vector of technology parameters to be estimated.

\( TE_i \) denotes the technical efficiency defined as the ratio of observed output to maximum feasible output. \( TE_i = 1 \) shows that the i-th firm obtains the maximum feasible output, while \( TE_i < 1 \) provides a measure of the shortfall of the observed output from maximum feasible output.

A stochastic component that describes random shocks affecting the production process is added. These shocks are not directly attributable to the producer or the underlying technology. These shocks may come from weather changes, economic adversities or plain luck. We denote these effects with \( \exp \{ u_i \} \). Each producer is facing a different shock, but we assume the shocks are random and they are described by a common distribution.

The stochastic production frontier will become:

\[ y_i = f(x_i; \beta) \cdot T E_i \cdot \exp \{ u_i \} \]

We assume that \( TE_i \) is also a stochastic variable, with a specific distribution function, common to all producers.

We can also write it as an exponential \( TE_i = \exp \{ -u_i \} \), where \( u_i \geq 0 \), since we required \( TE_i \leq 1 \). Thus, we obtain the following equation:

\[ y_i = f(x_i; \beta) \cdot \exp \{ -u_i \} \cdot \exp \{ v_i \} \]

Now, if we also assume that \( f(x_i, \beta) \) takes the log-linear Cobb-Douglas form, the model can be written as:

\[ \ln y_i = \beta_0 + \sum_n \beta_n \ln x_{ni} + v_i - u_i \]

where \( v_i \) is the “noise” component, which we will almost always consider as a two-sided normally distributed variable, and \( u_i \) is the non-negative technical inefficiency component. Together they constitute a compound error term, with a specific distribution to be determined, hence the name of “composed error model” as is often referred.
RESULT AND DISCUSSIONS

This study examined the technical efficiency of public sector banks in the period of 2002-2012. The data is being collected from annual reports of Reserve Bank of India. Section 6.1 deals with input statistics of public sector banks. Section 6.2 deals with Output statistics of Public sector banks. Section 6.3 deals with the parameter estimation of Stochastic Frontier Production Function for Public sector banks.

Table 1. Basic Input Statistics of Public sector banks

<table>
<thead>
<tr>
<th>YEARS</th>
<th>DEPOSITS</th>
<th>FIXED ASSETS</th>
<th>BORROWINGS</th>
<th>NUMBER OF EMPLOYEES</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>10878.02</td>
<td>104.2</td>
<td>215.32</td>
<td>755052</td>
</tr>
<tr>
<td>2003</td>
<td>12062.7</td>
<td>105.93</td>
<td>224.32</td>
<td>752860</td>
</tr>
<tr>
<td>2004</td>
<td>13680.62</td>
<td>110.16</td>
<td>307.36</td>
<td>727817</td>
</tr>
<tr>
<td>2005</td>
<td>15991.6</td>
<td>130.93</td>
<td>928.8</td>
<td>735354</td>
</tr>
<tr>
<td>2006</td>
<td>18198.36</td>
<td>144.61</td>
<td>1157.88</td>
<td>724289</td>
</tr>
<tr>
<td>2007</td>
<td>22296</td>
<td>201.04</td>
<td>1217.72</td>
<td>715695</td>
</tr>
<tr>
<td>2008</td>
<td>26169.95</td>
<td>287.98</td>
<td>1563.57</td>
<td>715408</td>
</tr>
<tr>
<td>2009</td>
<td>32916.08</td>
<td>337.47</td>
<td>2584.06</td>
<td>731524</td>
</tr>
<tr>
<td>2010</td>
<td>39151.74</td>
<td>344.7</td>
<td>3138.14</td>
<td>739646</td>
</tr>
<tr>
<td>2011</td>
<td>46282.69</td>
<td>361.24</td>
<td>3966.69</td>
<td>755102</td>
</tr>
<tr>
<td>2012</td>
<td>52667.42</td>
<td>382.96</td>
<td>4618.12</td>
<td>771388</td>
</tr>
</tbody>
</table>

Note: Deposits, fixed assets and borrowings are in `Billions.

Source: RBI website.

Table 1 shows the year wise deposits, fixed assets, borrowings and number of employees of Public Sector Banks. Deposits are the summation of demand deposits, saving deposits and term deposits and deposits have increasing trend. Fixed assets includes premises, fixed assets under construction and other fixed assets and borrowings are the total of borrowings in India (from RBI in India, from other banks, from other institutions and agencies), borrowings outside India, secured borrowings. Fixed assets & Borrowings have increasing trend and increasing every year but Number of Employees in Public Sector Banks have both increasing and decreasing trend.

Output Statistics of Indian Banking

Output parameters

- Bills Purchased and Discounted.
- Cash Credit, Overdraft and loans.
- Secured by Tangible Assets.
- Covered by bank and Government Guarantees.
- Advances in India.
- Advances outside India.
Table 2. Basic output statistics of public sector banks

<table>
<thead>
<tr>
<th>Items</th>
<th>Bills purchased and discounted</th>
<th>Cash Credit, Overdraft &amp; Loans</th>
<th>Secured by Tangible Assets</th>
<th>Covered by Bank/ Government Guarantees</th>
<th>Unsecured Advances in India</th>
<th>Advances Outside India</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>400.23</td>
<td>284.952</td>
<td>4217.08</td>
<td>364.75</td>
<td>665.53</td>
<td>4870.84</td>
</tr>
<tr>
<td>2003</td>
<td>445.64</td>
<td>297.173</td>
<td>4823.66</td>
<td>395.52</td>
<td>785.09</td>
<td>5625.87</td>
</tr>
<tr>
<td>2004</td>
<td>585.32</td>
<td>340.015</td>
<td>6128.53</td>
<td>575.34</td>
<td>1195.89</td>
<td>7450.71</td>
</tr>
<tr>
<td>2005</td>
<td>717.75</td>
<td>418.020</td>
<td>7696.77</td>
<td>599.52</td>
<td>1897.34</td>
<td>9631.04</td>
</tr>
<tr>
<td>2006</td>
<td>869.78</td>
<td>516.557</td>
<td>10012.80</td>
<td>839.94</td>
<td>2439.25</td>
<td>12544.40</td>
</tr>
<tr>
<td>2007</td>
<td>926.96</td>
<td>5573.45</td>
<td>10848.13</td>
<td>860.06</td>
<td>26930.4</td>
<td>13542.37</td>
</tr>
<tr>
<td>2008</td>
<td>1183.2468</td>
<td>8171.4411</td>
<td>15697.192</td>
<td>1129.0003</td>
<td>4308.6503</td>
<td>19601.223</td>
</tr>
<tr>
<td>2009</td>
<td>1432.0586</td>
<td>10416.616</td>
<td>18600.63</td>
<td>2018.911</td>
<td>5205.7768</td>
<td>23744.529</td>
</tr>
<tr>
<td>2010</td>
<td>1734.0722</td>
<td>12908.608</td>
<td>22879.319</td>
<td>2555.6995</td>
<td>6247.1422</td>
<td>28961.574</td>
</tr>
<tr>
<td>2011</td>
<td>2028.9294</td>
<td>15460.416</td>
<td>27510.009</td>
<td>3045.9915</td>
<td>6648.748</td>
<td>33572.924</td>
</tr>
<tr>
<td>2012</td>
<td>40911.149</td>
<td>289909.87</td>
<td>430413.3</td>
<td>37308.316</td>
<td>68534.301</td>
<td>497263.14</td>
</tr>
</tbody>
</table>

Note: Amounts are in `Billions.

Source: advances from RBI website.

Table 2 shows the year wise advances (bills purchased and discounted, cash credit, overdraft &loans, secured by tangible assets, covered by bank/government guarantees, unsecured, advances in India, advances outside India) Public Sector Banks. Bills purchased and discounted, Cash credit, overdraft & loans and Secured by tangible assets have increasing trend and these advances are increasing per year. Covered by bank/government guarantees & Unsecured have increasing trend and these advances are increasing per year. Advances in India, Advances outside India have increasing trend and these advances are increasing per year.

Parameter Estimation of Stochastic Frontier Production Function

This provides the furnished tables of results of Stochastic Frontier Analysis for public sector banks. The parameters estimates in these tables reveals that if the parameter is positively significant than the increase in parameter will change the technical efficiency of banks and if the parameters are negatively significant than the decrease in that parameter will change the efficiency of the banks. The parameter is insignificant than that parameter have contribution in the increase in efficiency. The parameter estimates turned out positive and attached with positive sign signifying the positive contribution of all these inputs towards generation of more advances in the banking system in a productive way and if the estimation is insignificant than there is no need to enhance that input. Efficiency estimation is also useful for individual investment or loan and advances decisions and to judge past and current positions of banks along with the future potential and the risk associated with them.

Table 3. Parameter Estimation of Public sector banks

<table>
<thead>
<tr>
<th>Parameters</th>
<th>Coefficient</th>
<th>Standard-error</th>
<th>T-ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>CONSTANT</td>
<td>β 0</td>
<td>9.8351</td>
<td>1.5561</td>
</tr>
<tr>
<td>DEPOSITS</td>
<td>β 1</td>
<td>0.9744</td>
<td>0.1332</td>
</tr>
<tr>
<td>FIXED ASSETS</td>
<td>β 2</td>
<td>0.1023</td>
<td>0.0921</td>
</tr>
<tr>
<td>BORROWINGS</td>
<td>β 3</td>
<td>0.1158</td>
<td>0.0295</td>
</tr>
<tr>
<td>NUMBER OF EMPLOYEES</td>
<td>β 4</td>
<td>-0.7776</td>
<td>0.1348</td>
</tr>
</tbody>
</table>

Note: * indicates the significance at 5 percent.
Table 3 shows that the coefficient of deposits and borrowings are significant and with positive sign on the other hand the coefficient of fixed assets are insignificant and Number of Employees are significant but with negative sign. Table infers that Public Sector Banks Deposits and borrowings significant, so there is an opportunity to increase the technical efficiency with the help of these factors. Notably, variables are statistically significant at 5 per cent level of significance. The positive contribution of these inputs towards the generation of more advances in banking system in a particular the deposits variables and borrowings are found dominating factors affecting bank advances which are visible by a virtue of relatively higher coefficient values as well as lower values of standard error. Deposits, Fixed assets and Borrowings have increasing trend and increasing every year but Number of Employees in Public Sector Banks have both increasing and decreasing trend. The result indicates that deposits and borrowings have a positive impact on technical efficiency of bank and number of employees has to be decreased to increase the technical efficiency of Public Sector Banks and number of employees has negative impact on technical efficiency. This implies that with the increase in the amount of deposits and borrowings, the performance of the bank improves and resulting in the enhancement of technical efficiency of the bank. However, in case of fixed assets there is no need to enhance and for number of employees is significant but with negative sign so decrease in number of employees will change the technical efficiency of Public Sector Banks.

7 Mean technical efficiency of Public sector Banks: The technical efficiency estimates in this table reveals that efficiency of public sector banks is increasing in the span of 11 years. Lower mean values suggest that banks are still not able to provide efficient services to the customers and there is presence of sufficient potential to improve the level of efficiency without adding the additional resources.

<table>
<thead>
<tr>
<th>Years</th>
<th>SBI and its Associates</th>
<th>Nationalised Banks</th>
<th>Public Banks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean Efficiency</td>
<td>96.13</td>
<td>96.38</td>
<td>96.87</td>
</tr>
</tbody>
</table>

Source: results based on technical efficiency estimates of stochastic frontier.

The mean technical efficiency score Public Sector Banks is 96.87 per cent and Public Sector Banks can improve their productivity and profitablity 3.13 per cent without increasing the inputs just by the way of realizing technical efficiency. It has been concluded that banks need to focus on the cash-deposit ratio as this ratio shows the positive relationship with the efficiency of banks. Moreover, there is also need to check the level of liabilities in relation to total deposits of the banks of the banks as lower level of liabilities result into more technical efficient a commercial bank.

CONCLUSION

On the basis of findings it has been analysed that public Sector Banks should increase in the amount of deposits and borrowings, so the performance of the bank improves. There is also an urgent need for the policy makers and managers of bank to focus on the internal factors as the inefficiency present in the banks are lying inside them and make a possible recommendations and solutions so as to decrease the level of inefficiency among the different type of banks in India

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STUDY OF MALE CONSUMERS ATTITUDE IN GROOMING SEGMENT

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ABSTRACT

The word cosmetics or grooming is not only limited to female consumers, today even the male consumers are giving equal importance to grooming and usage of personal care products. It has become a undeniable fact that men have presented their increasing demands for higher living, wellbeing and healthiness. Physical appearance for every man today plays a very important role in enhancing the self-confidence and in effectively becoming aware and men today , are no longer hesitant to strategically opt and utilize cosmetics or personal care products for grooming and maintaining desirable looks. This paper aims to identify the attitude of male consumers towards personal care products. This research paper also examines the factors influencing consumers in preferring various products.

Keywords: Personal Care Products; Attitude; Grooming

INTRODUCTION

Indian men are finally coming out of the closet when it comes to having a daily grooming regime. They are no longer shy of using creams, lotions, face scrub, shower gels and so on meant for male skin. Grooming is no longer a quick shave, slapping on some aftershave and heading out of the door, it is growing into something more. Understanding the male needs, attitudes and behavior towards grooming has opened up new commercial avenues in this under served arena. The male cosmetics while exhibiting strong potential, needs a markedly different approach in order to succeed compared to the female market, due to some substantial differences in attitude and behavior that exist across genders. This new found male grooming consciousness was encouraged by men in active participation in prominent fashion shows, such as the popular Fashion TV channel, and in beauty pageants exclusively for men especially in the forward looking and cosmopolitan cities of Mumbai, Bengaluru and New Delhi.

OBJECTIVES

The main objectives for the study are outlined below:

1. To examine male consumers attitude towards personal care products
2. To understand the factors influencing male consumers towards personal care products

LIMITATIONS OF THE STUDY

The most obvious limitation of this study was the smallness of the sample. The current sample was focused mainly on young, better educated men living in the Mumbai. Although it probably represented the most evident target group it cannot be considered as a perfect sample. More men of other age groups and geographic areas should be examined to obtain a valid and sufficiently representative sample for examining country-specific gender issues.
LITERATURE REVIEW

Sanjay Singal, marketing head, beauty care at Dabur India, says men are increasingly becoming the drivers of growth for the Indian cosmetic market. “Today, men believe that not just social acceptance but also career success is linked to how a person presents himself to the external world,” he says. Beauty salons have also seen a huge spike in male consumers, and Dabur is looking to tap the market with the launch of Oxylife men crème bleach. It has tied up with 1,000 men's salons to distribute its products. The market is expected to grow annually by 25% on the back of skin whitening creams. The dominant players here are Emami's Fair & Handsome and HUL's Fair & Lovely Max Fairness. “This product will provide instant fairness unlike the whitening creams which show results after a few weeks,”

Rahul Bhalchandra, co-founder of Bangalore-based salon chain YLG (You Look Great) which is backed by Everstone Capital and Helion Venture Partners, says when he decided to expand the brand into other cities like Mumbai and Chennai it was clear that he was extending the services to men. "Today, 25% of our revenue comes from services offered to men despite our recent entry." he says.

The Garnier Men range had an early start. "Having launched in 2009, today we have a 27.7% share in the men's skin care market. The potential of the segment lies in converting male users of women's skin care products to use products developed specifically for them," says a L'Oreal India spokesperson about the Garnier Men range. (Reference: http://retail.economictimes.indiatimes.com/news/cosmetics-and-fragrances/male-cosmetics-is-a-rs-3800-crore-business-in-india/22535084)

From the above news article we have observed that, Men are becoming more sensitive about skin care and grooming. So companies are providing various products which are specially made for the Male consumers who specifically demand personal care product for themselves. So company had planned to come up with new products for the grooming. An extensive research at Emami implied that more than 30% of the users of fairness creams (all targeted for women at that time) were male. And this is when they thought of coming up with a revolutionary product exclusively for male skin and created a new segment of 'Male Fairness Cream 'in the Indian market. The product was very well received by the Indian consumers and in just five years time it has become an Rs 100-crore brand. High on the spirit of vanity, the male personal care category is growing faster than the overall category growth rates in skin creams, hair colour and even toilet soaps where such products have failed to take off in the past.

A study conducted by Blanchin, Chareyron and Levert at University of Halmstad School of business and Engineering under the head —The customer behaviour in the men’s cosmetics market! examines the impact of theories of self concept on the consumer buying of male cosmetics and concluded that there exist a strong relationship between self concept and purchase pattern. Study shows that most of the men are using products to improve their self image and for themselves only. As per studies of Dr. Vinith Kumar Nair and Dr. Prakash Pillai (2007), titled, A Study on Purchase Pattern of Cosmetics among consumers in Kerala — revealed that usually male consumers tend to buy NAD decided their brands on their own. They take purchasing decision independently as per individual requirement. The factor which affect the choice is quality of the product .The other factor found impacting the preference was the purchasing of cosmetics from single shop driven by convenience. The average spending on cosmetics was claimed to be between Rs. 300 and Rs. 500 by male buyers in comparison to female purchasers. In the studies by Margaret K.H., Alastair & Kathy (1998) titled —Social others interprets the as important interprets the meaning of consumption choices to consumers. As per Wienke, C. (1998), with the use of body movement, decoration, clothing etc. men tries to improve their choices. In Japan, fashionable is a social norm for men as per Mc Cracken (2003). The buying of a product is affected by its social environment in terms of which product to buy according to Nizar & Mariam (2009).As per Cardona (2000), the trend of casual dressing on Fridays and attitude change also contributes to the buying of grooming products. Also, Carole (2005) found the consumption of male cosmetics related to the acceptance by their social friend circle.
RESEARCH METHODOLOGY

In this research we have applied Descriptive research method. Questionnaire was made as a research instrument to collect the data from the students, salaried class, business class and professionals of age group Below 35 to Above 45 years. The sample size consists of 400 respondents.

We have opted for both the close-ended as well as open-ended questions in the questionnaire. Secondary data has been collected with the help of print media like, magazines, research articles and such other websites, related topic.

DATA ANALYSIS AND DATA INTERPRETATION

1. Age
A total of 40 respondents answered. The majority of the respondents were students Below 35 years old which is high 82.5%. The amount of men aged over 40-45 years was quite small, only 5% of the total.

2. Qualification
Post Graduate students are more uses product for the personal care that is 50% of total. Youth are also like to use the product 37.5% student’s use the cosmetics.

3. Occupation
Out of 40 respondents, 24 (60%) are student, 13(32.5%) are salaried and own business only 2 (5%) are working.

4. Grooming Products
The Most significant reason, selected by 30% of respondents, is for look better, followed by 30% for Feel better, 25% claim they are confident by others. Minority (20%) use cosmetics for hygienic.

5. Prefer to buy from
The large majority, 60% normally buy cosmetics in the Medical Store, 22.5% would prefer cosmetics general and 20% in Departmental Store. Minority (only 7.5%) choose to buy their cosmetics via internet.

6. Marital Status
Out of respondents 27% were single and 73% were married.

7. Buying Advisor
As showed in above diagram, the majority (65%) of those 40 cosmetics users make the purchase by themselves. Some of the purchases are made by Family members (17.5%) and by friends (17.5%). Only (12.5%) respondents choose Spouse as their cosmetics buyer.

8. Buying Decision Factor
The main factors to influence on the choice of a cosmetic product were the Brand and Quality. It was also important that the purpose and use of the product were clearly explained and that the product was easy-to-use. Out of respondent 57.5% says that brand is more important we are loyal to brand. And 42.5% look for quality of the product.

9. Spending Per Month
The majority of the respondent mentioned that their monthly expenditure on cosmetics is Rs200-400

10. Used Product
Out of 400 respondents almost 55% used deodorant. The next popular products were shaving skin products which is 35%. Only 27.5% used hair product, and 7.5% used others product.
CONCLUSION AND SUGGESTIONS

It has been found out that most of the consumers buy Personal Care products based on BRAND factor. The awareness level of it was also higher for this brand. Only very few consumers prefer Product by price, packaging, offers. Most of the consumers buy Personal Care products in order to Look better. Cosmetics play a crucial role in developing self-esteem and in enhancing self-confidence level. Moreover, men are found to be more aware about improving their self-image. More increase of sales for male grooming products could be expected in the near future.

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A STUDY ON KNOWLEDGE MANAGEMENT IN DCW LTD.
AT SAHUPURAM, TUTICORIN DISTRICT

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ABSTRACT
Knowledge management comprises a range of practices used in an organization to identify, create
and enable adoption of insights and experiences. Such insights and experiences comprise
knowledge either embodied in individual or embedded in organizational process or practice. The
article title is “A Study on Knowledge Management in DCW Ltd at Sahupuram, Tuticorin District”.
The objectives of the study are to analyze the knowledge management system in DCW Ltd at
Sahupuram. To analyze the organizational performance and continuous improvement. To study about
the communication process in DCW Ltd, Sahupuram. To analyze whether the knowledge has been
utilized effectively by the employees. To study about the skills to deal with issues both systematically
and creatively. The data used for the study was taken from the primary and secondary data sources.
The researcher used questionnaire and interview schedule. The researcher selected 100 samples
and used descriptive method. The collected data were analyzed through using the statistical tools such as
Chi square analysis, weighted average method, Karl Pearson coefficient of correlation and F-test.
There are many limitations in this study. One of the limitations was that chances of biases response.
Other limitation of the study was reluctance from the respondents and busy schedule of the executives
to collect.

Keywords: Knowledge Management

INTRODUCTION
Knowledge management is a set of practices in an organization to identify, create, represent,
distribute and enable adoption of insights & experiences. Such insights and experiences compromise
knowledge either embodied in individuals or embedded in organizational objectives such as improved
performance, competitive advantage, and innovation, the sharing of lessons learned and continuous
improvement of the organization.

Knowledge Management is creation, distribution, and utilization of knowledge at the individual,
group, organizational and community level through harnessing of people, process and technology for
the benefits of those involved and affected by it. In knowledge management, there are three basic
elements: knowledge creation, sharing and utilization.

a. Knowledge Creation: Knowledge creation involves generating facts, information, and
techniques that are relevant to are organization and those associated with it. Knowledge
creation uncovers new knowledge through several avenues – research and development,
experimentation, creative thinking and automated knowledge discovery, benchmarking best in class practices, process improvement projects, feedback from customers, observing customers and so on.

b. **Knowledge Sharing**: Knowledge Sharing involves communication and distribution of knowledge organization wide. When a new knowledge is created in the organization, it is stored in organization database for its wider dissemination. The primary tools applied in knowledge sharing are information technology, process engineering and organizational dynamics.

c. **Knowledge Utilization**: The third element in KM is knowledge utilization that is using knowledge to solve problem for which it has been acquired. Unlike other resources that deplete when used, knowledge can be shared and used and grows through this process. Knowledge perishes when it is not used; such that the identification of a new piece of knowledge creates both demand and conditions for the production of subsequent pieces.

**REVIEW OF LITERATURE**

According to Dr. R. Krishnaveni (2006), Knowledge Management has been the subject of much discussion over the past decade. Organizations are told that they will not survive in the modern knowledge era unless they have a strategy for managing and leveraging value from their intellectual assets and many knowledge management life cycles. Knowledge management strategies on offer can be bewildering and it is often unclear where to begin in choosing a strategy for a particular situation. They will start by examining a no of published KM strategies and consider to these can be classified. A very broad definition of Km is used for current purpose by the author that it is it can be thought of as the deliberate design of process, tools, structure with the intent to renew share and utilize or improve the knowledge.

Professional Services Firm (Consultants, Accounting firms or Ad agencies) generates and sells business solutions to their customers. In doing so they can leverage their experience gained from services to reduce variable costs or increase quality of products/services. Growth and globalization with recent advance in technology have led to introduce KM systems in order to create sustainable competitive advantage.

According to C. Supriya and N. Rajagopal (2006), they found that in most of the modern organizations the role of the top management in that of a facilitator. The facilitator can play an important role for the individual to be a learner. This results in a cyclic transition owner manager – leader-learner-facilitator-owner. This cyclic approach will help in creating an environment favorable for knowledge management. In such an organization it provides the right environment for its employees the general strategies cultural and incentives constitute the basic frame work for knowledge as well. Comparing the two frame works, the relationship between employees’ empowerment and knowledge management can be tagged as direct and will help in the development of organization in a better way. The overall result from this study regarding KM is much favorable. Various training programs adopted in the organization is also very much favorable. Present technology can play a significant role in the Knowledge Management system of the organization.

This article is about Knowledge Management implemented by the executive of a famous British petroleum company (2007) on one of the largest oil companies in the world has benefited immensely by embedding KM in to its strategy the company, whose operations span across 100 countries in six continents has successfully used a host of KM tools in its exploration activities saving millions of dollars in cost and reduced project With the help of this KM study among the employees in British Petroleum the company’s certain principles of Knowledge Management. Also the company has been able to achieve such break through like this with the help of no of innovative KM tools.
OBJECTIVES OF THE STUDY

1. To analyze the Organizational performance in sharing of knowledge and continuous improvement
2. To study about the communication process in DCW Ltd, Sahupuram
3. To analyze whether the knowledge has been utilized effectively by the employees.
4. To study about the skills to deal with issues both systematically and creatively.

PROBLEM OF THE STUDY

The main purpose of the study is to identify and to understand the implications of knowledge management in specialized areas of training to executives and to explore the applicability of knowledge sharing utilizing knowledge management practices. The need is to learn about the various knowledge management practices in the organization, which helps the executives for the development of their existing knowledge.

RESEARCH METHODOLOGY

Research Design: Descriptive research design is adopted in this research.

Data Collection Method: Primary data was collected with help of the structured questionnaire and secondary data has been collected from the company records, journal, and various websites.

Sample Size: The study was conducted among the employees and executives of DCW Ltd, Sahupuram. The researcher has taken 100 samples for the study.

Tools for Analysis: The researcher used various statistical tools for the study such as
1. Weighted Average Method.
2. Chi-square Analysis Method ($\chi^2$)
3. Karl Pearson Coefficient of Correlation Method
4. F- test

Sample Design: Simple Random Sampling is also known as chance sampling or probability sampling where each and every item in the population has an equal chance of inclusion in the sample and each one of the possible samples.

ANALYSIS AND INTERPRETATION

Weighted Average Method

<table>
<thead>
<tr>
<th>Opinion</th>
<th>S.A</th>
<th>Agree</th>
<th>Neutral</th>
<th>D.A</th>
<th>S.D.A</th>
<th>Total</th>
<th>Total No of respondents</th>
<th>Mean</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Knowledge Sharing</td>
<td>4*5</td>
<td>50*4</td>
<td>34*3</td>
<td>12*2</td>
<td>0*1</td>
<td>346</td>
<td>346/100</td>
<td>3.46</td>
<td>4</td>
</tr>
<tr>
<td>Working Condition</td>
<td>36*5</td>
<td>50*4</td>
<td>14*3</td>
<td>0*2</td>
<td>0*1</td>
<td>422</td>
<td>422/100</td>
<td>4.22</td>
<td>2</td>
</tr>
<tr>
<td>Communication</td>
<td>14*5</td>
<td>58*4</td>
<td>22*3</td>
<td>6*2</td>
<td>0*1</td>
<td>380</td>
<td>380/100</td>
<td>3.80</td>
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</tr>
<tr>
<td>Innovation</td>
<td>1*5</td>
<td>38*4</td>
<td>54*3</td>
<td>6*2</td>
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<td>5</td>
</tr>
<tr>
<td>Training</td>
<td>64*5</td>
<td>36*4</td>
<td>0*3</td>
<td>0*2</td>
<td>0*1</td>
<td>464</td>
<td>464/100</td>
<td>4.64</td>
<td>1</td>
</tr>
</tbody>
</table>

Inference:

From the given table it is revealed that by calculating the different opinions using the Weighted Average Method it is found out that Training methods and its effectiveness ranks first. Working
condition improvement ranks second. Communication ranks third through the weighted average method. Sharing of knowledge ranks fourth and finally, Innovation ranks fifth.

**Karl Pearson Coefficient of Correlation**

<table>
<thead>
<tr>
<th>EDUCATION (X)</th>
<th>EXPERIENCE (Y)</th>
<th>X²</th>
<th>Y²</th>
<th>XY</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>14</td>
<td>0</td>
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<td>0</td>
</tr>
<tr>
<td>8</td>
<td>22</td>
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<td>1764</td>
<td>784</td>
<td>1176</td>
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<tr>
<td>26</td>
<td>12</td>
<td>676</td>
<td>144</td>
<td>312</td>
</tr>
<tr>
<td>ΣX = 100</td>
<td>ΣY = 100</td>
<td>ΣX²= 3080</td>
<td>ΣY²= 2184</td>
<td>ΣXY= 2240</td>
</tr>
</tbody>
</table>

**Inference:**

From the result we can see that the value of \( r \) is between 0 and 1 so we can conclude that there is a strong correlation between Education and Experience of employees.

**Chi- Square Analysis**

Null hypothesis (H0): There is no relationship between Age and Knowledge sharing. Alternative Hypothesis (H1): There is relationship between Age and Knowledge sharing.

<table>
<thead>
<tr>
<th>AGE</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
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<tr>
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<td>1</td>
<td>1</td>
<td>2</td>
<td>0</td>
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</tr>
<tr>
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<td>9</td>
<td>3</td>
<td>4</td>
<td>8</td>
<td>0</td>
<td>24</td>
</tr>
<tr>
<td>25-30</td>
<td>5</td>
<td>8</td>
<td>3</td>
<td>7</td>
<td>6</td>
<td>29</td>
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<tr>
<td>30-35</td>
<td>2</td>
<td>7</td>
<td>1</td>
<td>8</td>
<td>2</td>
<td>20</td>
</tr>
<tr>
<td>Above 35</td>
<td>8</td>
<td>6</td>
<td>4</td>
<td>3</td>
<td>1</td>
<td>22</td>
</tr>
<tr>
<td>Total</td>
<td>25</td>
<td>25</td>
<td>13</td>
<td>28</td>
<td>9</td>
<td>100</td>
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</table>

**Calculations:**

\[ O = \text{Observed Frequency}, \quad E = \text{Expected Frequency}, \quad \chi^2 = \frac{(O-E)^2}{E} \]

<table>
<thead>
<tr>
<th>Observed frequency (Oi)</th>
<th>Expected frequency (Ei)</th>
<th>(O-E)²/E</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1.25</td>
<td>0.05</td>
</tr>
<tr>
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<td>1.25</td>
<td>0.05</td>
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<tr>
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<td>0.65</td>
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</tr>
<tr>
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<td>1.10</td>
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<td>0</td>
<td>0.45</td>
<td>0.45</td>
</tr>
<tr>
<td>9</td>
<td>6</td>
<td>1.5</td>
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<tr>
<td>8</td>
<td>3.12</td>
<td>0.24</td>
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<tr>
<td>0</td>
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</tr>
<tr>
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<td>0.69</td>
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<td>7</td>
<td>8.12</td>
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</tr>
<tr>
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<td>4.40</td>
</tr>
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<td>5</td>
<td>1.8</td>
</tr>
<tr>
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<td>5</td>
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</tr>
<tr>
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<td>2.6</td>
<td>0.98</td>
</tr>
<tr>
<td>8</td>
<td>5.6</td>
<td>1.02</td>
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</table>
Contd….

<table>
<thead>
<tr>
<th>Observed frequency (Oi)</th>
<th>Expected frequency (Ei)</th>
<th>(O-E)²/E</th>
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</thead>
<tbody>
<tr>
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<tr>
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<td>1.62</td>
</tr>
<tr>
<td>1</td>
<td>1.98</td>
<td>0.48</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>19.72</strong></td>
<td></td>
</tr>
</tbody>
</table>

Inference:
From the result of chi square analysis it is concluded that H0 the null hypothesis is accepted and therefore there is no relationship between Age and Sharing of Knowledge.

F- Test Analysis

F distribution for enabling procedures of communication and utilization of knowledge.

Steps:

1. Null hypothesis (H0): The enabling procedures of communication and utilization of knowledge are having same variance.
2. Alternative hypothesis (H1): The enabling procedures of communication and utilization of knowledge are not equal.

Test statistics:

<table>
<thead>
<tr>
<th>Communication(X)</th>
<th>Knowledge utilization(Y)</th>
<th>(X-X)²</th>
<th>(Y-Y)²</th>
</tr>
</thead>
<tbody>
<tr>
<td>4</td>
<td>8</td>
<td>256</td>
<td>144</td>
</tr>
<tr>
<td>60</td>
<td>20</td>
<td>1600</td>
<td>0</td>
</tr>
<tr>
<td>16</td>
<td>60</td>
<td>16</td>
<td>1600</td>
</tr>
<tr>
<td>16</td>
<td>12</td>
<td>16</td>
<td>64</td>
</tr>
<tr>
<td>4</td>
<td>0</td>
<td>256</td>
<td>400</td>
</tr>
<tr>
<td><strong>ΣX = 100</strong></td>
<td><strong>ΣY = 100</strong></td>
<td><strong>Σ(X-X)²= 2144</strong></td>
<td><strong>Σ(Y-Y)²= 2208</strong></td>
</tr>
</tbody>
</table>

Inference:
Therefore, since calculated F is less than table value So, Null hypothesis is accepted, so enabling procedures of communication and utilization of knowledge are having same variance.

FINDINGS

As per the study, it is observed that Knowledge management helps in sharing best practices and the maximum of the respondents have a good opinion that useful knowledge is been delivered through the sharing of knowledge. It is revealed from the study that there is only an average opinion about continuous improvement through Knowledge management. The study, the researcher can find out that maximum respondents have a good opinion about the knowledge management helps addressing the communication gap and also increasing the learning capability of employees. The study also proves that Knowledge management has well defined process and has greater capability to build work related information. The researcher also find out that there is lacking enabled procedures and the respondents opinion for such enabled procedures regarding communication is only average. The study reveals that there are procedures for utilization and there is only average response regarding the Knowledge management utilization and its effectiveness rate. As per the study, the maximum no of respondents have neutral opinion about Knowledge management helping in continuous transformation towards the organization. The researchers find out that there is a good opinion regarding KM helping in the delegation of authority and its effectiveness is very much acceptable. The researcher find out from the
study that the respondents have a good opinion about the working condition after implementation of Knowledge management and it is clear that KM practices always help doing the work efficiently.

SUGGESTIONS

The organization can improve the application of Formal apprenticeship, corporate libraries that make employees to aware and provide better information on their respective fields. Organization can make arrangements for the various strategies to be followed in the company to make the Knowledge useful and effective. From the study it is revealed that communication process is somewhat lacking so that the organization and the management can make better procedures for communication. The market oriented programmes shall be applying advanced competitive strategies to withstand fairly in the market. This is very useful to increase the knowledge in the field of competition. The organization can connect several well known management strategies and practices and business including:

- Change management
- Best practices
- Risk management
- Bench marking

CONCLUSION

The study concluded that Knowledge management practices at DCW Ltd. The study reveals the fact that the core applications of Knowledge management practices are well occupied and share by the practices and knowledge sharing programs. But the Knowledge management section which has the responsibility to maintain and manage to explore the knowledge sharing programme as an important factor is not properly equipped. As knowledge management being a subject of concern in every field it takes a little time and effort to get an accurate result at first.

Knowledge management efforts at DCW Ltd, helps the individual employees and groups to share valuable insights to reduce redundant work, to reduce training time for new employees, to retain intellectual capital and employees turnover in an organization, and to adapt in changing environments and market. The present study revealed the importance and effectiveness of KM practices at DCW Ltd, Sahupuram.

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Vol 1, No 4 (2014)

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Articles

FOREIGN INSTITUTIONAL INVESTORS: TRENDS & INFLOWS IN INDIAN STOCK MARKET
Shaminder Kaur, Gurloveleen Kaur 1-9

ISSN: 2347-7563
ABSTRACT

The Indian government gives an open enticement to individuals, companies and other institutions to invest directly or indirectly in India by adopted New Economic Policy in 1991 and they started investing in various financial instruments of money market, capital market, forex market and capital assets of real estates and production activities directly. The investment made in the financial securities directly or indirectly by investors is termed as foreign institutional investors and investment in capital securities by investors known as foreign direct investment. These two types of foreign investment play an important role in attracting the foreign capital with in the country. The purpose of this paper is to analyse the role of foreign institutional investors in the development of economy. The net investments made by investors in the proportionate share of gross purchases and gross sales is collected for the period of 1992 to 2013 to check the compound annual growth rate of FIIs. To check the significant level of calculated CGR, the method of t-value is used. It founds that the calculated values are significant and reliable to use. The other attempt made to check the future predictions of net investment in their proportionate share that depicts the positive attitude of foreigners toward India. This paper also revealed that SEBI & RBI are the major institutes to regulate & control the FIIs. The Indian government always try to attract more foreign capital by providing more safety & transparency to investors with the measures suggested by these apex institutes. The percent increase to previous year method is used to check the proportion and flows of Gross Investments, Direct Investments, and Net foreign Direct Investment & Net Portfolio Investment in FIIs investment. The suggestion has given to the government to work hard on this concept and make it more attractive by providing various opportunities and cutting investment limits to pump more foreign capital in India.

Keywords: Foreign Institutional Investors; Foreign Capital; Financial Securities; Gross Purchases; Gross Sales; Index & Stock Market

INTRODUCTION

Many developing countries, including India, restricted the flow of foreign capital till1990s and depended on external aid and official development assistance. Later, most of the developing countries opened up their economies by dismantling capital control with a vision to be a magnet for foreign capital, supplementing it with domestic capital to arouse domestic growth and output. Foreign Institutional Investors (FIIs) allowed investing in the domestic financial market of India since 1992. This decision to open up the Indian financial market to FII portfolio flows at that time was the influence of several factors such as the complete disarray in India’s external finances in 1991 and a
disorder in the country’s capital market. After that, portfolio flows from Foreign Institutional Investors (FII) have emerged as a chief source of capital for emerging market economies (EMEs) such as Brazil, Russia, India, China and South Africa. Besides, the surge in foreign portfolio has flowed since 1990s, it also becomes a source of integration among international financial markets. It plays an important role in the advancement of information technology and the growing interest in EMEs by FIIs such as private equity funds and hedge funds to achieve international diversification and reduce the risk in their portfolios.

Economic growth is a function of, among other things, capital formation. As FII flows are a source of non-debt creating capital in the economy, many EMEs have been competing with each other to attract such flows through flexible investment norms/regulations or by offering fiscal sops. Further, FIIs has assured decent returns on their investments, enabling continuous and sustainable investment flows. They registered a spectacular growth especially since the middle of 2003 due to the high growth rate in Indian GDP, robust corporate performance and an investment-friendly environment. Portfolio investment flows into India turned negative during 2008–09 mainly due to the heightened risk aversion of foreign investors, originating from the global financial meltdown.

Ever since Foreign Institutional Investors allowed investing in Indian financial markets since September 1992, there have been extensive deliberations on the impact of such flows. It has said that portfolio flows from FIIs inject global liquidity into the capital markets, raise the price-to-earnings ratios, thereby reducing the cost of capital. This, in turn, leads to further issues of equity capital and stimulates investment growth in the host economy, apart from bringing in best international corporate governance practices.

**Foreign Institutional Investors: A Theoretical Approach:** The organizations that pool huge amount of money from the investors and invest it in securities, real property and other investment assets are termed as Foreign Institutional Investors. The investors include banks, insurance companies, retirement or pension funds, hedge funds, investment advisors and mutual funds. Their position in the economy is to act as highly specialized institutions who invest on behalf of others. According to the Securities and Exchange Board of India (SEBI), Foreign Institutional Investors are entities instituted or incorporated outside India and make proposals for investments in India and registered under the SEBI (FII) Regulations, 1995. FIIs can invest their own funds as well as invest on behalf of their overseas clients registered with the SEBI. A domestic portfolio manager can also register as FII to administer the funds of sub-accounts. FIIs registered with the SEBI are of two types: regular FIIs and 100 per cent debt-fund FIIs. Regular FIIs are those who are required to invest not less than 70 per cent of their investment in equity-related instruments and up to 30 in non-equity instruments. Those who are allowed to invest only in debt instruments are known as 100 per cent debt-fund FIIs. The h"on’ble Finance Minister announced on February 28, 2013, it is proposed to follow the International practise and lay down a broad principle that, where an investor has a stake of 10 percent or less in a company, it will be treated as FII.

In order to act as a banker to the FIIs, the RBI has designated banks that are authorized to deal with them. The issuance of participatory notes (p-notes) is the biggest source through which FIIs invest is also termed as off-shore derivatives. Besides this, Global depository receipts/American depository receipts (GDR/ADRs) & mutual funds, pension funds, etc. are the major components of portfolio flows in India.

It is the major source of liquidity for the Indian financial markets. If the portion of their investments is large towards Indian financial markets, it reflects their high confidence and a healthy investor sentiment for us. The Indian economy has opened for FIIs investment in 1992 but inflows started in 1993.

The first time regulations for FIIs (SEBI (FIIs) Regulations, 1995) were introduced by SEBI in 1995 to regulate, enhance & improve the flows of FIIs into India by providing secure & apparent measures.
Over the years, the SEBI and the RBI together, through a variety of measures, are trying to improve the scope, coverage and quality of FII investment.

Since, 2003, the SEBI has been registering and monitoring investments made by them through the portfolio investment route under the SEBI(FII) regulations, 1995. FIIs are allowed to trade in all exchanges traded derivatives contracts subject to the position limits as prescribed by SEBI from time to time. Clearing corporation monitors, the open positions of the FIIs / sub-accounts of the FII for each underlying security and index, against the position limits, at the end of each trading day. To rationalize various foreign portfolio investment windows and to simplify procedures, SEBI, had formed a ‘committee on rationalization of investment routes and monitoring of foreign portfolio investments’. FIIs are also allowed to subscribe to new securities or trade in already issues securities.

**Registration Procedure & Its Requirements**

The FIIs can be register in the form of institutions, broad base funds and sub – account. The requirements to register as FIIs are same for institutions and broad based funds but are different for sub-accounts. These are:

The institutions can be in the form of Pension Funds, Mutual Funds, Investment Trust, Insurance or reinsurance companies, Endowment Funds, University Funds, foundations or Charitable Trusts or Charitable Societies, Asset Management Companies, Nominee Companies, Institutional Portfolio Managers, Trustees, Power of Attorney Holder and Bank who propose to invest their proprietary funds or on behalf of "broad based" funds or of foreign corporate and individuals in the instruments of stock market.

Broad based fund means a fund established or incorporated outside India, which has at least 20 investors with no single individual investor holding more than 49 percent of the shares or units of the fund. If the broad based fund has institutional investor(s), then it is not necessary for the fund to have 20 investors. Further, if the broad based fund has an institutional investor who holds more than 49 percent of the shares or units in the fund, then the institutional investor must itself be a broad based fund. In India, Asset Management Companies, Investment Manager/Advisor, Institutional Portfolio Managers, Trustee of a Trust and Bank are eligible to register as FIIs.

Sub-account includes those foreign corporate, foreign individual, and institution, fund or portfolio established or incorporated outside India on whose behalf the FIIs invests in India.

**Procedure of Registration as FII**

Application for registration as an FII should be made in Form A. The format of Form A is provided in the SEBI (FII) Regulations, 1995. The application form and all supporting documents must be submitted in duplicate, one set each for SEBI and Reserve Bank of India. Both sets of application are to be sent to SEBI only. If the applicant is eligible and all documents are submitted with the application, the eligibility is generally conveyed with 10 to 12 days of receipt of application by SEBI. The registration procedure operates as a single window procedure through SEBI in which the following steps are involved:

1. SEBI forwards one set to Reserve Bank of India.

2. The application is processed by SEBI to determine its eligibility for grant of registration as foreign institutional investor. After the initial processing is complete, SEBI writes to Reserve Bank of India mentioning the eligibility of the applicant. At the same time , a letter is sent to applicant asking it to submit the registration fees of US$ 5,000 through a demand draft drawn in favour of “Securities and Exchange Board of India” payable at New York.

3. Reserve Bank of India gives approval to the FII through its designated bank. This approval is granted according to Foreign Exchange Management Act and enables the FII(s) to open a bank account. This is a special non-resident rupee account of the FII meant purely for inward
remittance and meeting payment obligation with regard to securities market. It must be note that all balance lying in this account is fully repatriable.

4. Upon receipt of fees from the applicant and FEMA approval from Reserve Bank of India, SEBI grants the certificate of registration, which is valid for five years and after the specified period; it should be renewed upon the payment of fee of US $5000.

Division of Foreign Institutional Investors and Custodians that comes under Investment Management Department of SEBI handles FII cases.

**Foreign Institutional Investors Can Make Investment In The Followings:**

1. Securities in primary and secondary markets including shares, debentures and warrants of companies, unlisted, listed or to be listed on a recognized stock exchange in India, and
2. Units of schemes floated by domestic mutual funds including Unit Trust of India, whether listed on a recognised stock exchange or not
3. Units of scheme floated by a collective investment scheme
4. Derivatives traded on a recognized stock exchange
5. Commercial papers
6. Dated Government Securities
7. Security receipts &
8. Indian Depository Receipt.

FII/sub-account may issue, deal in or hold offshore derivative instruments such as Participatory Notes, Equity Linked Notes or any other similar instruments against underlying securities, listed or proposed to be listed on any stock exchange in India. These are allowed to trade in all exchange traded derivative contracts subject to the position limits as prescribed by SEBI from time to time. Clearing Corporation monitors the open positions of the FII/ sub-accounts of the FII for each underlying security and index, against the position limits, at the end of each trading day.

**REVIEW OF LITERATURE**

Rangarajan (2000) in his study, “Capital Flows-Another Look”, investigated the capital flows and its impact on the capital formation and economic growth taking into the variable as net private capital flows, net direct investment, net official flows, net portfolio investment and other net investments in 22 countries during 1992 to 2000. It was found that if capital inflows were volatile or temporary, the country would have to go through an adjustment process in both the real and financial market. It is suggested that the capital flows can be promoted purely by external factors that may tend to be less sustainable than those induced are by domestic factors. It was found that when capital inflows are large, they can lead to an appreciation of real exchange rate. He concluded that the capital account liberalization is not a discrete event.

Mukherjee, Bose and Condo (2002) examined that the dependence of net FII flows on daily return of the domestic equity market is suggestive of foreign investors return – chasing behavior, their decisions seem to get affected also by the recent history of market returns & its volatility in International & domestic markets as well. They said that the set of factors affecting FII sale & purchases were not the same but it appeared that some factor would affect purchase or sale decision of foreign investors, but not the corresponding net FII flows. They suggested the prime focus should be on regaining investors’ confidence in the equity market to strengthen the domestic investor base of the market.

Bose and Coondoo (2004) in their paper “The Impact of FII Regulations in India: Time Series Intervention Analysis of Equity Flows”, studied the impact of FII policy reforms on FII's portfolio flows to the Indian stock markets. FII's investment in India, which began in January 1993, gave the
new directions to financial sector reforms in India. The authors have assessed the effect of several policy decisions related to FIIs investment during the period of January 1999 to January 2004 by using the multivariate GARCH regression model. It was found that liberalization policies have put strong effect on the working of FIIs in India. The preventive actions targeted at achieving better control over FIIs flows did not show any significant negative impact on the net inflows. Thus, authors ultimately concluded that FIIs investments were more sensitive to the domestic market returns.

Batra(2003) in her paper “The Dynamics of Foreign Portfolio Inflows & Equity Returns in India”, has made an attempt to build up an understanding of investment decisions, trading strategies and behaviour of the FIIs in Indian equity market. This paper is based on positive feedback trading tested the hypothesis that net equity demand by FIIs had been driven by recent returns in the equity market of the host country. The author scrutinized the daily & monthly data to investigate the trading behaviour of FIIs & their impact on the stability of stock market. She found that the positive feedback investors and trend chasers of FIIs on the basis of daily data analysis but no evidence of positive feedback trading while analysed data on monthly basis.

Dhingra (2004) in her paper, “ Equity Market Vs Capital Account Liberalization: A Comparison Of Growth Effects of Liberalization Policies In Developing Countries”, studied about the comparative advantages of alternate economy liberalization strategies that developing countries could implement to improve their economic performance. Initially author tested the impact of different categories of capital floes, that is, equity flow and debt flow on output growth of a country.

Singh (2004) in his paper “ Foreign Portfolio Investment in India” analysed the policy towards FIIs investment and highlighted the nature and some determinants of FIIs flows. He discussed how the financial sector of an economy plays a vital role in attracting the Foreign Institutional Investment inflows. The study examined the extent of effect of significant macroeconomic variables; inflation and exchange rate on the flows of Foreign Institutional Investment in India. He has tried to analyze the inter-relation between Foreign Institutional Investment, Exchange Rate and Inflation. Given the large volume of these flows and their impact on domestic financial markets; understanding the major determinants of these flows becomes imperative as the economy has now moved towards full capital account convertibility. The author concluded that policies relating to portfolio investment in India has been substantially liberalised since 1990s. It has been found that the flow of investment by FIIs towards India was seasonal and the more investment was done in the few months of calendar year.

SaravananKrishnan (2011) in his study ‘ Trend Analysis of FIIs investment in India of monthly flows during January 2006- October 2011’ observed the trends of FIIs investment along with the scope and mechanism and causes of investment by them in India. The trend analysis techniques were used to meet the objectives of the study. It was found that FIIs have invested Rs.91,067.60 crores in 2009 and withdrew Rs. 60,905.90 in 2008 due to the effect of global meltdown and recession in world economy. The author found that political scenario, labour cost and productivity, liberalized trade policy, infrastructure , incentives and operating conditions and disinvestment policy were the causes of FIIs investment in India.

Arya & Purohit (2012) in their research work ‘ An Analytical Research on FII in India’ has found that it has gained a significant role in Indian stock markets. The beginning of 21 st century has reveal the real dynamics of Indian stock market and its various benchmarking indices. The study was mainly focused to check the volatility of stock market & returns due to the existence of FIIs in India. The GARCH model was used to check and measure the volatility caused by FIIs. It was found that the correlation between the FIIs investment and market volatility and market return has been comparatively low. But the correlation between the FIIs investment flows and SENSEX, NIFTY, market capitalization and market turnover was strong and high. The study investigated that the reason of volatility in Indian stock market is not the function of FIIs investment flows, there are some other factors which are responsible for this.
NEED OF THE STUDY

Foreign capital flows have come to be acknowledged as one of the important sources of funds for economies that would like to grow at a rate higher than what their domestic savings can support. This resulted in the integration of global financial markets. As a result, capital started flowing freely across national borders seeking out the highest rate of return. India is considered as a good investment option by world investors in spite of political differences and lack of infrastructure facility etc. Indian market presents vast potential and alluring and encouraging foreign investors continuously and Foreign Institutional Investors is an important source of raising the foreign capital. Over the past 15 years, the Indian markets have received almost a fifth of all FII equity flows to emerging markets while the country attracted almost half of all FII equity flows to Asia ex-Japan, China and Malaysia, in 2012. It is believed that the recent reform initiatives undertaken by the Government, lack of investment options in other countries and overall a positive investor sentiment are certain factors that have made India attract the highest amount of foreign inflows as against its Asian peers. The number of registered FIIs in India stood at 1, 757 in FY 2012-13 while the number of FII sub-accounts rose to 6, 335, from 6, 322 at the end of 2011-12.

OBJECTIVE OF THE STUDY

The objective of this paper is to analyse the trends, inflow and growth of FIIs in Indian stock market.

RESEARCH METHODOLOGY

The secondary data is used which is collected from the websites of RBI, SEBI and Money Control. The data are collected for twenty - two years from 1992 – 93 to 2012-13 to analysis the growth rate and importance of Net Investment made from FIIs and a proportion of gross purchases & gross sales in the Net Investment and to analyze this descriptive statistics were used and CGR (Compound Growth rate) is calculated to analyse exponential growth rate over the entire time period covered by the study. t-value is calculated to check its significant level. The future prediction has calculated for the period of 2014 to 2020 by using time series regression analysis where time is an independent variable. To check the proportion and trends of Gross Investments, Direct Investments, Net foreign Direct Investment & Net Portfolio Investment data is collected for twelve years from 2001-02 to 2011-12 and percent increase to previous year method is used . All statistical calculations have been made by the use of Microsoft Excel and Statistical Package for Social Science (SPSS) version 16.

DATA ANALYSIS AND INTERPRETATION

Table 1 shows proportioned distribution of net investment in gross purchases and gross sales done by Foreign Institutional investors in India from 1992-93 to 2012-13. The table demonstrates that the CGRs of the components were momentous as the calculated t-value for each CGR was found to be significant. The table depicts the positive trend of gross purchases for the most years but it declined in few cases due to International and National predicament. The paramount growth was Rs. 9, 92,596 (in crores) in 2010-11 and instead utmost decline of Rs. 6, 14,576 (in crores) in 2008-09 due to lofty inflation.

<table>
<thead>
<tr>
<th>Year</th>
<th>Gross Purchases (Rs. Cr)</th>
<th>Gross Sales (Rs. Cr)</th>
<th>Net Investment (Rs. Cr)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1992-1993</td>
<td>18</td>
<td>4</td>
<td>13</td>
</tr>
<tr>
<td>1993-1994</td>
<td>5,593</td>
<td>467</td>
<td>5,127</td>
</tr>
<tr>
<td>1994-1995</td>
<td>7,631</td>
<td>2,835</td>
<td>4,796</td>
</tr>
<tr>
<td>1995-1996</td>
<td>9,694</td>
<td>2,752</td>
<td>6,942</td>
</tr>
<tr>
<td>1996-1997</td>
<td>15,554</td>
<td>6,980</td>
<td>8,575</td>
</tr>
<tr>
<td>1997-1998</td>
<td>18,695</td>
<td>12,737</td>
<td>5,958</td>
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<tr>
<td>1998-1999</td>
<td>16,116</td>
<td>17,699</td>
<td>1,584</td>
</tr>
<tr>
<td>1999-2000</td>
<td>56,857</td>
<td>46,735</td>
<td>10,122</td>
</tr>
</tbody>
</table>
During the period, turnover in gross purchases grew significantly at the rate of CGR of 45.4802 percent. On the other side, gross sales also verified a positive approach in all years excluding three (2001-02, 2008-09 and 2012-13) and turnover grew significantly at the rate of 56.15809 percent of CGR. However, the trends of net investment were moving up occasionally and going down during the entire period from 1992-93 to 2012-13. Beside this, it grew at the CGR rate of 31.74103.

Table 2 exhibited the highest mean score (321827.7619) in gross purchases regarding share in net investment followed by gross sales (283883.0952). The coefficient of variation recorded highest in case of gross sale (120.5580329 percent) which is followed by gross purchases (119.2240755 percent).

Table 2. Descriptive statistics and Prediction of FII inflows from 1992-93 to 2012-13

<table>
<thead>
<tr>
<th>Year</th>
<th>Gross Purchases (Rs. Cr)</th>
<th>Gross Sales (Rs. Cr)</th>
<th>Net Investment (Rs. Cr)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000-2001</td>
<td>74,051</td>
<td>64,118</td>
<td>9,933</td>
</tr>
<tr>
<td>2001-2002</td>
<td>50,071</td>
<td>41,308</td>
<td>8,763</td>
</tr>
<tr>
<td>2002-2003</td>
<td>47,062</td>
<td>44,372</td>
<td>2,689</td>
</tr>
<tr>
<td>2003-2004</td>
<td>1,44,855</td>
<td>99,091</td>
<td>45,764</td>
</tr>
<tr>
<td>2004-2005</td>
<td>2,16,951</td>
<td>1,71,071</td>
<td>45,880</td>
</tr>
<tr>
<td>2005-2006</td>
<td>3,46,976</td>
<td>3,05,509</td>
<td>41,467</td>
</tr>
<tr>
<td>2006-2007</td>
<td>5,20,506</td>
<td>4,89,665</td>
<td>30,841</td>
</tr>
<tr>
<td>2007-2008</td>
<td>9,48,018</td>
<td>8,81,839</td>
<td>66,179</td>
</tr>
<tr>
<td>2008-2009</td>
<td>6,14,576</td>
<td>6,60,386</td>
<td>45,811</td>
</tr>
<tr>
<td>2009-2010</td>
<td>8,46,433</td>
<td>7,03,776</td>
<td>1,42,658</td>
</tr>
<tr>
<td>2010-2011</td>
<td>9,92,596</td>
<td>8,46,158</td>
<td>1,46,438</td>
</tr>
<tr>
<td>2011-2012</td>
<td>9,21,285</td>
<td>8,27,562</td>
<td>93,725</td>
</tr>
<tr>
<td>2012-2013</td>
<td>9,04,845</td>
<td>7,36,481</td>
<td>1,68,367</td>
</tr>
</tbody>
</table>


Keeping in view the existing trend equations, it can be predicted that the gross purchases turnover would increase to Rs. 1205685.21 in 2014-20 and the percentage changed will be 33.24 in 2014-20. The share of gross sales turnover in net investment would register an increase to Rs. 1066515.71 in 2014-20 from the present level of Rs. 7,36,481 in 2012-13. The net investment would be Rs. 154844.12 (in Crores) for 2014-20 with the percent of -8.03, which showed a negative trend due to more increase in gross sales as to gross purchases.
data for the period of 2000-01 to 2011-12 and clearly demonstrates the position of each component according to the last year. From the table, it has cleared that the trend of gross investment inflows faces very ups and down during the period. It declined first in 2002-03 at the percent of -15.699666 and then at -19.83806 in 2003-04 from 59.23913 in 2001-02. Subsequently, it grew frequently from 2004-05 to 2006-07 but it reached at 35.82 percent from 159.4458 in 2007-08 and then achieves a negative position in 2009-10 to 2010-11. In 2011-12, it reached at the percent of 46.66667 from -16.48107 in 2010-11.

The Direct Investment to India has declined at the percent of -16.438356 in 2002-03 and then at -18.852459 in 2003-04 from 58.69565 in 2001-02. Subsequently, it grew frequently in 2004-05 up to 2006-07 but it reached at the percent of 35.7351509 in 2007-08 from 160 percent in 2006-07 and then achieves a negative position in 2009-10 to 2010-11. In 2011-12, it grew and reached at the percent of 31.2447079 from -25.158428 in 2010-11. Net Foreign Direct Investment has reduced at -30.973451(in percent) in 2002-03 and then at -18.852459 in 2003-04 from in 51.6778523 2001-02. Subsequently, it grew from 2004-05only and shows a negative trend in 2005-06, 2009-10 and 2010-11. It grew from 2006-07 to 2007-08, but decreases at 56.8965517 (in percent) in 2008-09 from 82.8080229 in 2007-08. It holds a good position of 140.559441(in percent) in 2011-12 from the -50.116279 in 2010-11. Table depicts that the overall trend of Net Portfolio Investment by FIIs is predominantly negative. The percent of net portfolio investment was negative in 2001-02, 2002-03, 2004-05, 2006-07, and 2008-09 to 2011-12 and then, it slightly increases and decrease in the remaining period. In 2011-12, it reached at -38.59397418 (in percent) from 805.1948052 (in percent) in 2010-11.

CONCLUSION

Foreign Institutional Investors are crowd - puller to magnetize the foreign investment in India and have brought $ 124 billion in the last ten years, over half of which came in since 2010 and brought $ 67 billion since January 2010. It has infused US$ 26 billion in the Indian stock market during the fiscal ended March 31, 2013 and this amount is the highest ever since overseas entities started investing in the country. They were not sellers by $ 1.6 billion in Indian equities during June 2013 and play a vital role in the overall development & regulation of economy. The Indian stock markets gave the second highest returns globally, driven largely by higher inflows from FIIs and the 50- share Index Nifty gave the second highest cumulative return of 27.7 per cent, followed by BSE Sensex index by giving return of 25.7 per cent, whereas the highest return of 29 per cent given by Germany’s DAX and in 2012. The number of registered FIIs in India stood at 1, 757 in FY 2012-13 while the number of FII sub-accounts rose to 6, 335, from 6, 322 at the end of 2011-12.

When Indian government opened the economy for FIIs in 1992, they start investing from the same period and the various ups and down phases are faced by Indian economy due to their investment strategies and international and national crisis. The major down due to high world level inflation after the smooth & stable growth was in 2007 to 2009.

Despite a gloomy global financial scenario, foreign institutional investors (FIIs) are betting big on Indian capital markets because of various reform initiatives undertaken by the Government, lack of investment options in other countries and overall a positive investor sentiment are certain factors that have made India attract the highest amount of foreign inflows as against its Asian peers. As reported by Fitch a global rating agency, the foreign investors are highly confident about India's growth potential and the more of the investments will start coming-in post general elections in 2014. FIIs inject global liquidity into the capital markets; raise the price earnings ratios, thereby reducing the cost of capital and bringing in best international corporate governance practices. Apart from all, it has also criticising characteristics such as return chasing behaviour, herd mentality, hot money flows, short-term speculative gains and their influence on domestic policy-making.
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May
2014
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ANALYSING THE ROLE OF DEMOGRAPHIC VARIABLES ON EMPLOYEE RETENTION FACTORS IN CERAMIC MANUFACTURING INDUSTRIES IN INDIA

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ABSTRACT
In this present competitive business environment almost in all industries, one of the most important ongoing practices of Human resource management is employee retention. Hence the organizations are giving due importance for the variables influencing employees to serve in their organization. Demographic variables, leadership skills and training and development are some of the variables responsible for retaining employees. In this paper the researcher tries to analysis the role of years of experience in ceramic industries in India with respect to leadership skills and training and development on employee retention. Statistical tools are used for analysis. The analysis concluded that there is significant difference between years of experience with leadership skills and training and development on employee retention and 10-15 years of services in the organization are having higher level of significance with leadership skills on employee retention, than other groups of services, and also highest level of significance from minimum service in respect of training variable.

Keywords: Employee Retention; Demographic Variable; Years of Experience; Leadership Skills; Training and Development

INTRODUCTION
Employee retention refers to the ability of all organization to keep their valuable workforce for a longer time or till retirement age. The organization spent more time and money to develop a new employee to suit their requirements and if employee leaves the organisation, it is undoubtedly a great loss to the company and organizations are keen in retaining their employees by developing some needed strategies. For retaining the valuable employees, analysis has been made and factors which are influencing the employees to stick to their organization is first to be found out and action has to be taken in that line. Of course there are a number of variables responsible for retention. In this paper the researcher is attempting to find out the role of experience in demographic variables with employee retention factors of leadership skills and training and development.

OBJECTIVES
1. To find out whether there is significant difference between years of experience with variables of retention
2. To analysis the competitive significance of years of experience with variables of retention
HYPOTHESIS

Null Hypothesis (1): There is no significant difference between Experience in years with leadership skills

Null hypothesis (2): There is no significant difference between Years of experience with training and development on employee retention

REVIEW OF LITERATURE

Employee retention is the ability to hold on those employees you want to keep for longer than your competitors. Johnson (2000). Employees are valuable asset for all organizations and if they work enthusiastically, their efficiency increases resulting in benefits for the organization.

Hence it is inevitable to satisfy the employees working in the firm for improvement of the organization, similar to the old “adage” Saying “look after your people” (employees) and business will look after itself. Staffs are more than employees and they are valuable individuals with unique competencies and ambitions who require appreciation and reasonable perks for their sincerity. These kind of attitude by the organization improves the morality of employees results in binding with the firm for a longer time.

Today’s more competitive environment, in the era of new knowledge economy, the role of excellent employees and their satisfaction in the work gain more weight and value than before and become the solution to the success of companies. Locke (1969) said that the issue of employee satisfaction has been considered in numerous studies. Robbins and coulter (1996) pointed out that employee satisfaction is general attitude towards his/her work and when people speak of an employee’s attitude, they are likely to be referring to his/her employee satisfaction. Employers realize various variables that determine an employee’s stay at an organization. Employees are not motivated by hygiene factors like salaries alone Kulshrehtha and Kumav (2005). Also there other factor which exerts effects over motivation of employees Retention can be increased by motivating employees towards work.

Demographic Variables and Employee Retention

A demographic variable represents the, gender, education, experience, marital status department, designation. Demographic variables also have considerable relationship with employee retention and the researchers already made attempt to find out their impact over job retention Cotton and Tuttle (1986) Morrow(1983) and Gregerser and Black(1982) found that the age, income and tenure are negatively related to turnover intentions.

Empirical studies made by William and Haxer (1986) indicates that demographic variables are relevant with turnover intentions. Moreover, Naumann(1993) found out although the effects of employee demographic variables on turnover intentions may differ in different international environment, empherical research in international context including in Malaysia is scanty. The above mentioned researchers revealed that the demographic variables also exerts influences over employee retention.

Training and Development and Employee Retention

As development takes place every day due to new inventions, training become the prerequisites for every organisation to remain in the global market being the century of expertness and quality the company should concentrate in giving required training to their employee in the latest techniques instead of relying in old specialism. Sahinidis (2008) defined training has the planned intervention that is designed to enhance the determinants of individual performance. By providing proper and needed training the knowledge and skills of workforce gets refined and results in quality outcome. Hence organization first to assess the type and need of training for the employees.

As per the researcher Deckop et.a (2006) “development opportunities encourage employees to adjust with difficulties on the job and enhance the chance to remain in their current job Hocquet (1999)
pointed out that training is an important part of various HRM practices which are used for retention and development of employees due to these different kinds of training given to employees like job training, vocational training general and specific training etc. The above findings revealed the necessity of training for employee retention.

**Leadership Skills and Employee Retention:**

George, R. Terry (1982) defines leadership as the relationship in which one person (leaders) influence skills to work together willingly on related tasks to attain goals desired by the leader and/or group. Leadership definitions as per Keith Davis and J.W Newstorm (1989) is the process of encouraging and helping others to work enthusiastically towards objectives. Gwaryya (2011) stated that generally incompetent leadership results in poor employee performance, high stress job commitment and employee turnover. As per findings of Chung- Hsung (2009) leadership style can affect organizational and work satisfaction positively and work satisfaction can affect organization commitment and work performance positively.

While studying on leadership behavior of hospital directors, Mc Neese smith (1995) found that there is significantly positive relation between productivity, work satisfaction and organization commitment of staff. The above findings concludes that the leadership skills is a factor to be considered for employee retention.

**METHODOLOGY**

Respondents in the study were managerial staff of a MNC Sanitary ware factory in India. Out of 550 self-administrated questionnaires distributed to the staff of the above factories in India, 416 usable questionnaires were used in the statistical analysis representing a response rate of 75% (approx.) from the sample. The selection of the respondent was based on the simple random sampling. Respondents were asked to respond the questionnaire on a likert-scale range from 1-5, 1 = strongly disagree and 5 = strongly agree. Statistical package for the social sciences (spss) has been employed for analyzing the data’s collected. The researcher developed the questionnaire self-administrated and adopted from previous papers, Andreasdockel (2003), Elzette pieterse (2012), santhoshi sengupta (2010)

**RESULT AND DISCUSSION**

Out of 416 respondents, 83 persons falls under below 5 years of service and their representation percentage is 20%, 122 persons comes under 5-10 years of service (29.3%) and 117 employees comes under group of 10-15 years service and their percentage is 28.10. Remaining 94 respondents are having above 15 years service which is 22.60%.

From Table 1 P value is less than 0.01 the null hypothesis (1) is rejected at 1% level of significance. Hence, concluded that there is significant difference between years of experience with leadership skills on employee retention.

Table 1. Anova table for significant difference between years of experience with leadership skills

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Sum of square</th>
<th>Df</th>
<th>Mean square</th>
<th>F value</th>
<th>sig</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leadership skills</td>
<td>Between groups</td>
<td>88.320</td>
<td>3</td>
<td>29.440</td>
<td>4.543</td>
</tr>
<tr>
<td></td>
<td>Within groups</td>
<td>2669.878</td>
<td>412</td>
<td>6.480</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>2757.998</td>
<td>415</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: ** Denotes significant at 1%

Table 2 represents Duncan multiple range test, which illustrates 10-15 years of services in the organization are having higher level of significance with leadership skills on employee retention than other groups of services.
Table 2. Duncan multiple range test for years of experience with leadership skills

<table>
<thead>
<tr>
<th>Experience in years</th>
<th>N</th>
<th>Subset for alpha =0.05</th>
</tr>
</thead>
<tbody>
<tr>
<td>Above 15 years</td>
<td>94</td>
<td>25.32</td>
</tr>
<tr>
<td>10-15 years</td>
<td>117</td>
<td>25.33</td>
</tr>
<tr>
<td>5-10 years</td>
<td>122</td>
<td>25.21</td>
</tr>
<tr>
<td>Below 5 years</td>
<td>83</td>
<td>25.11</td>
</tr>
</tbody>
</table>

From Table 3, P value is less than 0.01 so the null hypothesis (2) is rejected at 1% level of significance. Hence, concluded that there is significant difference between years of experience with training and development on employee retention.

Table 3. Anova table for significant difference between years of experience with training and development on employee retention

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Sum of square</th>
<th>Df</th>
<th>Mean square</th>
<th>F value</th>
<th>Sig</th>
</tr>
</thead>
<tbody>
<tr>
<td>Training and development</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Between groups</td>
<td>83.138</td>
<td>3</td>
<td>27.713</td>
<td>4.094</td>
<td>.007*</td>
</tr>
<tr>
<td>Within groups</td>
<td>2789.083</td>
<td>412</td>
<td>6.770</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>2872.221</td>
<td>415</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: ** Denotes significant at 1%

Table 4 represents Duncan multiple range test, which states that, below 5 years of service with training and development on employee retention, are significantly higher level than 5-10 years & above a 15 years of service, but 10-15 years of service are not significant with other group of years of service.

Table 4. Duncan multiple range test for years of experience in years with training and development on employee retention

<table>
<thead>
<tr>
<th>Experience in years</th>
<th>N</th>
<th>Subset for alpha =0.05</th>
</tr>
</thead>
<tbody>
<tr>
<td>Above 15 years</td>
<td>94</td>
<td>24.78</td>
</tr>
<tr>
<td>10-15 years</td>
<td>117</td>
<td>25.51</td>
</tr>
<tr>
<td>5-10 years</td>
<td>122</td>
<td>24.80</td>
</tr>
<tr>
<td>Below 5 years</td>
<td>83</td>
<td>25.86</td>
</tr>
</tbody>
</table>

CONCLUSION

The study concluded that there is significant difference between years of experience with leadership skills and training and development on employee retention. The study also reveals that 10-15 years of experience of service in the organization are having higher level of significance with leadership skills on employee retention and lowest level of significance comes from below 5 years of service than other group of services. Moreover the result states that Below 5 year of service with training and development on employee retention are significantly higher level than 5-10 years & above 15 years of service. But 10-15 years of service are not significant with other group of service. Also highest level of significance comes from minimum service.

RECOMMENDATION

It is suggested that employees having 10-15 years of service should be considered for leadership skills for up gradation and very juniors should be given priority for training variable in manufacturing ceramic industries.
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for the degree of doctor of philosophy in management Jaypee institute of information technology university, Noida, New Delhi.

A STUDY OF JOB SATISFACTION LEVEL OF THE EMPLOYEES IN LIFE INSURANCE SECTOR IN PUNE CITY

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ABSTRACT

Today India is one of the fastest growing economies of the world. The insurance industry has contributed significantly in India's growth story in the recent years. Insurance Industry is a growth oriented industry. In India too, the industry has started to reveal the potential after liberalization and privatization of the sector. In order to cater to the vibrant needs of the time and to be a consistent player in this fierce battle of Competition the Man Power or the work force of the Organization has to be efficient, willing to grow, motivated enough and the favorableness must be there by which the employees view their work.

This paper tries to find out the factors and the favorableness of the respective Managers from the Life Insurance Corporation of India and the Private Life Insurance companies towards their work and if they are satisfied with the Job they are doing. As one of the most important credentials to perform in job is certainly to be satisfied in what one is doing. This study has been done in respect to Pune City. The sample under study is 25 Managers from 4 branches of the Life Insurance Corporation of India and 25 Managers from 6 branches of Private Life Insurance Companies from pune city.

Keywords: Job Satisfaction; Life Insurance Industry; Work-force development

INTRODUCTION

With the initiation of Globalization and open market system the competition and the whole market scenario drastically changed. The Organization started to look forward to the developmental aspects of its Work force. The Human Resource Developmental aspect enriches the work life in an organization and aims to link productivity with a sense of personal fulfillment. Since an organization with a happy work force is considered to be a hallmark of efficiency, efforts are made by the organizations to keep its employees satisfied. To secure the enormous advantage flowing from it, a study of job satisfaction assumes importance. Thus, Job Satisfaction can be an important barometer of HRM effectiveness.

The study is expected to uncover areas of satisfaction as well as dissatisfaction among the respondents. It may show a clear direction in which the authority should move so that with a satisfied and committed work force, the LIC can accomplish its organizational goals.

OBJECTIVES OF STUDY

1. To identify the factors causing job satisfaction among the various categories of employees.
2. To measure the level of satisfaction as perceived by the respondent-Managers of LIC and the Private Life Insurance Companies on the varied determinants of job satisfaction.

HYPOTHESES

There is a significant difference in the level of Job Satisfaction amongst the Managers of Private and Life Insurance Corporation of India (LIC) in Pune city.

RESEARCH METHODOLOGY

The Respondents are from the Managerial cadres, from the LIC and the Private Life insurance Companies in Pune city. We are studying 4 branches of the LIC in Pune. The sample size is 25 Managers from LIC and 25 Managers from 6 branches of Private Life Insurance Companies from Pune city. The selection of the respondents was done randomly.

COLLECTION OF DATA

This study being based on survey method, primary data on the varied dimensions of job satisfaction were collected through a suitably framed questionnaire. Besides the responses received on the questionnaire, in formal discussions were held with them to get insight on various matters connected with Job Satisfaction.

The instrument used for the study was the Job Satisfaction Scale developed by C.N. Daftuar consisting of 19 items. The respondents were asked to rate each statement on a five point scale ranging from 5 (strongly agree) to 1 (strongly disagree).

Data collected have been presented in tabular form and analysis made, using mean score and an independent sample t-test was also conducted through SPSS 18 and MS Excel 2007 in order to ascertain the level of significance, if any. Likert’s five-point scale has been used to measure the attitude and opinions of respondents to ascertain the level of satisfaction on each determinant of job satisfaction.

To study the Job satisfaction level in the study we are using the Scale developed by C.N. Daftuar consisting of 19 items. The respondents were asked to rate each statement on a five point scale ranging from 5 (strongly agree) to 1 (strongly disagree).

Before doing the analysis, we conduct a Factor analysis of the instrument which basically has 19 items. So the 19 items has been reduced to 7 vital dimensions cumulatively.

The dimensions are:

Salary
Effective Supervision
Company Policy & Social Condition
Career Advancement & Growth
Recognition & Responsibility
Job Security
Work Satisfaction

ANALYSIS

To measure the level of satisfaction as perceived by the respondent-Managers of LIC and the Private Life Insurance Companies on the varied determinants of job satisfaction.
## Salary

<table>
<thead>
<tr>
<th>Companies</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Std. Error</th>
</tr>
</thead>
<tbody>
<tr>
<td>manager LIC</td>
<td>25</td>
<td>4.900</td>
<td>.3162</td>
<td>.1000</td>
</tr>
<tr>
<td>manager PVT</td>
<td>25</td>
<td>4.400</td>
<td>.8433</td>
<td>.2667</td>
</tr>
</tbody>
</table>

## Effective Supervision

<table>
<thead>
<tr>
<th>Companies</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Std. Error</th>
</tr>
</thead>
<tbody>
<tr>
<td>manager LIC</td>
<td>25</td>
<td>4.400</td>
<td>.3162</td>
<td>.1000</td>
</tr>
<tr>
<td>manager PVT</td>
<td>25</td>
<td>4.100</td>
<td>.5676</td>
<td>.1795</td>
</tr>
</tbody>
</table>

## Company policy in Social Condition

<table>
<thead>
<tr>
<th>Companies</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Std. Error</th>
</tr>
</thead>
<tbody>
<tr>
<td>manager LIC</td>
<td>25</td>
<td>4.150</td>
<td>.6996</td>
<td>.2212</td>
</tr>
<tr>
<td>manager PVT</td>
<td>25</td>
<td>4.390</td>
<td>.5280</td>
<td>.1670</td>
</tr>
</tbody>
</table>

## Career Advancement in Growth

<table>
<thead>
<tr>
<th>Companies</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Std. Error</th>
</tr>
</thead>
<tbody>
<tr>
<td>manager LIC</td>
<td>25</td>
<td>4.220</td>
<td>.6215</td>
<td>.1965</td>
</tr>
<tr>
<td>manager PVT</td>
<td>25</td>
<td>3.980</td>
<td>.4158</td>
<td>.1315</td>
</tr>
</tbody>
</table>

## Recognition in Responsibility

<table>
<thead>
<tr>
<th>Companies</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Std. Error</th>
</tr>
</thead>
<tbody>
<tr>
<td>manager LIC</td>
<td>25</td>
<td>4.440</td>
<td>.4300</td>
<td>.1360</td>
</tr>
<tr>
<td>manager PVT</td>
<td>25</td>
<td>4.140</td>
<td>.4719</td>
<td>.1492</td>
</tr>
</tbody>
</table>

## Job security

<table>
<thead>
<tr>
<th>Companies</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Std. Error</th>
</tr>
</thead>
<tbody>
<tr>
<td>manager LIC</td>
<td>25</td>
<td>4.600</td>
<td>.5164</td>
<td>.1633</td>
</tr>
<tr>
<td>manager PVT</td>
<td>25</td>
<td>4.100</td>
<td>.3162</td>
<td>.1000</td>
</tr>
</tbody>
</table>

## Work Satisfaction

<table>
<thead>
<tr>
<th>Companies</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Std. Error</th>
</tr>
</thead>
<tbody>
<tr>
<td>manager LIC</td>
<td>25</td>
<td>5.000</td>
<td>.0000</td>
<td>.0000</td>
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<tr>
<td>manager PVT</td>
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<td>4.500</td>
<td>.9718</td>
<td>.3073</td>
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### Independent Samples Test

<table>
<thead>
<tr>
<th></th>
<th>Levene's Test for Equality of Variances</th>
<th>t-test for Equality of Means</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>F</td>
<td>Sig.</td>
</tr>
<tr>
<td>Effective Supervision</td>
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<td>.394</td>
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<tr>
<td>Company policy in Social Condition</td>
<td>.041</td>
<td>.842</td>
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<tr>
<td>Career Advancement in Growth</td>
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<td>.219</td>
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<tr>
<td>Recognition in Responsibility</td>
<td>349</td>
<td>.562</td>
</tr>
<tr>
<td>Job security</td>
<td>12.054</td>
<td>.003</td>
</tr>
<tr>
<td>Work Satisfaction</td>
<td>12.250</td>
<td>.003</td>
</tr>
<tr>
<td>Salary</td>
<td>14.645</td>
<td>.001</td>
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### Independent Samples Test

<table>
<thead>
<tr>
<th></th>
<th>t-test for Equality of Means</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>df</td>
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<tr>
<td>Effective Supervision</td>
<td>Equal variances assumed</td>
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<tr>
<td>Company policy in Social Condition</td>
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<td>Career Advancement in Growth</td>
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<td>Recognition in Responsibility</td>
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<td>Job security</td>
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<tr>
<td>Work Satisfaction</td>
<td>Equal variances assumed</td>
</tr>
<tr>
<td>Salary</td>
<td>Equal variances assumed</td>
</tr>
</tbody>
</table>
RESULT AND DISCUSSION

Here we perceive on the dimension of Job Security the value is 0.018 and 0.020 which is less than 0.05. So, the null hypothesis is rejected and it shows there is significant difference on the dimensions of Job security and Salary amongst the Managers of Private and LIC in Pune city.

The other dimensions of Effective Supervision, Company Policy, Social Conditions, Career Advancement’s Growth, Recognition n Responsibility and Work Satisfaction show values more than > 0.05. Thus, the null hypotheses is accepted as there is no any significant difference on the given dimensions or the determinants of Job Satisfaction amongst the Managers of Private and LIC in Pune city.

The dimension of Job security in terms of the Managers of LIC, the t-test value shows that the Managers in LIC which is a Public sector Organization are well aware that their Job is well secured. In terms of the Private sector one’s this is the biggest fear in the mind of the people engaged there. Their Profile is totally based on achieving the targets at the end of the day which probably is not the scenario with the LIC People.

In concern of the Salary factor, again the t-test value is not significant at 0.05 level, as the value is 0.096 > 0.05. Not only that the Managers at LIC have the mental peace of having a secured job but also good salary is also a perspective which plays a vital role for them to stay on with this Public sector giant. Talking about the Managers in Private Life Insurance companies the major and attractive part of the salary is totally based on the target achieving factor and thus comes along with Incentives thus there is always a constant pressure on them but still the package remains to be good and it is one of the vital strategies of the sector to curb the attrition level as they are in Competition with the LIC where Job Security plays a very important role which cannot be ignored at all.

In relation to the other aspects the things are more or less similar when we are talking about the LIC and the Private Insurance companies and the t-test values also show that they are not significant as the values are Effective Supervision 0.232>0.05, Company policy n Social Condition 0.398 >0.05, Career Advancement n Growth 0.324 >0.05, Recognition n Responsibility 0.155 >0.05, Job security 0.018 >0.05, Work Satisfaction 0.121 >0.05, Salary 0.096 >0.05.

The null hypotheses signifies that for all the other dimensions whether it is related to Recognition, Responsibility, Policies, Growth of the managers in the Organization, the condition is all the more similar for the Managers in both Private and the Life Insurance Corporation of India.
CONCLUSION

In totality what we can understand through the study is that the Managers at both the LIC and the Private Life Insurance Corporation do have good salary and are satisfied with their salary part but the pressure is more on the Managers in the private organization. The perspective of Job security still plays a very vital role as definitely people look forward to a steady and secured Job which is fulfilled by the LIC and the pressure of being threatened for the Job is also not there.

It must be observed both in the LIC and the Private firms that when the Managers in the Organization will be strengthened with a secured and established feeling in their career then only the people who are working under them as the employees of the Organizations will also gain the confidence to move ahead and the overall scenario of the Industry and the business will surely change towards betterment.

REFERENCES


ABSTRACT
The service-based hotel industry goal is 100% guest satisfaction. Customer satisfaction (CS) has been the focal point in all most all marketing management strategies in business organizations. Human resource management (HRM) plays a significant role in achieving CS in service organizations like hotels. The present study examined the HRM strategies of selected hotel to get better level of CS in their customers. A random sample of 149 employees and customer were drawn through Questionnaire from one of the well-known hotel in Udaipur Division for data collection. A survey questionnaire which consisted of three parts to measure demographic factors, independent variables, and dependent variables was constructed. Psychometric testing was conducted to determine the reliability and validity of the questionnaire. It was revealed that HRM contribute significantly to CS in hotel industry. The study focused on three different dimensions of HRM strategies (service quality, organizational socialization, employee evaluation) it was found that these HRM strategies are prominent in enhancing CS in hotels.

Keywords: Hotel Industry; Customer Satisfaction; Human Resource Management; HRM Strategies

INTRODUCTION
In strongly service-based hospitality industry, Human Resource Management (HRM) plays important role to hire and train its employees because company’s success will depend on its employee’s service-based attitude. Dealing with people is what hospitality business is all about. When providing services to guests, primary resource is employees. Successful hospitality managers need the ability to work with those people who will contribute success. The main purpose of hotel system is to satisfy customer’s needs and to delight customers. The main objective of the study is to understand how satisfied customers are with the services provided in the hotel with help of HRM. The importance of customers’ satisfaction cannot be underestimated; in the world of global industry customers have multiple-choices. A delighted customer will be willing to visit the hotel more often and will also share pleasant experience with his/her friends and relatives. Customers’ satisfaction is critical for a hotel’s success. Service quality and customer satisfaction in fact have a cycle-system since service quality proportionally affects customers’ satisfaction. On the other hand, customer satisfaction indicates service quality. (Williams & Buswell 2003, 69). In today’s service economy, the main and important facet in order to attain organizational success is customer happiness. Present competitive business environment lays emphasis to increase the focus on delivering value to satisfy the customer. Because
the hospitality industry is a service-oriented industry, poor customer service will cause a low occupancy rate for not returning business. In a service industry, the culture of organizations carries potential to influence the satisfaction and happiness of customer as they are having directly contact and interaction with them. By sustaining the difference between the customer and company, workforce has the capabilities to improve core competency by influential customer buying behavior and loyalty (Heskett, Sasser, & Schlesinger, 1997). Service quality and customer satisfaction are closely linked to employee satisfaction implying human resources management (HRM) practices are crucial to customer service excellence (Heskett et al., 2008). Heskett et al. (2008) posited that highly satisfied customers drive growth and profitability in a service business and that all aspects of the operation that affect customer satisfaction should be managed under what they called the service profit chain. Key HRM practices such as recruitment and selection, training and development, performance management and reward systems have been identified as significant to customer service excellence and service quality (Browning, 1998; Tsaur and Lin, 2004). Hoque (2000). When investigating the service quality gaps, Zeithaml and Bitner (2006) identified human resource issues as a major cause of the provider Gap 3 which referred to the company employees not delivering to the developed customer-driven service standards. Hence, they coined the Human Resources Management (HRM) Strategy wheel framework which represents a complex combination of HR strategies required to improve service employees’ willingness and ability to deliver quality services as well as remaining customer service oriented. In hospitality industry, achieving outstanding customer service requires much time, energy and money in the customer service training and call center performance and service enhancement areas. (Kelley, 1999) Professional and courteous customer service does not just happen. It requires a company commitment with training extended to all departments and all levels of the company. Training must be an ongoing commitment. Regular and comprehensive measurement of performance and customer attitudes is central to maintaining the commitment.

This study assesses the contribution of human resource management strategies to get better level of customer satisfaction in hotel industry. The selection of hotel industry for this study is done deliberately since the customer satisfaction has direct implication for the success of this sector. This paper begins with brief overview on the relevant literature on HRM, customer satisfaction, strategies for customer satisfaction, HRM, and the contribution of HRM for customer satisfaction. Then it conceptualizes the possible variables and their relationship and formulates hypotheses so that it can be empirically examined the relationship between variables. The paper then discusses the finding of the study and draws the conclusions based on the empirical analysis of the study.

**THE OBJECTIVES OF STUDY**

The major objectives of this study were:

1. The main objective of this study is to identify relation of Human resource management practices on customer satisfaction.

2. To provide data that would be useful to management in getting better customer satisfaction.

**THE SIGNIFICANCE OF THE STUDY**

This study was to assess relation of HRM with guests’ satisfaction of hotel industry. This study was significant because it would impact on future efforts to improve for organizational socialization, service quality, employee evaluation and delivery of services to guests for getting better customer satisfaction.

**LITERATURE REVIEW**

**Human Resource Management Practices**

Human Resource is the most important asset for any organization and it is the source of achieving competitive advantage because of its capability to convert the other resources (money, machine, methods and material) in to output (product/service). The competitor can imitate other resources like
technology and capital but the human resource are unique. According to Khatri (1999), people are one of the most important factors providing flexibility and adaptability to organizations. Rundle (1997) argues that one needs to bear in mind that people (managers), not the firm, are the adaptive mechanism in determining how the firm will respond to the competitive environment. Several scholars have noted that managing people is more difficult than managing technology or capital (Barney, 1991; Lado and Wilson, 1994). However those firms that have learnt how to manage their human resources well would have an edge over others for a long time to come because acquiring and deploying human resources effectively is cumbersome and takes much longer (Wright et al., 1994). HRM can help firms improve organizational behavior in such areas as staff commitment, competency and flexibility, which in turn leads to improved staff performance (Koch and McGrath, 1996).

Customer Satisfaction

Customer satisfaction, as a construct, has been fundamental to marketing for over three decades. As early as 1960, Keith (1960) defined marketing as “satisfying the needs and desires of the consumer”. Customers perceive service in terms of quality, but how satisfied they are with the overall experience, is what defines their satisfaction. Whether the customer is satisfied after purchase depends on the offer’s performance or the customer service in this case, in relation to the customer expectations. However, according to Zeithaml et al (2006) although service quality and customer satisfaction are used interchangeably, there is indeed a distinction. Customer Satisfaction is when the outcome of the service matches the expectations of the service. As pointed out by Looy et al (2003), even though they differ one is a component of the other. Zeithamlet al (2006) defines it as the customer’s evaluation of a product or service in terms of whether the product or service has met his needs or expectations. Failure to meet needs results in dissatisfaction, or a poor perception of the service quality. Satisfaction can be acknowledged in various senses depending on what needs the customer had before the service; it ranges from feelings of fulfillment, contentment, pleasure, delight, relief, and ambivalence. Although it tends to be measured as a static quantity, it is dynamic and evolves over time being influenced by a variety of factors. Service quality is one of those factors that contribute to customer satisfaction, in other words a component of customer satisfaction measure. As Looy et al (2003), points out the distinction between the two is a very important one. The level of customer satisfaction is the result of the customers comparison of the service quality expected in a given service encounter, with the perceived service quality. In addition, the distinction is that in measuring customer satisfaction, the actual experience of the customer is the basis of assessments while in service quality measurement the customer experience is not required. According to Zeithaml et al, (2006), satisfaction or dissatisfaction is a measure or evaluation of a product or service’s ability to meet a customer’s need or expectations. Kondo (2001), argues that customers value satisfaction and quality in many different ways. Therefore, the expression “no customer dissatisfaction”,does not necessarily go hand-in-hand with “customer satisfaction”. Fornell (1992) argues that changes in satisfaction are consequences from past decisions. He continues to explain that quality is judged by the consumer and that the most important measurement of quality is how it affects customer satisfaction (Fornell, 1992). This is further strengthened by Herrmann, Huber and Braunstein (2000), who argue that whether or not a customer considers their purchase to live up to their expectations, i.e. whether the customer is satisfied or not, is dependent on the perceived quality.


HRM is crucial to improve customer satisfaction-surprising but true. The maxim 'customer is king ', signifies the importance and value of customers. Customers are crucial for a business and a customer friendly culture drives a company's profitability. The contribution of human resource practice to customer satisfaction has been amenable too many researches both in the field of Human resource management and marketing. In organizations, there are also so many other functional areas apart from marketing area such as Human Resource management (HRM) which also focus on the customer satisfaction (CS). HRM also executes an extremely important role in order to achieve CS, in different business sectors. It has stressed HRM to generate particular set of strategies to generate customer
satisfaction. However, few researches emphasize on assessing the HRM strategies for the satisfaction of customer and calculate their role for CS in organizations. Some researchers acknowledged HRM as one of the fundamentals of firms and they have claimed in their findings that today’s organizations can accomplish CS by designing essential composition, processes, showing customer-oriented values and creating customer-oriented employees (Deshpande, Farley and Webster, 1993; Slater and Narver, 1995). The outcome of these researches evidently declares HR as one of the vital factor of a firm in order to achieve CS. However, the question is whether the entire staff in the organization holds equally importance in CS. Kelly (1992) declared that customers create a network with only those employees of an organization with whom they are having direct interactions and communications. So it is apparent from the above statement that the employees’ behavior that has direct communication with the customer is of greatly important in this regard. Some factors were identified by researchers concerning with HR of an organization linked to CS. Rosemary (2002) identified several HR determinants for Customer satisfaction like regular investment in employee training, staff security, high relative compensation and performance evaluation and management system. Compensation act as a foundation within these HR strategies. The role of the human resource manager in improving and sustaining customer satisfaction is paramount important. The implementation of human resource strategies specially designed for employee-customer linkage improves the service effectiveness resulting in customer satisfaction (Pauhea al. 2002). Employee motivation is another important dimension in order to accomplish satisfaction of customers. Deming (1986) acknowledged that it is firm’s responsibility to formulate an incentive system which directs to standardization among the firms and employees’ objectives, so firm can take so many benefits when employees are this their own optimum interest. The motivation of employees should result in their focus on performance as well as customer satisfaction. In an effort to attain customer satisfaction, training and development possess great value for a firm. So in order to achieve higher customer oriented behavior unique consideration has been given here to modify the attitudes and values of employees. It was argued by Siguaw, Brown and Widing (1994) that a considerable facet of implementing customer oriented strategies is workforce motivation specially the sales staff adopt preferred track in their selling efforts. The customer oriented attitude prompt that kind of behavior in the employees which is loved by customers to a large degree creating satisfaction of customer (Badovick and Beatty, 1987). Employee empowerment is yet another important factor which also aids in improving customer satisfaction. Basically, it is the process of permitting employees to exercise control over job-related circumstances and decisions by delegating authority and power. Numerous advantages of employee empowerment were revealed by Bowen and Lawler (1992) for instance quicker reaction to customer issues and demands, more-satisfied employees, excited and affectionate customer dealings, and pioneering ideas. Moreover, empowered workforce displays customer oriented performance as they turn into adoptive and flexible in the face of shifting customer demands (Scott and Bruce, 1994). Hence, based on this discussion there is negligible doubt that empowered employees’ may perform their tasks leading to customer satisfaction rather than underpowered workforce in organization. Another important core job of Human Resource Management is workforce evaluation, which is concerned with workforce behavior; hence grasp implication on the satisfaction of customer (Hartline et al., 2000). Hiltrop (1996) supports the view that HRM practices plays a significant role in altering the employees’ behavior required to implement the competitive strategies. It is evident from literature that the modification of employees’ behavior and attitude directs to satisfaction of customer of firms particularly in service organizations.

**HYPOTHESES**

H1. Relationship between better service quality and customer satisfaction;

Service cannot be separate from customer in service industry. The best service means returning business. Harris (2000) mentions one of the most effective and least expensive ways to market a business is through excellent customer service. Service quality does impact customers overall satisfaction Bartlett(2007). In a research conducted by Kim, Moreo and Yeh (2004), service quality had a positive relationship with customer satisfaction. An empirical analysis by Nicholls, Gilbert and Roslow (1998), suggested that where there is more personal service, there is greater satisfaction in the
customer experience. Without doubt, service quality is an important factor of customer satisfaction. However, in hotel industry measuring of service quality is complicated, because service itself is an intangible product which can be evaluated differently by each individual. According to Erto and Vanacore (2002, 166) the customer is actively participating in service process, and furthermore he is seen as a consumer of a service as well as an evaluator of service received. The most important goal of hotel industry is to analyse future customer’s requirements and attitudes and after identifying them it is needed to translate them into hotel service elements. Services are often “invisible” and thus difficult for supplier to explain and for customer to access. Created expectations by marketing affect the customer’s perceptions of the outcome. Monitoring quality is significant for a hotel’s success. Erto and Vanacore (2002, 166) highlighted that customer is the recipient and judge of the service in terms of added value and quality. Furthermore, the customer’s total perception of a certain service is based on his perception of the outcome and process. In case the quality is conception of quality in fact is that established specifications have been met. On the other hand, quality in perception stands for customer’s feeling of receiving the quality he expected. Consequently, if quality in perception is not achieved, it does not suffice to attain quality in fact. Service companies are not selling service itself; they are selling prerequisites for the service. A hotel is a big system where all the departments are cooperating and influencing one another. On the other hand, all the services provided by different hotel departments could be sold separately. The reputation of the hotel is a puzzle which contains different small pieces; if one piece is missing, the whole hotel reputation will be influenced. Service failure stands for not meeting customer’s expectations and it is crucial for a hotel company’s image.

H2-Relationship between employees evaluation and customer satisfaction;

Evaluation of employees is a core task in Human resource management. Behavior based evaluation is particularly suited to customer contact employees in that their performance in serving customer needs is directly related to customer oriented behavior. Employee behavior can become an important in service settings, because service customers often weight the service process heavily in their quality evaluation (Parasurama, Zeithaml and Berry, 1985). A particular type of employee evaluations termed as behavior-based employee evaluation bears much implication on customer satisfaction (Hartline et al., 2000). Behavior-based evaluation is not only evaluate the performance of employee but also the behavior of those employees to judge whether they exhibit behaviors for long term durability. Much research has been carried out to assess the impact of behavior-based employee evaluations. They have come up with number of positive aspects related to employees such as employee competence (Cravens Et al.1993), confidence (Gist and Mitchell, 1992), job satisfaction, (Oliver and Anderson, 1994) and adoptability (Scott and Bruce, 1994). Zeithmal, Berry and Paraguayan (1988) argued that behavior-based evaluation encourage employee performance that is consistence with customer expectation resulting in customer satisfaction.

H3.Relationship between Organizational socialization and customer satisfaction;

Organizational socialization is another area where HRM can contribute to the customer satisfaction efforts of organizations. Organizational socialization is defined as a process by which person acquires the social knowledge and organizational skills necessary to assume an organizational role (Van Maanen and Schein, 1979). By instilling confidence in employees and using effective role models, work group socialization can enhance the dissemination of customer-oriented strategy and value to customer contact employees (Jones, 1986). Many services require personal interactions between customers and the firm’s employees, and these interactions strongly influence the customers’ perception of service quality (Rust, Zahorik, &Keiningham, 1996) For instance, a person’s stay at hotel can be greatly affected by the friendliness, knowledge, ability, and helpfulness of the hotel staff. This will improve the knowledge and skills in employee resulting in developed social interaction between the members within the organizations and with outsiders. (Hartine and Ferrell, 1993) claimed that organizational socialization is a critical component in the dissemination of a customer oriented strategy to customer contact employees. it is clear that HRM can assist in improving the customer
satisfaction by effectively handling the socialization of employees specially the customer contact employees of the organization.

It is clear from the literature review that HRM can make a effective contribution to the enhancement of customer satisfaction of the customers of hotel industry.

RESEARCH DESIGN AND METHODOLOGY

The aims and objectives of any research project are largely determined by how much is already known about the topic selected. Consequently, the extent to which existing knowledge and understanding can be used to develop hypotheses which can be confirmed or refuted must be considered (Easterby-Smith et al., Patton,1987). The hotel sector selected for the study because of two reasons. First, it offers ample opportunity to contact and convenient way to collect data pertaining to the variables under study. Secondly, the degree of customer satisfaction can be accurately measured since the satisfaction is the immediately resulted by the service provided by staff of the hotels. Further the section of the hotel sector can be further justified by the fact that the behavior of the employees which is largely under the pursuit of HRM matter to a greater extent to the customer satisfaction in the hotel sector. A random sample of 149 out of 200 employees and customer were drawn for data collection. The researcher developed a questionnaire to assess the perceived contribution of human resource management strategies for customer satisfaction. A copy of the questionnaire was given to each customer and employee selected and it was distributed and collected through the managers responsible for customer affair of the sampled hotel. The type of instrument used in this research was a five-point likert scale questionnaire. The questionnaire was divided into four sections. Section A included demographic factors while section B tested the independent variables (employee evaluation, service quality and organizational socialization) and section C tested the dependent variable (customer satisfaction). The data collected through the questionnaires were analyzed using the Statistical Package for Social Sciences (SPSS) version 14.0. Two major approaches of data analyses being used were descriptive statistic and inferential statistic (Pearson correlation analysis).

Results of Pilot Test

<table>
<thead>
<tr>
<th>Measures</th>
<th>Items</th>
<th>Factor Loadings</th>
<th>KMO</th>
<th>Bartlett’s Test of Sphericity</th>
<th>Eigen value</th>
<th>Variance Explained</th>
<th>Croanbach Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Evaluation</td>
<td>6</td>
<td>0.69 to 0.94</td>
<td>0.644</td>
<td>107.708, p= 0.000</td>
<td>4.365</td>
<td>72.742</td>
<td>0.92</td>
</tr>
<tr>
<td>Organizational Socialization</td>
<td>4</td>
<td>0.70 to 0.90</td>
<td>0.667</td>
<td>55.404, P= 0.000</td>
<td>2.827</td>
<td>70.917</td>
<td>0.86</td>
</tr>
<tr>
<td>Service Quality</td>
<td>4</td>
<td>0.65 to 0.75</td>
<td>0.614</td>
<td>22.576, P= 0.001</td>
<td>2.375</td>
<td>59.364</td>
<td>0.77</td>
</tr>
<tr>
<td>Customer Satisfaction</td>
<td>3</td>
<td>0.82 to 0.91</td>
<td>0.708</td>
<td>25.114, P= 0.000</td>
<td>2.349</td>
<td>78.299</td>
<td>0.81</td>
</tr>
</tbody>
</table>

A Croanbach alpha of more than 0.63 indicates the variables met the acceptable standard of reliability analysis Nunally et al (1994). Items of each variable had factor loadings of 0.50 and above, eigenvalues larger than 1, indicating it met acceptable standard of validity analysis Hair et al (1998). KMO, Bartlett’s Test of Sphericity, eigenvalue and variance explained assist in determining items from a questionnaire that are valid enough to be used on the actual sample of the research.

FINDINGS AND DISCUSSION

A. Demographic Data

The total number of respondents who participated in this research was 149 people. The participants consisted of 53.7% male and 46.3% female. Most of the respondents (46.3%) including were in the
B. Results of Pearson Correlation Analysis

Table 2.

H01: There Is No Relationship between Behaviour-Based Employee Evaluation and Customer Satisfaction

<table>
<thead>
<tr>
<th>Variable</th>
<th>Pearson Correlation, r</th>
<th>Significant, P</th>
<th>Mean</th>
<th>Standard Deviation</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee evaluation</td>
<td>0.563**</td>
<td>0.000</td>
<td>3.4508</td>
<td>0.70218</td>
<td>Ho 2 rejected</td>
</tr>
</tbody>
</table>

Note: ** Correlation is significant at the 0.01 level.

H01 was rejected after Pearson correlation testing was conducted. From the results of the significant value p < 0.05, this indicated that there is a relationship between employee evaluations and customer satisfaction. The positive value of Pearson correlation, r, indicates that the relationship between employee evaluations and customer satisfaction is positive. Therefore, when perception towards employee evaluation is good then customer satisfaction will also be high.

Table 3.

H02: There Is No Relationship between Organizational Socialization and Customer Satisfaction

<table>
<thead>
<tr>
<th>Variable</th>
<th>Pearson Correlation, r</th>
<th>Significant, P</th>
<th>Mean</th>
<th>Standard Deviation</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational socialization</td>
<td>-0.268**</td>
<td>0.001</td>
<td>3.4508</td>
<td>0.50398</td>
<td>Ho 2 rejected</td>
</tr>
</tbody>
</table>

Note: ** Correlation is significant at the 0.01 level.

Table 3 shows the results of the analysis from the research conducted on the relationship between organizational socialization and customer satisfaction. The results are aligned with most researchers indicating there is a relationship between Organizational socialization and customer satisfaction, where H02 was rejected.

However, the findings in this research indicated organizational socialization was significantly negatively correlated with customer satisfaction. The findings from other research instead indicated that Organizational socialization had a positive relationship with customer satisfaction. From the results of this research, the negative value suggests that when Organizational socialization is not in accordance with perceptions (with negative deviation), customer satisfaction declines. Consequently if Organizational socialization is higher than what the customer perceives, customer satisfaction will be adversely affected. These findings were considered to be unusual as in other research conducted, Organizational socialization was found to influence customer satisfaction positively. Therefore, to justify this outcome, opinions of respondents on Organizational socialization had to be analyzed from the open ended questions. As satisfaction level of service quality and employee behavior was relatively higher, this may have influenced customers’ satisfaction. Therefore, customer satisfaction is high although Organizational socialization is low. Finally, there could be a possibility that respondents do not consider Organizational socialization when determining customer satisfaction.
Table 4.

H03: There Is No Relationship between Service Quality and Customer Satisfaction

<table>
<thead>
<tr>
<th>Variable</th>
<th>Pearson Correlation, r</th>
<th>Significant, P</th>
<th>Mean</th>
<th>Standard Deviation</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service Quality</td>
<td>0.544**</td>
<td>0.000</td>
<td>3.1544</td>
<td>0.83149</td>
<td>Ho 3 rejected</td>
</tr>
</tbody>
</table>

Note: ** Correlation is significant at the 0.01 level.

The results from Table 4 indicate that H03 was rejected. This is because the significant value p is less than 0.05.

Therefore, there is a relationship between service quality and customer satisfaction. From the positive value of Pearson correlation, r, it can be concluded that service quality has a positive relationship with customer satisfaction. This indicates that when conception of service quality is high, customer satisfaction is also high. This result is supported by past research conducted in other countries in the hotel industry. Based on the results of this research which is in accordance with past research, customer satisfaction is high when customers perceive the service quality to be good. Good service quality in this context is determined by quickness of correcting problems, reliability of information provided, politeness, friendliness and helpfulness of the hotel staff. Therefore, customer satisfaction is influenced by these factors. From this research, it is clear that customer satisfaction increases when they perceive reliability of information provided is high. It is important for hotel staff to have personal characters of polite, friendly and helpful in order for customers to feel satisfied.

These explanations suggest reasons for HRM to be positively correlated with customer satisfaction. Therefore, when perception of HRM is high, customer satisfaction is high and vice versa. Not all hotels can offer better service but this research suggests that a hotel that can offer good quality of service when required can increase customer satisfaction. Prompt service also influences customer satisfaction. Responsiveness may be demonstrated through speed of being entertained, willingness to respond, accuracy and dependability. The willingness to respond when a problem arises increases customer satisfaction because this may show efficiency. Further mentioned by them, it is important for customers to feel business is responsive to their needs. As when a problem is corrected immediately without the customer having to report the problem numerous times, the customer feels satisfied as in their perception, the hotel staffs are responding quickly to their dissatisfaction. Server attentiveness influence customer satisfaction as a customer who feels neglected or treated rudely does not want to experience it again.

**CONCLUSION**

Upon conducting this research, new findings were discovered. However, the main objectives of this research were achieved. The research managed to determine the relationship between HRM Strategies (organizational socialization, service quality and employee evaluation) with customer satisfaction. From the analysis conducted to test relationships, all three strategies had a significant relationship with customer satisfaction. However, only service quality and employee evaluation had a positive relationship. Organizational socialization revealed an unsuspected result of a negative relationship. This result showed that although perception of customers towards organizational socialization was low, their satisfaction was still high. Human resource management has a multifaceted impact on the performance of other functional areas of an organization. In this light, HRM can make a significant contribution for the effective marketing management process of the firm through which customer satisfaction is intended. HR strategies such as Behavior Based employee evaluation, Organizational socialization, service quality of staff make a significant impact on customer satisfaction. Successful implementation of these HR strategies can enhance customer satisfaction.
RECOMMENDATIONS

This study attempted to find out guests’ satisfaction through HRM strategies. The study focused on three different dimensions of Human Resource Management strategies (service quality of staff, organizational socialization, employee evaluation) that hospitality industry should train their employees in workplace to increase guest satisfaction score. Organization having high level of human resource practices will have greater customer satisfaction.

It is strongly recommended that:

- Hotel industry needs to evaluate the level of their service quality and to improve and develop training program as the result derived by the assessment to give better service to guests.
- The management team of this hotel needs to focus on organization socialization to their employees to increase guest’s satisfaction scores.

LIMITATIONS OF THE STUDY

Because of time constraints, the research was limited only to Udaipur division only for that matter, which could not allow a comprehensive research on a large scale. The study did not cover all HRM strategies, furthermore, the research was limited to only one hotel while comparison of different hotels would have been better.

FURTHER RESEARCH

Finally, to conclude it all, future research is still needed to justify and strengthen the outcomes of this research. There may have been research similar to this topic but the situations in all the researches may be different, including this research. A slight change in the research context could bring about changes in findings. Therefore, future researchers are welcomed to conduct a similar research as this in the same context.

REFERENCES

ANALYZE THE E-BANKING BRANCHES AND ATMs OF INDIA

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Email: geetanjalijangale@gmail.com

ABSTRACT
E-banking has a considerable impact on today's banking business because it creates innovative services. Banking online is more efficient because bankers can access and manage multiple accounts through one online bank account and customer numbers will also not be the same as any debit or credit card issued by the financial institution to the customer. ATMs are at your doorstep; therefore the customer can obtain funds at any time from ATM machines. So, in order to survive in this environment banks have to use IT and the objective of the present paper is to analyze the e-banking Branches and ATMs of India after adopting the e-banking services. The study is secondary based in analytical in nature. The sources of data are Report on Trends and Progress of Banking in India published by Reserve Bank of India, Mumbai and the studied data is founded by the calculation of total branches of all banks comparing to the individual bank in Rural, Semi-urban, Urban and Metropolitan sectors of e-banking Branches of India and ATMs of on-site and off-site.

Keywords: e-Banking; Branches; ATMs; Analyze

INTRODUCTION
E-banking access online banking, the customer would go to the financial institution's website, and enter the online banking facility using the customer number and password. By the use of computer transact and control the bank account online through the net banking service. E-Banking service makes banking a lot more easy and effective. Banking through the internet provides customers with a variety of services that are either free or have a nominal fee. Online banking is more convenient for consumers because the internet is open 24 hours and can be accessed from anywhere in the world. E-banking has a considerable impact on today's banking business. Banking activities such as; account inquiries, depositing or transferring funds and ordering checks, can now be done remotely, 24 hours a day and seven days a week. Banking online is more efficient because bankers can access and manage multiple accounts through one online bank account. E-banking involves information technology based banking. Under this IT system, the banking services are delivered by way of a Computer-Controlled System. This system does involve direct interface with the customers. The customers do not have to visit the bank's premises. Indian banking industry has witnessed a tremendous developments due to sweeping changes that are taking place in the information technology. Electronic banking has emerged from such an innovative development.

The popular services covered under E-banking include:
1. Automated Teller Machine (ATM),
2. Credit Cards,
3. Debit Cards,
STATEMENT OF THE PROBLEM

The main advantages of E-banking are to operating cost per unit services is lower for the banks and offers convenience to customers as they are not required to go to the bank's premises and also the customer can easily transfer the funds from one place to another place electronically. Online banking is a technological advancement that has brought about such a change. The banking industry has adopted virtual banking to improve business process, infrastructure, and customer relationships. These changes have had a major impact on the banking business, but more transparently on the customers of online banking. The matrix measures for the improvements added by online banking can be evaluated on comparable levels of service, efficiency and cost satisfaction, for both the provider and consumer of this technology. Customer’s numbers are normally not the same as account numbers, because number of accounts can be linked to the one customer number. The customer will link to the customer number any of those accounts which the customer controls, which may be cheque, savings, loan, credit card and other accounts. Customer numbers will also not be the same as any debit or credit card issued by the financial institution to the customer and ATMs are at your doorstep, therefore the customer can obtain funds at any time from ATM machines. So, in order to survive in this environment banks have to use IT and the objective of the present paper is to analyze the e-banking Branches and ATMs of India after adopting the e-banking services.

OBJECTIVES OF THE STUDY

1. To study the various e-banking services adopted by Indian banks.
2. To study the challenges faced by Indian banks in adoption of technology.
3. To analyze the e-banking Branches and ATMs of India.

METHODOLOGY

The study is secondary based in analytical in nature. The sources of data are Report on Trends and Progress of Banking in India published by Reserve Bank of India, Mumbai. The parameters of the study are Computerization of branches, Automated Teller Machines and Transactions through Retail Electronic Payment Methods such as Electronic Clearing services (ECS) - debit and credit, National Electronic Fund Transfer and Electronic Clearing Cards that is debit card and credit card. To analyze the e-banking services Branches and ATMs of banks in India. The paper also highlights the challenges faced by Indian banks in adoption of technology. Data is founded by the calculation of total branches of all banks comparing to the individual bank in Rural, Semi-urban, Urban and Metropolitan sectors of e-banking Branches of India and ATMs of on-site and off-site. Below is the table and graph which interpreted the study.
E-Banking Branches and ATMs of India

(As at end-March 2013)

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Name of the Bank</th>
<th>Branches</th>
<th>ATMs</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Rural</td>
<td>Semi-urban</td>
</tr>
<tr>
<td>1</td>
<td>Scheduled Commercial</td>
<td>26493</td>
<td>25009</td>
</tr>
<tr>
<td>2</td>
<td>Public Sector Banks</td>
<td>24124</td>
<td>19554</td>
</tr>
<tr>
<td>3</td>
<td>Nationalized Banks</td>
<td>17036</td>
<td>13539</td>
</tr>
<tr>
<td>4</td>
<td>Private Sector Banks</td>
<td>2361</td>
<td>5445</td>
</tr>
<tr>
<td>5</td>
<td>Old Private Sector Banks</td>
<td>1069</td>
<td>2332</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Analyze the Percentage of Total Branches</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Name of the Bank</th>
<th>Total Branches</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scheduled Commercial Banks</td>
<td>88562</td>
<td>37.63%</td>
</tr>
<tr>
<td>Public Sector Banks</td>
<td>72661</td>
<td>30.88%</td>
</tr>
<tr>
<td>Nationalized Banks</td>
<td>52480</td>
<td>22.30%</td>
</tr>
<tr>
<td>Private Sector Banks</td>
<td>15569</td>
<td>6.62%</td>
</tr>
<tr>
<td>Old Private Sector Banks</td>
<td>6047</td>
<td>2.57%</td>
</tr>
</tbody>
</table>

The above table interpreted that the high e-banking Branches are 37.63% in Scheduled Commercial Banks i.e. 88562 and it is high in rural sector which is 26493. We can see here in above table that comparing to public sector banks, nationalized banks, private sector banks and old private sector banks, scheduled commercial banks branches are more. The least percentage of branches in old private sector banks i.e. 2.57% and which is in rural sector of 1069 out of the total 6047 of other sectors like...
Semi-urban, urban and metropolitan. And the remaining banks indicate the percentage of public sector banks 30.88%, nationalized banks 22.30% and private sector banks of 6.62%.

### Analyse the Percentage of Total ATMs

<table>
<thead>
<tr>
<th>Name of the Bank</th>
<th>Total ATMs</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scheduled Commercial Banks</td>
<td>114014</td>
<td>42.01%</td>
</tr>
<tr>
<td>Public Sector Banks</td>
<td>69652</td>
<td>25.66%</td>
</tr>
<tr>
<td>Nationalized Banks</td>
<td>37061</td>
<td>13.66%</td>
</tr>
<tr>
<td>Private Sector Banks</td>
<td>43101</td>
<td>15.88%</td>
</tr>
<tr>
<td>Old Private Sector Banks</td>
<td>7566</td>
<td>2.79%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>271394</strong></td>
<td></td>
</tr>
</tbody>
</table>

The above table interpreted that the high e-banking ATMs are 42.01% in Scheduled Commercial Banks i.e. 114014 and it is high in off-sites which is 58254. The above table also interpreted that by comparing to public sector banks, nationalized banks, private sector banks and old private sector banks, scheduled commercial banks ATMs are more. The least percentage of ATMs in old private sector banks i.e. 2.79% and which is in off-site of 3512 out of the total 7566 of on-site. And the remaining banks indicate the percentage of public sector banks 25.66%, nationalized banks 13.66% and private sector banks of 15.88%.

### Challenges

E-banking is facing various challenges in Indian banking industry which are as follows:

1. The most serious threat faced by e-banking is that it is not safe and secure all the time. There may be loss of data due to technical defaults.
2. New business environments are characterized by increasing sources of uncertainty and variability which challenge current decision-making processes.
3. E-banks are facing business challenges. For the transactions made through internet, the service charges are very low. Unless a large number of transactions are routed over the Web the e-banks cannot think of profit.
4. Accordingly banks which enter into the arena of e-banking will have to learn how to design appropriate risk management systems for decision support.
5. There is lack of preparedness both on part of banks and customers in the adoption of new technological changes.
6. It will affect their human resource strategies, as it will be necessary to induct and develop talent, because banks cannot outsource risk management function.
7. There is lack of proper infrastructure for the installation of e-delivery channels.

CONCLUSION

Banks are making sincere efforts to popularize the e-banking services and products by the adoption of advanced technology and installation of e-delivery channels but still masses are wary of the concept. Issue of unique identity number to citizens shortly will enable banks to ensure transparent delivery of economic benefits to the poor, impacting socio-economic transformation in a big way. Both in e-banking branches and ATMs of India the scheduled commercial banks shows high percentage and old private sector banks shows least percentage. After the old private sector banks the less percentage Branches of private sector banks and less percentage ATMs of nationalized banks. Finally, it is concluded in this paper that by analyzing the e-banking study, it is found that the total ATMs of the banks in India is more than the total Branches of the bank in India.

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MOTIVATION CHEMISTRY OF ENTREPRENEURS AND MANAGERS

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ABSTRACT

An entrepreneur (ship) is meant for enterprising and innovation translating into products and services to be nurtured by manager (ship). The developed world today with all its endeavours is the direct and indirect contribution of entrepreneurs and managers as promoters and organisers respectively. However, the differences between entrepreneur and manager in their characteristics/qualities, areas chosen and functions undertaken is due to the operation of their motivation chemistry. An overview of these issues is dealt with in this article.

Keywords: Motivation Chemistry; Entrepreneur(ship); Manager(ship); Entrepreneurial Role; Managerial Role; Entrepreneurial Motives; Managerial Motives

INTRODUCTION

The separation of artisan skills from capital, managership from capital and managership from technology, the roles of entrepreneurs and managers have been widely separated as promoters/creators and organisers. Much literature has been generated on these topics through theoretical expressions, empirical research and practical experiences. Despite that the premises for the research for these areas are almost similar. As a result, the qualities, characteristics and skills like energy, enthusiasm, self-confidence, self-control, perseverance, creativity, dynamism, optimism, initiative, drive, intelligence, forethought, flexibility and so on that are common to entrepreneurs and managers are alike. That is, the clarity among entrepreneurs and managers could be marginal despite their specific and general roles vary very widely.

The basic stable datum for all human beings in general and specifically to the entrepreneurs and managers is survival in a different way distinguished from the rest of the world. Nevertheless, the entrepreneurs and managers need specific knowledge, skills and attitudes which reflect in their motives to get translated into actions.

How do the entrepreneurs and managers differ in their characteristics, qualities, skills and traits? What are their specific areas of operation? What are their specific motives that drive them to be different from others?

OBJECTIVES

The specific objectives of paper cover to-

1. Explain the concept of motivation chemistry relating to entrepreneurs and managers;
2. Examine the relationship and differences of entrepreneurs and managers;
3. Examine the role implications of entrepreneurs and managers in organisational setting; and
4. Expose the motivational differences between entrepreneurs

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Motivation Chemistry
Chemistry is concerned with the substances and their composition creating properties and reactions to form new substances. In human psychology, it is the complex of emotional or transactional exchange between people to redefine the attitudes. In motivational context, chemistry is the web of drivers that involve in creative destruction or destructive creation of emotions and attitudes to form a new motive structure setting new attitudes. Human behavior is driven by thoughts, interests which result in motives. Thus, motivation is the center piece of individual behavior and organizational work culture. As such, understanding the knowledge of Motivation Chemistry would help both the entrepreneurs and managers.

Entrepreneur (Ship)
An entrepreneur is a person who involves in entrepreneurship. He ‘creates’ wealth. It is the entrepreneur who creates the new products and service. The entrepreneur is one who finds a new use for an old product or process. He has the courage to try the new, the creative and the innovative methods. Above all, entrepreneur deals with change. The term entrepreneur stems from the French word ‘entreprendre’ meaning one who undertakes or one who is a ‘go-between’. Entrepreneurship has the ability to use the factors of production: Land, Labour, Capital and Organization to produce the goods and services which are hitherto unknown or unused. It is a process of operating and bearing the risk of a new business venture.

According to Richard Cantillon, Entrepreneurship is the ‘will to create’ and translate the same into action in order to take risk, develop, organize and manage a business venture even in a competitive marketplace. Entrepreneurs are pioneers, innovators and inventors. They are at the forefront of technological and social movements in their chosen fields, in their forward thinking, in their desire to push the enterprise forward. They are dreamers and doers. Above all, entrepreneurs deal with change.

Entrepreneurship is a discontinuous phenomenon appearing to initiate changes in the production process and then disappearing until it reappears to initiate another change. In the opinion of David McClelland, an entrepreneur is a person with a high need for achievement [N-Ach] (1961). According to Peter Drucker, an entrepreneur searches for change, responds to it and exploits opportunities. Innovation is a specific tool of an entrepreneur. Hence an effective entrepreneur converts a source into a resource (1964). The essence of entrepreneurship is the inner urge and subtle motive for creating something.

Entrepreneurial Role
An entrepreneur is to initiate change especially in production process, create a new product or find a new use for old product, to create wealth and deal with and contribute to change through innovation and creativity. So, entrepreneur's orientation is towards change and innovation in technology and production. That is, an entrepreneur in this context is a person who undertakes the “Innovation Engineering” by shifting the resources from lower levels of productivity both at the promotional state of a new enterprise and at the obsolescence state of existing enterprise.

According to Robin Wilken (1979), entrepreneurs contribute change that can be categorized into five types.

1. Initial expansion – The original production of goods.
2. Subsequent expansion – The subsequent change in the amount of goods produced.
3. Factor Innovation – The increase in supply or productivity of the factors of production viz. financial, labour and material.
4. Production Innovations – Changes in the production process.
   a. Technological – The use of new production process.
b. Organisational – Change in the form of structure of relationships among people.

5. Market Innovation – Changes in the size or composition of the market.

a. Product – The production of a good or the change in the quality or cost of existing goods.


Manager (Ship)

A manager is a person who involves in the affairs of organization. Management is what a manager does. Management is the development of people and not direction of things. It is getting things done through and with people. Managers are involved with decision making, goal formulation, mission creation, policy declaration and procedure fixation. Management is uniting, balancing and coordinating human tasks and other resources so as to create chemistry in management processes in the organization for the accomplishment of objectives. The managers decide to plan and organize the resources, select and train people, promote and motivate, review, regulation and so on. They focus on objectives, targets and controls. They imitate their superiors and control their subordinates. They accept system and they conform to policies, rules and regulations.

The survival and progress of managers are of paramount importance to the organisation. The basis for their performance is their personal ambition. They possess integrated personalities. They are ready to withdraw themselves from any conflict and make peaceful negotiation if it is going to disturb them. They are accountable for specific deliverables (business results). In this process, line managers are responsible for helping the staff managers to enable them to perform better in their roles. They are able to weld together by creating a new chemistry to use complementary knowledge and skills towards common objectives. They are fair, firm, balancing and develop staff by meeting their needs. They can delegate authority and accountability.

They can see opportunities and seize them within the agreed strategies. They can balance long term requirements against short-term objectives. They can manage conflicts constructively, with peers and peer groups. They can adapt their management styles to suit different situations. They are skilled at communication especially verbally to their subordinates. They can cope up with stress without loss of performance. They are controlled risk-takers. Their personal presence can command respect in in-groups both within and outside of organization.

Managerial Role

Manager is to plan, implement and control production, finance, personnel, marketing etc., in formal organization. He has to achieve objectives, be accountable for business results and optimize and balance the goals and results through resource matching. In support of innovation engineering of entrepreneur, the manager has to undertake the “Resource Engineering” involving the optimization of resource use or compensate the weakness of one resource by the strength of other resources and sustain the organization through management process of planning, execution, regulation and review.

Entrepreneur vs. Manager Relationship

Are all small entrepreneurs managers? Are all small business managers entrepreneurs? The terms entrepreneur and manager are many times used interchangeably yet they are different. An entrepreneur starts a venture then a manager takes over to organize and co-ordinate continuous production. An entrepreneur is being enterprising as long as he starts something new then the routine day-to-day management of the business is passed on to the manager.

Peter Drucker claims that the process of entrepreneurship is directing the use of resources to progressive activities rather than for “administrative efficiencies”. This really clarifies the role of an entrepreneur from that of a manager. It is to be noted that in most small businesses the entrepreneur who starts the venture also has to perform the role of a manager in nurturing it and making it grow and
similarly, managers frequently have to think of new ways to capture markets, face competition etc. Hence, sometimes though called by their names as entrepreneurs and managers, there may be a role swap when situation demands.

The main differences between the entrepreneur and manager can be viewed from the following table 1.

Table 1. The Differences between Entrepreneur and Manager

<table>
<thead>
<tr>
<th>Entrepreneur</th>
<th>Manager</th>
</tr>
</thead>
<tbody>
<tr>
<td>An entrepreneur is involved with the start-up</td>
<td>A manager with running the business over a</td>
</tr>
<tr>
<td>process</td>
<td>long period of time</td>
</tr>
<tr>
<td>An entrepreneur assumes financial, material and</td>
<td>A manager does not have to bear risks</td>
</tr>
<tr>
<td>psychological risks</td>
<td></td>
</tr>
<tr>
<td>An entrepreneur is driven by perception of</td>
<td>A manager by the resources he currently</td>
</tr>
<tr>
<td>opportunity</td>
<td>possesses</td>
</tr>
<tr>
<td>An entrepreneur initiates change</td>
<td>A manager follows rules &amp; procedures</td>
</tr>
<tr>
<td>An entrepreneur is his own boss</td>
<td>A manager is a hired employee</td>
</tr>
<tr>
<td>An entrepreneur gets uncertain rewards</td>
<td>A manager gets fixed rewards and salary</td>
</tr>
</tbody>
</table>

Entrepreneurial Motives

From all the determinants such as individual personality traits and abilities, we find a wide range of attitudes towards entrepreneurship; out of which entrepreneurial intentions, drivers and motives evolve. Based on different entrepreneurial motives, different entrepreneurial types do exist, displaying different degrees of intensity of the set of characteristics and attitudes which make nascent entrepreneurs.

According to Schumpeter, there are four major entrepreneurial drivers or motives.

a. Self-realisation and independency;

b. Enhanced status and income;

c. Economic contribution and impact;

d. Upholding tradition and securing income.

Managerial Motives

A wide range of attitudes towards managers can be found. Out of which managerial drivers and motives evolve. Based on different managerial motives, different managerial styles emerge. Basically managerial activity for managers is an employment. But, no manager is purely a manager alone. In him an entrepreneur and a leader also can be seen. So managerial position is not a water tight compartment. It is a mixture thereby manager has to get the things done through a process of planning, organizing, staffing, coordinating, motivating, communicating and controlling. The motives of managers cover higher level needs of Maslow, motivators of Hergberg, need for Achievement and need for Power of David Mc Cleland and so on as against the motives of the employees working at the lower rungs of the organisations.

CONCLUSION

Entrepreneurs being creators are found in all industrial and social endeavours. However, what is created by entrepreneurs has to be nurtured by managers. As a result, the motives of entrepreneurs and managers differ. They are like two sides of a coin though both the sides are combined by the edge of coin as is the case of the roles of entrepreneurs and managers in organisation setting. For having a developed society, both entrepreneurs and managers of high quality is a must. The developed world today we see is the outcome of great entrepreneurs and efficient managers. Whatever may be the
activities, of different people in different forms and at different levels, all are wrapped by their words and deeds delivered by the motive drives. To conclude, the destiny of a society, a nation or an organization depends on the motivation chemistry of all the people in general and the entrepreneurs and managers in particular.

A comparative picture of the qualities/characteristics the entrepreneurs and managers possess, the activities they undertake, the areas/fields of operation and the motives through which they are driven by is presented in Annexures I, II, III and IV respectively.

Annexure I

The characteristics/qualities/traitss of successful Entrepreneurs and Managers

<table>
<thead>
<tr>
<th>Entrepreneurs</th>
<th>Managers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Innovation</td>
<td>Adaptability</td>
</tr>
<tr>
<td>Creativity</td>
<td>Emotional stability</td>
</tr>
<tr>
<td>Intuition</td>
<td>Optimism</td>
</tr>
<tr>
<td>Optimism</td>
<td>Analytical ability</td>
</tr>
<tr>
<td>Initiative</td>
<td>Reasoning</td>
</tr>
<tr>
<td>Keenness</td>
<td>Co-operation</td>
</tr>
<tr>
<td>Quest</td>
<td>Intelligence</td>
</tr>
<tr>
<td>Risk bearing</td>
<td>Responsibility</td>
</tr>
<tr>
<td>Self-confidence</td>
<td>Sociability</td>
</tr>
<tr>
<td>Energy, Diligence</td>
<td>Accountability</td>
</tr>
<tr>
<td>Ability to calculate risks</td>
<td>Benevolence</td>
</tr>
<tr>
<td>Flexibility</td>
<td>Competitiveness</td>
</tr>
<tr>
<td>Positive responses to challenges</td>
<td>Patience</td>
</tr>
<tr>
<td>Dynamism</td>
<td>Perseverance</td>
</tr>
<tr>
<td>Ability to get along with people</td>
<td>Ambition</td>
</tr>
<tr>
<td>Responsiveness to suggestion</td>
<td>Selfishness</td>
</tr>
<tr>
<td>Knowledge of market</td>
<td>Forgiveness</td>
</tr>
<tr>
<td>Perseverance, Determination</td>
<td>Attachment</td>
</tr>
<tr>
<td>Resourcefulness</td>
<td>Fear</td>
</tr>
<tr>
<td>Need to achieve</td>
<td>Affection</td>
</tr>
<tr>
<td>Initiative</td>
<td>Generosity</td>
</tr>
<tr>
<td>Independence</td>
<td>Courtesy</td>
</tr>
<tr>
<td>Foresight</td>
<td>Kindness</td>
</tr>
<tr>
<td>Profit orientation</td>
<td>Humility</td>
</tr>
<tr>
<td>Perceptiveness</td>
<td>Sympathy</td>
</tr>
<tr>
<td>Optimism</td>
<td>Introspection</td>
</tr>
<tr>
<td>Knowledge of product and technology</td>
<td>Mercy</td>
</tr>
</tbody>
</table>

Annexure II

The activities/functions of Entrepreneurs and Managers

<table>
<thead>
<tr>
<th>Entrepreneurs</th>
<th>Managers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Innovating</td>
<td>Administrative planning</td>
</tr>
<tr>
<td>Creating</td>
<td>Organizing</td>
</tr>
<tr>
<td>Improving</td>
<td>Directing</td>
</tr>
<tr>
<td>Projecting</td>
<td>Motivating</td>
</tr>
<tr>
<td>Changing</td>
<td>Coordinating</td>
</tr>
<tr>
<td>Designing</td>
<td>Documenting</td>
</tr>
<tr>
<td>Developing</td>
<td>Controlling</td>
</tr>
</tbody>
</table>
Entrepreneurs  |  Managers
---|---
Building  |  Synthesizing
Initiating  |  Resource allocating
Monitoring  |  
Socializing  |  
Acknowledging  |  Computing
Budgeting  |  Executing
Liaisoning  |  Staffing

Annexure III

The comparative areas/fields of operation of successful Entrepreneurs and Managers

Entrepreneurs  |  Managers
---|---
Communications  |  Production
Constructions  |  Marketing
Manufacturing  |  Personnel
Insurance  |  Finance
Micro electronics  |  Research and development
Restaurants  |  Line
Genetic engineering  |  Staff Art
Recreation  |  Quality control
Entertainment  |  
Retail trade  |  
Home electronics  |  
Real estate  |  
Laser technology  |  
Health care  |  

Annexure IV

The comparative motives of Entrepreneurs and Managers

Entrepreneur  |  Managers
---|---
Creativity  |  Profit Maximisation
Innovation  |  Productivity
Economic contribution and impact  |  Employee Efficiency
Self-realisation  |  Organisational Effectiveness
Independency  |  Sympathy
Enhancing status and income  |  Empathy
Ambitious  |  Market Achievement
Freedom  |  Managerial Excellence
Self-confidence  |  Harmonising Resources
Risk - bearing  |  Commitment
Visionary  |  Self – actualization
Upholding tradition  |  Social conscience
Securing income  |  Equity
Passion  |  

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ABSTRACT

Any person engaged in the consumption process is a consumer. Consumers are the individuals who buy for personal consumption or to meet the collective needs of the family and households needs. Consumer behavior means how individuals make decisions to spend their available resources like time, money, effort on consumption of different products and services. It includes what they buy, why they buy it, when they buy it, where they buy it, how often they buy it, and how often they use it. This paper presents a review of theory of consumer behavior models. Besides this factors influencing consumer behavior and are discussed in this paper.

Keywords: Consumer Behaviour; Consumer Behavior Model; Buying Decision Behavior

INTRODUCTION

Any person engaged in the consumption process is a consumer. Consumers are the individuals who buy for personal consumption or to meet the collective needs of the family and households needs. Consumer behavior means how individuals make decisions to spend their available resources like time, money, effort on consumption of different products and services. It includes what they buy, why they buy it, when they buy it, where they buy it, how often they buy it, and how often they use it. Consumer behavior is the actions a person takes in purchasing and using products and services, including the mental and social processes that precede and follow these actions.

Leon G. Schiffman and Leslie Lazar Kanuk defined consumer behavior “as the behavior that consumers display in searching for, purchasing, using, evaluating and disposing of products, services and ideas which they expect will satisfy their needs”. Consumer behavior is the way an individual acts while obtaining and using goods and services. This act involves a decision process and the individual, in turn, is influenced by his personal characteristics and environmental factors.

Consumer behaviour is a vast and complex subject. Understanding consumer behaviour and “knowing consumers’ are not that simple. It is almost impossible to predict with accuracy, how consumers will behave in a given situation. The efforts of all marketers are to influence the behaviour of consumers in a desired manner. The success or failure in this pursuit determines the difference between success and failure of marketing efforts or even the business itself.

Need of studying Consumer Behaviour

Marketers must have access to data concerning consumers, buying habits and which kinds of media they favour, in order to develop convincing communication programs.

- Who makes the buying decision?
- Who influences the buying decision?
- What motivates the buyers and people to take action?
Factors Influencing Consumer Behaviour

Consumer purchases are influenced strongly by cultural, social, personal and psychological characteristics.

I. Cultural factors

Culture: Culture is the set of basic values, perceptions, wants and behaviours learned by a member of society from family and other important institutions. Basically, culture is the part of every society and is the important cause of individual wants and behavior. The influence of culture on buying behavior varies from country to country therefore marketers have to be very careful in analyzing the culture of different groups, regions or even countries.

Subculture: Each culture contains different subcultures such as religions, nationalities, geographic regions, racial groups etc. Marketers can use these groups by segmenting the market into various small portions. Marketers can design products according to the needs of a particular geographic group.

Social class: Social class refers to the hierarchical arrangement of the society into various divisions, each of which signifies social status or standing. Social class is an important determinant of consumer behavior as it affects consumption patterns, lifestyle, media patterns, activities and interests of consumers.

II. Social factors

Social factors also impact the buying behavior of consumers. The important social factors are: reference groups, family, role and status.

Reference Groups: Persons reference group are those groups that have a direct or indirect influence on the person’s attitudes or behavior. Individuals use these groups as reference points for learning attitudes, beliefs and behavior, and adapt these in their life. Family and close friends are considered to be primary reference groups in an individual’s life due to their frequency of interaction with the individual and primacy of these significant others in an individual’s life. Schoolmates, neighborhood, colleagues, other acquaintances are a part of the secondary reference groups of an individual.

Family: Buyer behavior is strongly influenced by the member of a family. Therefore marketers are trying to find the roles and influence of the husband, wife and children. If the buying decision of a particular product is influenced by wife then the marketers will try to target the women in their advertisement. Here we should note that buying roles change with change in consumer lifestyles.

Roles and Status: Each person possesses different roles and status in the society depending upon the groups, clubs, family, organization etc. to which he belongs. The social role and status profoundly influences the consumer behavior and his purchasing decisions.

III. Personal Factors

Personal factors can also affect the consumer behavior. Some of the important personal factors that influence the buying behavior are: lifestyle, economic situation, occupation, age, personality and self concept.

Age: Age and life-cycle have potential impact on the consumer buying behavior. Consumers change the purchase of goods and services with the passage of time. Family life-cycle consists of different stages such as childhood, bachelorthood, newly married couple, parenthood etc. which help marketers to develop appropriate products for each stage.

Occupation: The occupation of a person has significant impact on his buying behavior. For example a marketing manager of an organization will try to purchase business suits, whereas a low level worker in the same organization will purchase rugged work clothes.
Economic Situation: Consumer’s economic situation has great influence on his buying behavior. If the income and savings of a customer is high then he will purchase more expensive products. On the other hand, a person with low income and savings will purchase inexpensive products.

Lifestyle: Lifestyle of customers is another import factor affecting the consumer buying behavior. Lifestyle refers to the way a person lives in a society and is expressed by the things in his/her surroundings. It is determined by customer interests, opinions, activities etc and shapes his whole pattern of acting and interacting in the world.

Personality: Personality changes from person to person, time to time and place to place. Therefore it can greatly influence the buying behavior of customers. Actually, Personality is not what one wears; rather it is the totality of behavior of a man in different circumstances. It has different characteristics such as: dominance, aggressiveness, self-confidence etc which can be useful to determine the consumer behavior for particular product or service.

IV. Psychological factors

There are four important psychological factors affecting the consumer buying behavior. These are: perception, motivation, learning, beliefs and attitudes.

Motivation: The level of motivation also affects the buying behavior of customers. Every person has different needs such as physiological needs, biological needs, social needs etc. The nature of the needs is that, some of them are most pressing while others are least pressing. Therefore a need becomes a motive when it is more pressing to direct the person to seek satisfaction.

Maslow’s Theory of Motivation explains why people are driven by particular needs at particular times. Maslow arranged human needs in a hierarchy according to their importance. They are physiological needs, safety needs, social needs, esteem needs and self-actualization needs. A person tries to satisfy the most important need first. When that need is satisfied, it will stop being a motivator and the person will then try to satisfy the next important need.

Perception: Selecting, organizing and interpreting information in a way to produce a meaningful experience of the world is called perception. What an individual thinks about a particular product or service is his/her perception towards the same. Individuals with the same needs might not purchase similar products due to difference in perception. There are three different perceptual processes which are selective attention, selective distortion and selective retention. In case of selective attention, individuals pay attention to information that is of use to them or their immediate family members. Whereas, in case of selective distortion, consumers tend to perceive information in a way which would be in line to their existing thoughts and beliefs. Similarly, in case of selective retention, consumers remember information which would be useful to them, rest all they forget in due course of time.
Beliefs and Attitudes: Customer possesses specific beliefs and attitudes towards various products. Since such beliefs and attitudes make up brand image and affect consumer buying behavior, therefore, marketers are interested in them. Marketers can change the beliefs and attitudes of customers by launching special campaigns in this regard.

A Conceptual Model for Consumer Buying Decision Process & Consumer Behaviour

This model explains consumers buying decision process and consumer behavior. The first step is to identify an unsatisfied need. After that information can be searched from different sources like personal, commercial, public, and experiential sources. After completing the search process, consumer will get a lot of alternative choices and from that he will select the best one. Consumer evaluate the available choices by using certain evaluation criteria. They are price, quality, advertisement, brand etc. After evaluation, the actual purchase will take place. At last, the important stage is post-purchase decision, i.e., if the consumer is satisfied with the product, he will continue purchasing it; otherwise, he will shift to another product. Consumer buying decision process is a continuous process.

Models of Consumer Buying Behaviour

I. Traditional models

- Economic model: The economic model of consumer behavior focuses on the idea that a consumer's buying pattern is based on the idea of getting the most benefits while minimizing costs. Thus, one can predict consumer behavior based on economic indicators such as the consumer's purchasing power and the price of competitive products. For instance, a consumer will buy a similar product that is being offered at a lower price to maximize the benefits; an increase in a consumer's purchasing power will allow him to increase the quantity of the products he is purchasing.

- Learning model: This model is based on the idea that consumer behavior is governed by the need to satisfy basic and learned needs. Basic needs include food, clothing, and shelter, while learned needs include fear and guilt. Thus, a consumer will have a tendency to buy things that will satisfy their needs and provide satisfaction. A hungry customer may pass up on buying a
nice piece of jewelry to buy some food, but will later go back to purchase the jewelry once her hunger is satisfied.

- **Psychoanalytic model:** The psychoanalytical model takes into consideration the fact that consumer behavior is influenced by both the conscious and the subconscious mind. The three levels of consciousness discussed by Sigmund Freud (id, ego and superego) all work to influence one’s buying decisions and behaviors. A hidden symbol in a company’s name or logo may have an effect on a person’s subconscious mind and may influence him to buy that product instead of a similar product from another company.

- **Sociological model:** The sociological model primarily considers the idea that a consumer’s buying pattern is based on his role and influence in the society. A consumer’s behavior may also be influenced by the people she associates with and the culture that her society exhibits. For instance, a manager and an employee may have different buying behaviors given their respective roles in the company they work for, but if they live in the same community or attend the same church, they may buy products from the same company or brand.

II. Contemporary models

- Howard-Sheth Model
- Engel-Kollat-Blackwell Model
- Nicosia Model
- Stimulus-Response Model
- **Howard-Sheth model (1969)**

It is one of the most comprehensive models of consumer buying behavior and it uses the concept of stimulus-response in order to explain buyer’s brand choice behavior over a period of time.

Source: S Jayachandran, Marketing management, Excel Books, 2004

The four major components of the model are

- Input variables
- Output variables
- Hypothetical constructs-Perceptual constructs and Learning constructs
Input variables: The input variables are the stimuli come from the environment. The input variables consist of informational cues about the attributes of a product or brand (i.e., quality, price, distinctiveness, service, and availability). Significant Stimulies are the actual elements constituting a brand that the buyer confronts. E.g., price, quality, service, and availability. They influence the consumer directly through the brand's attributes. Symbolic Stimulies are created by manufacturer representation of their products in symbolic form, e.g., advertisement, publicity. They derive from the same factors as they are portrayed in the mass media and by salespeople, influencing the consumer in an indirect way. Social stimulies are created by the social environment, e.g., reference group, social classes. These are influences that are internalized by the consumer before they can affect the decision process.

Output variables: The five output variables in the right hand portion of the model are buyer's observable responses to stimulus inputs. They are arranged in order from Attention to Actual Purchase. The purchase is the actual, overt act of buying and is the sequential result of the attention (buyer's total response to information intake), the brand comprehension, brand attitude (referring to the evaluation of satisfying potential of the brand) and the buyer intention (a verbal statement made in the light of the above externalizing factors that the preferred brand will be bought the next time the buying is necessitated.

Hypothetical constructs: Hypothetical constructs have been classified in two groups - perceptual constructs and learning constructs. The first deals with the way the individual perceives and responds to the information from the input variables, accounting for stimulus ambiguity and perceptual bias. The second deals with the stages from the buyer motives to his satisfaction in a buying situation. The purchase intention is an outcome of the interplay of buyer motives, choice criteria, brand comprehension, resultant brand attitude and the confidence associated with the purchase decision. The motives are general or specific goals impelling to action, impinging upon the buyer intention are also the attitudes about the existing brand alternatives in the buyer's evoked set, which result in an arrangement of an order of preference regarding brands. Brand comprehension and the degree of confidence that the buyer has about it, choice criteria and buying intentions, converge upon the intention to buy.

Exogenous variables: The model also includes some exogenous variables which are not defined but are taken as constant. They can significantly affect buyer decisions. Some major exogenous variables included in the model are importance of purchase, personality variables, culture, social class, financial status.

Engel-Kollat-Blackwell model (1978)

The Engel-Kollat-Blackwell model is essentially a conscious problem solving and learning model of consumer behaviour. This model has a good description of active information seeking and evaluation processes of consumer. This model shows components of decision making and the relationship and interaction among them. In their model of consumer behaviour, they view consumer behavior as a decision process and identify five activities occurring in this decision process over a period of time. They are

- Problem recognition/Need recognition
- Information search
- Evaluation of alternatives
- Choice
**Source:** S Jayachandran, Marketing management, Excel Books, 2004

**Problem recognition:** the consumer will recognize a difference between his or her actual state and what the ideal state should be. This may occur on account of external stimuli.

**Information search:** Initially the information available with the consumer may be consistent to other beliefs and attitudes held by him or her. While being involved in an information seeking or search stage, the consumer will try to gather more information from various sources. The individual gets exposure of the stimuli which may catch his or her attention, be received and stored or retained in memory. This method of information is selective in nature and the consumer will accept the information, which is conclusive to what is perceived by them.

**Alternative evaluation:** Now the individual will evaluate the alternate brands. The methods used for evaluating the various products will depend on the consumer’s underlying goals, motives and personality. The consumer also has certain predetermined beliefs about the various brands in terms of the characteristics associated with the different brands.

**Choice:** the consumer’s choice will depend on his or her intention and attitude. The choice will depend on normative compliance and anticipated circumstances. Normative compliance relates to the extent to which the consumer is influenced by other people like friends, family members etc.

**Outcome:** The outcome may either be positive or negative.

Apart from these 5 steps the model also includes a number of other related variables grouped into five categories.

1. Information input
2. Information processing
3. Product-brand evaluation
4. General motivating influences
5. Internalized environmental influences
• Nicosia model

This model was developed in 1966, by Francesco Nicosia, an expert in consumer motivation and behavior. The Nicosia model tries to explain buyer behavior by establishing a link between the organization and its (prospective) consumer. The model suggests that messages from the firm first influences the predisposition of the consumer towards the product or service. Based on the situation, the consumer will have a certain attitude towards the product. This may result in a search for the product or an evaluation of the product attributes by the consumer. If the above step satisfies the consumer, it may result in a positive response, with a decision to buy the product otherwise the reverse may occur.

The Nicosia model groups the above activity explanation into four basic areas—fields one has two sub areas—the consumers attribute and firms attributes. Depending on the way, the message is received by the consumer, a certain attribute may develop. This newly developed attribute becomes the input for area two. The second area or area two is related to the search and evaluation, undertaken by the consumer, of the advertised product and also to verify if other alternatives are available. In case the above step results in a motivation to buy the product/service, it becomes the input for third area. The third area explains how the consumer actually buys the product. And area four is related to the uses of the purchased items. This fourth area can also be used as an output to receive feedback on sales results to the firm.

• Stimulus-Response model

Marketing and other stimuli enter the buyer’s “black box” and produce certain choice/purchase responses. Marketers must figure out what is inside of the buyer’s “black box” and how stimuli are changed to responses. Marketing stimuli consist of the four Ps: product, price, place, and promotion. Other stimuli include major forces and events in the buyer's environment: economic, technological, political, and cultural. All these inputs enter the buyer's black box, where they are turned into a set of observable buyer responses: product choice, brand choice, dealer choice, purchase timing, and purchase amount. The marketer wants to understand how the stimuli are changed into responses inside the consumer's black box, which has two parts. First, the buyer's characteristics influence how he or she perceives and reacts to the stimuli. Second, the buyer's decision process itself affects the buyer's behaviour.
Managerial Implications
Marketers must have access to data concerning consumers, buying habits and which kinds of media they favour, in order to develop convincing communication programs. By deeply analyzing different consumer behaviour models marketers can understand that consumer behaviour concepts influence the development of marketing communication strategies. By using these models they can assess the information needed to identify and select target markets. These models also help different marketing strategies like positioning and market segmentation.

CONCLUSION
Consumer is the king in the market. All marketing decisions are based on the assumptions about consumer behaviour. In order to create value for consumers and profits for organizations, marketers need to understand why consumers behave in certain ways to a variety of products and services offered. The consumer behaviour refers to those actions and related activities of persons involved specifically in buying and using economic goods and services. An understanding of the consumer behaviour will help us in understanding different market segments and evolve strategies to effect penetration with these markets.

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ABSTRACT

In the last sixty years, GDP has come to be seen as the primary indicator of the state of national economies and social well being and a key guide to policy makers and investors. It reflects about the growth made by the nation. GDP growth does not reflect many vital aspects of national wealth and wellbeing, such as changes in the quality of health, the extent of education, or the quality and quantity of natural resources. Recognising that GDP growth is too narrow a measure of economic growth and not a measure of national wealth, experts have proposed a Green Accounting framework for India and its Union territories. Decision makers need the right indicators to ensure that policies and investments maximize wellbeing for current and future generation. Equally citizens need access to such information to hold their governments to account for robust and transparent information which is a pre requisite for public empowerment and encouragement. This means that there is a need to develop system of national accounting that fully incorporates the capital stock that determines our earnings. Better macro economical and societal indicators are needed to reflect the contribution of biodiversity and ecosystem service to human well-being. One approach that is gaining momentum across the globe is Green accounting whereby national accounts are adjusted to include the value of nature’s goods and services. This paper is an attempt to evaluate the theoretical background of the concept ‘green accounting’

Keywords: Green Accounting; National Accounting; National Wealth

INTRODUCTION

Green accounting is a type of accounting that attempts to factor environmental costs into the financial result of operations. The term was first brought into common man use by Economist Mr. Peter Wood in the 1980’s. Green accounting involves putting a value on a country’s natural resources like forests and seas, in order to have a more complete snapshot of a country’s performance. It usually consist of an array of quantitative estimations: modeling and valuing of non-marketed services of environmental assets, calculating the value of education as a generator of future incomes, present-valuing future liabilities in the form of pollution abatement costs and health care costs…so on. Green accounting also undertakes measuring and tracking of carbon dioxide equivalent levels that will not be emitted into our atmosphere due to Kyoto treaty. There are approximately 3000 companies globally who have taken to the practice of documenting and reporting Green House Gas (GHG) emission. This process is very similar to how businesses use financial reports to judge operational performances. This new area of expertise can be recognized as Enterprise Carbon Accounting (ECA), and many companies already have in place expert accountants who use GHG emission reporting to oversee their sustainability of performance.

OBJECTIVE OF THE STUDY

To familiarize the theoretical back ground of Green accounting system
RESEARCH METHODOLOGY

Exhaustive literature survey regarding the topic and related concepts has been done. Secondary data were collected from various sources including books, research papers, newspapers, magazines and websites.

Green Accounting In India

India is beginning to recognize that protecting biodiversity and ecosystem is a critical national priority. Mr. Jairam Ramesh, the former environment minister advocated greening India’s national accounts by 2015 and encouraged policy makers to recognize the trade-off between pursuing high growth economic policies against the extensive impact they could have on India’s natural capital.

One organisation that is already leading the way is the Green Indian States Trust (GIST) which, in 2003 unleashed a series of environmentally adjusted accounts under the green accounting for Indian states project. According to their results, the lost of forest ecological services (soil erosion prevention, flood control and ground water augmentation) over three years (2001-03) due to declining dense forests was estimated at an astounding 1.1 percent of GDP.

Breaking it down by states, they showed that for native forest-rich states such as Arunachal Pradesh, Assam, Himachal Pradesh, Jammu and Kashmir and Mizoram, the loss of these services was significantly high as a proportion of their net state domestic product (NSDP)—an estimated 6 percent. For instance, if we look at Assam where forest cover decreased by 0.28 million hectares over three years, the value of effective flood control alone was at a loss of Rs. 800 million.

Following up on the initial study, GIST performed another round of accounting for the period 2003-2007 and the results speak loudly. Although the FSI claims an increase in overall forest cover in India, native dense forest cover is still declining rapidly.

According to GIST’s latest results, the North-Eastern states continue to be most affected, particularly Arunachal Pradesh and Mizoram where the loss of forest ecological service is more than 12 percent of their NSDP.

Need For Adoption of Green Accounting

Many environmental costs can be eliminated or reduced significantly. Environmental costs (and thus, potential cost saving) may be hidden in overhead accounts or otherwise overlooked. Environmental costs can be offset by generating revenues. Benefits can be received by governments, if proper green costing done. Provides a major publicity to business and helps them in proper and efficient utilization of resources. Environmentally conscious companies have already discovered that they can generate business strategies to help them to reduce carbon footprint, minimize their environmental impact, make the best use of natural resources, become more energy efficient, reduces costs and exhibit social responsibility. Green accounting thus represents a combined approach which provides for the transition of data from financial accounting and cost accounting to increase material efficiency, reduce environmental impact and risk, and reduce cost of environmental protection.

For a developing country like India it’s a twin problem about saving environment and economic development. As the country’s economy is not very strong, hence it should be improved first. A study by World Bank estimated that about 3400 crores were lost by India due to Environmental damage that is about 9.5% of GDP. Companies like AT&T are practically implementing green accounting and they say that “identifying and measuring AT&T’s costs of environmental materials and activities, and using this information for environmental management decisions” helps to develop and use nonpolluting technologies, minimize wastes, increase recycling, design products and processes with environmental impact as a critical factor and arise all employees awareness of environmental responsibilities.

Laws Related To Green Accounting

- Environmental protection water (prevention and control pollution) Act, 1974
The Air (prevention and control pollution) Act, 1981
The environment (protection) Act, 1986
The Forest Conservation Act, 1980
Hazardous Waste (Management and Handling) Rules, 1986

Benefits and Limitations of Green Accounting

Benefits of Green Accounting

1. Green Accounting would enable governments to evaluate choices better without a bias against future generations, or a bias in favour of man-made assets as against natural assets. It would present in a different and holistic economic light choices such as conserving precious ecosystems rather than surrendering them at throwaway prices.

2. Green Accounting is to adjust traditional measures of growth and to re-cast them as measures of sustainable growth. There it could be fair and true measure of the national wealth.

3. It would help in improving environmental performance, controlling costs and promote sustainability.

4. It would encourage the government as well as the corporate to investing in cleaner and efficient technologies.

5. It would facilitate forming informed decisions related to their business activities.

6. It would help in developing greener processes and products.

Limitations of Green Accounting

1. Green Accounting is an evolving science and still under study

2. There is no standard accounting method as lot of study is required.

3. Comparison between two companies and two countries is not possible due to change in the method of accounting.

4. It is not possible to value every component of natural capital and human capital in an accurate manner.

5. For valuation of natural resources consumed like decreasing forest cover, carbon gases emitted in the air, unbiased and true data would be required. Sometimes official statistics may be rosy and may not reflect true picture.

6. It is not possible draw conclusion in an easy way as it is a long term process.

7. The cost involved in training of staffs and employees is high.

The Way Ahead

The environmental green accounting is an emerging aspect of accounting science that will influence in the near future, the enterprises. The adoption of basic elements of green accounting will portray the role of environment in the economy as well as render easier the analysis of macroeconomic questions with the help of accounting information systems and thus, lead the economy to a viable path.

To further address the need and rationale for green accounting, the European Environment Agency (EEA) and its partners have been developing techniques consistent with national accounts methods to record the contribution of ecosystems to society’s welfare. The methods, collectively known as ecosystem accounts, comprise both physical and monetary accounts of stocks, material and energy flows and services.
The EEA’s basic approach entails quantifying the level of investments needed to ensure that ecosystem continue to provide the same level of services. This takes account of a variety of indicators of ecological potential accounting for the state of the landscape, ecosystem production, biodiversity, water, absorption of external inputs and the capacity to support healthy populations.

Green accounting must be viewed as a dynamic and ongoing process rather than a onetime activity. Green accounting is a growing movement that has the backing not only of environmentalists but some top global corporations. To greatly simplify it, green accounting puts a rupee value on natural resources in order for business and political leaders to make more informed decisions.

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