INTERNATIONAL JOURNAL OF RESEARCH IN COMMERCE & MANAGEMENT

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STATEMENT OF THE PROBLEM

OBJECTIVES

HYPOTHESIS (ES)

RESEARCH METHODOLOGY

RESULTS & DISCUSSION

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CONTRIBUTIONS TO BOOKS

● Sharma T., Kwatra, G. (2008) Effectiveness of Social Advertising: A Study of Selected Campaigns, Corporate Social Responsibility, Edited by David Crowther & Nicholas Capaldi, Ashgate Research Companion to Corporate Social Responsibility, Chapter 15, pp 287-303.

JOURNAL AND OTHER ARTICLES

● Schemenner, R.W., Huber, J.C. and Cook, R.L. (1987), "Geographic Differences and the Location of New Manufacturing Facilities," Journal of Urban Economics, Vol. 21, No. 1, pp. 83-104.

CONFERENCE PAPERS

● Garg, Sambhav (2011): "Business Ethics" Paper presented at the Annual International Conference for the All India Management Association, New Delhi, India, 19–23

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THE OPERATING EFFICIENCY ANALYSIS FOR IMPORTING DIGITAL MOBILE LEARNING TO PUBLIC AND PRIVATE HIGH SCHOOLS BASED ON WINDOW CCR AND BCC MODELS

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ABSTRACT

The purpose of this study is to apply the Window Data Envelopment Analysis (Window-DEA) method to evaluate the operational efficiency of Public and Private High Schools after importing digital mobile learning. The empirical results of this research indicate the following results. (1) There are significant differences between those schools who imported digital mobile learning and who did not. (2) For those schools who imported digital mobile learning, the high school is better than vocational high school in terms of the operating efficiency. (3) Importing digital mobile learning can really enhance the efficiency of school management.

KEYWORDS
digital mobile learning, data envelopment analysis (DEA), window DEA analysis, operating efficiency, vocational and senior high school.

1. INTRODUCTION

Since the beginning of the twenty-first century, the development of information technology (IT) has been increasingly applied and, in turns, the utilization of e-learning in schools has also become popular. As the content of e-learning can be presented in many methods such as using multimedia for explaining a terminology, therefore, it has the advantage for students to enhance their learning. Since the e-learning is not restricted to time or space, therefore, each individual can obtain information and knowledge whenever he or she feels necessary. This makes the utilization of e-learning very important.

As the world getting "flat", the government of Taiwan (R.O.C.) also facing many challenges, including global challenges, such as population decline, globalization, and digitalization, etc. In response to the aforementioned challenges, the government of Taiwan (R.O.C.) intends to upgrade students' abilities and the IT competency through new types of teaching of learning. Hence, the e-learning plan from K to 12 is proposed since 2010. Started from 2014 a newer plan of e-learning from Taiwan Ministry of Education began to promote the mobile e-learning. This new e-learning plan is to promote and take forward the new mode of teaching and learning in school so that students can apply the mobile device for learning and to meet the growing needs of innovation and invention from the industry.

The study of educational reform and the analysis of school competitiveness are long being the important issues, if we take them from the government, the academia, and the industry point of view. To management a successful school, it must be able to deal with the rapid change of expectation both from the society and from the parents. It is obvious that if the school is not catching up the new trend of teaching and learning, greater challenges for management and for recruiting students will be suffered.

This research adopts the quantitative research method and uses DEA Window analysis method to measure the competitiveness of learning between two schools, one that utilized mobile e-learning and one that did not. The goal of this research is to evaluate the learning results of using digital mobile learning in public and private high Schools and. In addition, the results of this research can be the reference for the educational authorities when formulating related policies and regulations.

The organization of this paper is organized as follows: Section 1 introduce the research background and goal of the research, Section 2 begins with a brief review of e-learning, Section 3 reviews the DEA method and Window-DEA model, Section 4 explain the empirical analysis, and the Section 5 concludes our research results.

2. REVIEW OF LITERATURE

With the rapid development and popularity of science and technology, e-learning has become a new educational trend, and it is also a developmental priority for schooling in all countries. The United States is a leading nation in this regard, and it has paid a great deal of attention and exerted considerable effort in promoting e-learning. The national learning infrastructure initiative (NLII), launched by the United States in 1994, was designed to improve the quality of teaching and learning, as well as to reduce learning costs. Likewise, in 1996, Taiwan began to promote distance learning in higher education by commencing the development of e-learning programs. To date, e-learning is among the most important national science and technology programs (Yang, Lin, Chang, & Tseng, 2008), and it has proved to be remarkably effective.

At the beginning of their book entitled e-Learning and the Science of Instruction, Clark and Mayer (2003) eloquently point out that, "E-learning is a model of teaching delivered by means of the Internet or CDs." Piskurich et al. (2003) provided an even more explicit definition, and noted that the purpose of e-learning is to "construct a learning content delivery system for instructional designers and teachers, so that the advantages of e-learning design can be fully applied to the organizational learning of students and the needs of teachers."

This new type of learning entails participation in online or offline e-learning activities by means of information-delivering digital tools, or digital media, to obtain digital teaching materials via wired or wireless networks. In addition to learning in physical classrooms, this method enables both teachers and students to experience learning over the Internet without being constrained by time or place. It also affords students greater opportunities to access diverse channels of interactive

learning; this consequently influences the teacher-student relationship that is typical in traditional teaching, and changes the structure of teaching and the nature of education (Lockwood, 2007; Rosenberg, 2001).

As related studies have confirmed, e-learning research designs are quite diverse. Using meta-analysis, Wu et al. (2012) reviewed and analyzed e-learning-related studies published between 2003 and 2010. They concluded that e-learning can indeed facilitate educational opportunities and promote teacher-student interactions, and that the use of a classroom setting can improve students' e-learning performance. Furthermore, with the advancement and increasing popularity of mobile devices and communication technologies, mobile learning is attracting greater attention from researchers, particularly due to the proliferation of mobile phones. There are presently more than 3.2 billion mobile phones worldwide, and according to statistics from the United Nations, an average of 4 out of every 5 people in developed countries are mobile phone users. Moreover, it is estimated that mobile phone use in developing countries will reach 50% by the year 2017. Additionally, a study conducted by ComScore predicted that by 2014 the number of individuals who access the Internet using mobile phones would exceed those who do so using desktop computers.

Nevertheless, some may wonder what mobile learning is, and speculate on how mobile learning and e-learning differ. Generally, mobile learning is, "a way of learning that makes use of portable technology, and therefore transcends regional boundaries." Hence, it entails integrating "mobility" into the e-learning process. By using mobile devices, students can achieve their learning objectives more effectively, comprehensively, and independently regardless of time or location. Mobile e-learning is not only an extension of distance education, but also a model of e-learning that facilitates a concurrent balance between proactive and independent learning.

The advantage of mobile learning lies in the design of both mobile devices and mobile learning environments, which differ from those common in traditional e-learning. For example, the traditional e-learning teaching model, which is primarily dependent on hardwired networking technologies, has evolved to a model based on wireless networking and mobile devices (Liu & Hwang, 2009). Moreover, the devices used in mobile e-learning are capable of supporting interactions between different learners and learning environments.

When implementing mobile devices in an e-learning context, variables such as price, adaptability, and flexibility should not overshadow the fact that the adoption of a technology must be motivated by teaching scenarios, not merely factors such as technological functions (Lin, 2007). Therefore, the question of how to present the features of mobile devices in educational environments is extremely important. Furthermore, mobile learning emphasizes ubiquitous learning (u-learning), which is the notion that learning can occur at any time or place, not merely in schools or classrooms (Hwang, Tsai, & Yang, 2008).

The above discussion suggests that mobile learning is a new model of learning that has gained considerable interest among industrial, governmental, and academic sectors. In their literature review, Hwang and Wu (2014) point out that among the seven renowned Social Sciences Citation Index (SSCI) databases on e-learning, approximately 214 studies published between 2008 and 2012 were related to mobile learning. Most of these studies indicate that the introduction of mobile e-teaching can indeed increase learning motivation among students.

Presently, mobile learning and its various implementations are mainly geared toward individual learning. Ciampa (2013) examined an experimental teaching program in which instructors and students in a sixth grade classroom used iPhones and iPads as the primary teaching medium. The findings revealed that upon receiving the iPads teachers and students were initially intrigued. Nevertheless, the devices did not play a major role in the learning process until both parties adopted them as educational tools, wherein the device itself was no longer the focus of attention. Furthermore, the study indicated that mobile teaching indeed helped to enhance student motivation.

To enhance student interest and learning motivation, and ultimately cultivate innovative talents, in September 2012 the Taiwanese Ministry of Education and the Faith Hope Love Charity Foundation launched an initiative to develop courses that utilized various technological products. Teachers and students jointly participated in experimental teaching programs wherein HTC Flyer tablet computers were the primary mobile e-learning medium. The programs aimed to inspire a new conceptualization of e-teaching by combining the hardware features of tablet computers with innovative applications, and consequently demonstrate that learning does not need to occur in front of a computer or inside a classroom. However, studies concerning mobile learning in a Taiwanese context are scarce. By focusing on mobile learning, this study aims to explore differences in operational efficiency between schools that utilized mobile e-learning and those that did not.

In recent years, many scholars have conducted studies concerning operational performance analysis in order to assess whether improved performance was achieved, and thus to potentially improve upon management by utilizing DEA. Statistics reveal that the DEA method has been used in more than 1,000 empirical cases. DEA has been applied in relation to issues involving transportation, educational administration, courts, forestry management, medicine, banking, military-related maintenance, and administrative departments. Due to an abundance of prior research, the present study only reviewed relevant Taiwanese literature, which revealed that most studies focused on evaluating the operational performance of universities, high schools, middle schools, vocational schools, and national elementary schools (cf. Wang et al., 1991; Chen, 1998; Gu, 1999; Liu, 2000; Hwang, 2001; Wang, 2002; Li, 2009; Hwang, 2012).

Our literature review revealed that the CCR and BCC models were most often used for performance evaluation. The inputs mainly included human resources (teachers, staff members, and students), financial resources, material resources (equipment and books), and space resources (campus size). The outputs mainly included teaching functions (the current number of students, graduates, and certificate holders), research functions (the number of research projects, awards, and published articles), education and employment opportunities (enrollment rates, number of graduates, number of dropouts, and number of people employed), student behavior (the number of students rewarded and/or punished), and other items (e.g., the number of times books or CDs were borrowed).

In evaluating the operational performance of schools, a distinct characteristic of DEA is the concept of relative efficiency and the simultaneous examination of different units' inputs and outputs. The efficiency value of a decision making unit (DMU) is calculated by using the linear programming method; the efficiency value of a DMU is between 0 and 1, wherein 1 indicates an efficient unit and a value of less than 1 indicates an inefficient unit. Accordingly, a functional formula between the input and output is unnecessary, since the use of a method setting production function produces non-parametric errors that can be avoided. Moreover, this method is capable of processing both ratio and non-ratio information, and can therefore provide a DMU with the optimal weighted value, which in turn assists decision-makers in enacting policies to improve efficiency. Disadvantages of the above DEA model. The DEA is not used to analyze cross-sectional data and small sample.

The aforementioned studies concerning mobile e-learning and the literature review conducted by Sung (2011) reveal that research to date has primarily focused on the design and implementation of mobile e-learning, and how to introduce this mode of learning in a manner that will enhance student motivation. The research methods employed in prior studies were qualitative, experimental, quantitative, or mixed in nature, with the qualitative and experimental methods being the most widely used. However, research designs and implementations based on purely quantitative research models are scarce. Additionally, mobile learning experiments with high school students as study subjects were rarely conducted in earlier research, and no relevant studies have investigated whether schools that implemented mobile e-learning exhibited enhanced operational competitiveness afterward. Indeed, as Sung (2011) has noted, "Quantitative-oriented research methodologies will be an important driving force in moving e-learning a step closer toward becoming an independent discipline."

This study adopts a quantitative research method and uses DEA windows analysis to measure competitiveness between two schools: one that utilized mobile e-learning and one that did not. We sincerely hope that the results of this study will assist schools in assessing and planning for the implementation of mobile e-learning programs, while also providing educational authorities with a reference for formulating relevant policies and measures.

3. RESEARCH METHODOLOGY

The purpose of this research is to analyze the operational performance of public and private high schools, middle schools, and vocational schools that implemented mobile e-learning and teaching in an attempt to determine whether the operational efficiencies of these schools were significantly improved following mobile e-learning's introduction. Additionally, this study compares the operational efficiencies of schools that implemented mobile e-learning and teaching with schools that did not. Since Taiwanese high schools, middle schools, and vocational schools adhere to a school year credit-based system. We adopt the Window-DEA analysis in this paper for two reasons. It is since cross-year statistics and small sample. Accordingly, this paper will adopt the Window-DEA analysis method. Before discussing the model for Window-DEA, we briefly DEA.

3.1 STUDY MODEL

DEA

The DEA model, proposed by Charmes et al. (1978) and known as CCR, assumes the DMUs to be assessed operate within a technology where efficient production is characterized by constant returns to scale(CRS). As above is obtained from the following Equation (1):

$$\text{Max} \quad h_k = \frac{\sum_{r=1}^{s} u_r y_{rk}}{\sum_{i=1}^{m} v_i x_{ik}} \quad (1)$$

$$s.t \quad \frac{\sum_{r=1}^{s} u_r y_{rj}}{\sum_{i=1}^{m} v_i x_{ij}} \leq 1 \quad , \quad j = 1,...,n$$

$$u_r, v_i \geq \varepsilon > 0, \quad r = 1,........s, \quad i = 1,.......m$$

where x_{ij} is the amount of the i-th input to DMU j, y_{rj} is the amount of the r-th output to DMU j ; u_r , v_i are called r virtual multiplier output and i virtual input multiplier; The value of h_k obtained is termed the relative efficiency and is called the CCR efficiency, theεis a non-Archimedean positive element smaller any real number(10^{-6}), the CCR model is called non-Archimedean small number.

Banker et al. (1984) modified this basic model to permit the assessment of the productive efficiency of DMUs where efficient production is characics by variable returns to scale(VRS).The VRS model, known as BCC,differs from the basic CCR model only in that in includes in the previous formulation the convexity constraint: $\sum_{i=1}^{n} \lambda_j = 1$

In summary, the following equation can be obtained for computing efficiencies:

Technical Efficiency = Pure Technical Efficiency × Scale Efficiency

WINDOW DEA ANALYSIS (Window-DEA)

The DEA is static, i.e. the analysis does not consider the time frame to which the input consumption and output production refers. Cook et al. (2009) pointed out that "Performing static DEA analyses on the data for each quarter, for example, and then apply standard regression concepts to study efficiency changes; such an approach of ten proves rather unsatisfactory, generally failing to capture important interactions from period to period".

The purpose of this research is to analyze the operational performance of public and private high schools, middle schools, and vocational schools that implemented mobile e-learning and teaching in an attempt to determine whether the operational efficiencies of these schools were significantly improved following mobile e-learning's introduction. Additionally, this study compares the operational efficiencies of schools that implemented mobile e-learning and teaching with schools that did not. Since Taiwanese high schools, middle schools, and vocational schools adhere to a school year credit-based system, cross-year statistics and vertical and horizontal data collection is difficult. Accordingly, this paper will adopt the windows analysis method.

To formalize, consider N DMU's (n=1… N) which are observed in T periods (t=1,…, T) and which all use r inputs to produce s outputs. The sample thus has N×T observations, and an observation n in period t, DMU_t^nDMUnt has an r-dimensional input vector$X_t^n = (X_{1t}^n, X_{2t}^n, ..., X_{rt}^n)$and a s-dimensional output vector $Y_t^n = (Y_{1t}^n, Y_{2t}^n, ..., Y_{st}^n)$. The window starting at time k, (1≤ K ≤ T) and with the width w, (1≤ W≤ T-K) is denoted by KW and has N×w observations.

The matrix of inputs for this window analysis is given by:

$X_{kw} = X_K^1, X_K^2, ..., X_K^t, X_{K+1}^1, X_{K+1}^2, ..., X_{K+1}^t, X_{K+w}^1, X_{K+w}^2, ..., X_{K+w}^t$

and the matrix of outputs is:

$Y_{kw} = Y_K^1, Y_K^2, ..., Y_K^t, Y_{K+1}^1, Y_{K+1}^2, ..., Y_{K+1}^t, Y_{K+w}^1, Y_{K+w}^2, ..., Y_{K+w}^t$

The input oriented DEA window problem forDMU_t^n under a constant returns to scale (CRS) assumption, is given by model (1) (Asmild et al, 2004):

$\theta_K' = min_{\theta,\lambda}(\theta)$

s.t. $-X_{kw}\lambda + \theta X_t' \geq 0$ t=1,…,T

$Y_{kw}\lambda - Y_t' \geq 0$ t=1,…,T

$\lambda_n \geq 0$ (n=1,2,…, N×w) (2)

The input oriented DEA window problem for DMU_t^n under a variable returns to scale (VRS) assumption, is given by model (2):

$\theta_K' = min_{\theta,\lambda}(\theta)$

s.t. $-X_{kw}\lambda + \theta X_t' \geq 0$ t=1,…,T

$Y_{kw}\lambda - Y_t' \geq 0$ t=1,…,T

$\sum_{n=1}^{N \times w} \lambda_n = 1$

$\lambda_n \geq 0$ (n=1,2,…, N×w) (3)

3.2 RESEARCH OBJECTS AND VARIABLES SELECTION

The research subjects of this study consist primarily of high schools and vocational schools in the Xindian District of New Taipei City. From the Ministry of Education and Board of Education of New Taipei City, the District houses nine schools in all. We include all the schools except Kang Hsuan High School, which did not meet the selection criteria of the study (as it had been established for less than five years during the time this study was conducted). All of two schools were imported digital mobile e-learning(ME) and six schools were not imported digital mobile learning. The names and characteristics of the schools are provided in Table 1.

In this paper, the input-output variables definitions of Xindian public and private vocational schools in Xinbei District, Taiwan are listed in Table 2 and Table 3. The including five input variables: school area, academic department, number of teachers, staff and school years. There are four output variables: number of students, the average area of use of the students, the numb, graduates student and classes. To evaluate those schools who imported digital mobile learning and who did not in the new area of Taipei City, Xindian District.

TABLE 1: SCHOOL NAMES AND CHARACTERISTIC

No.	School name	mobile e-learning(ME)
1	Chi Jen Senior High School	Yes
2	Juang Jing Vocational High School	Yes
3	New Taipei Municipal An Kang High School	No
4	Our Lady Of Providence Girls' High School	No
5	New Taipei Municipal Xsin Dien Senior High school	No
6	Nan Chiang Industrial and Commercial Senior High School	No
7	Neng Ren Home Economic And Commercial Vocational High School	No
8	Kai Ming Senior Technical and Commercial Vocational Schoo	No

TABLE 2: NINE MAJOR INDICATORS DEFINITION FOR IMPORTING DIGITAL MOBILE LEARNING

No.	Indicators	Code	Definition
1	school area	x_1	Total area of the premises.
2	academic department	x_2	Total academic department of the school.
3	number of teachers	x_3	The total number of teachers.
4	staff	x_4	The total number of staffs.
5	school years	x_5	The number of years the school has been established.
6	number of school students	y_1	the number of school students
7	average area used by students	y_2	Students use average space on the school.
8	graduate student	y_3	The number of graduate students.
9	classes	y_4	The number of school classes.

TABLE 3: THE WINDOW-DEA MODEL INPUT INDICATORS AND DEFINITIONS

No.	Indicators	Code	Definition
1	school area	x_1	Input Indicator
2	academic department	x_2	Input Indicator
3	number of teachers	x_3	Input Indicator
4	staff	x_4	Input Indicator
5	school years	x_5	Input Indicator
6	number of school students	y_1	Output Indicator
7	average area used by students	y_2	Output Indicator
8	graduate student	y_3	Output Indicator
9	classes	y_4	Output Indicator

The research to the establishment of the empirical model, we list as many preliminary assessment factors as possible for the input and output units. Any variable that may affect the DMU performance dimension is included for investigation, so that no pre-setting of output function type was required. After referring to the input and output data collected from the relevant literature and statistical reports, we select the following six operational variables as inputs for public and private high schools and vocational schools, namely school area; number of subject groups; number of teachers, instructors, and staff; and number of years the school has been established. We also select four operational variables as the outputs, namely the number of school students, average area used by students, and number of graduates and classes. Pearson's correlation analysis was then used for preliminary analysis of the level of correlation between the inputs and outputs (Table 4).and the result should be consistent with the results of the variable analysis showing positive correlation and the defined concepts of the DEA input and output variables.

TABLE 4: CORRELATION TEST AND ANALYSIS

	x_2	x_3	x_4	y_2	y_3	y_4
x_2	1	0.155	0.088	0.691	0.631	0.686
x_3		1	0.335	0.007	0.101	0.029
x_4			1	0.495	0.354	0.504
y_2				1	0.914	0.993
y_3					1	0.916
y_4						1

4. EMPIRICAL ANALYSIS

The empirical analysis of this study mainly comprised three parts estimation of the efficiency value. Since Taiwanese high schools, middle schools, and vocational schools adhere to a school year credit-based system. We adopt the Window-DEA analysis in this paper for two reasons. It is since cross-year statistics and small sample. Accordingly, this paper will adopt the Window-DEA analysis method. Followed by the application of the Window-DEA model and the efficiency analyses of the three estimation of the efficiency value.

4.1 TOTAL EFFICIENCY (TE)

As shown in Table 6 below after imported digital mobile e-learning, in 2011 two schools in the Xindian District introduced mobile learning as a teaching method: Chi Jen High School and Juang Jing Vocational High School. Over the course of five years, Juang Jing's TE value dropped below 1 between 2011 and 2012, which was when the school first implemented mobile e-learning; in the remaining years, Juang Jing achieved a TE value of 1 (TE=1), and ranked first in terms of TE value. Similarly, Chi Jen introduced mobile e-learning and teaching in 2011; during that year its TE value reached approximately 0.826, which is roughly a 15% increase when compared to Table 5 below in 2010. Chi Jen was the only school to exhibit a significant improvement in TE during the same year, thus displaying superior performance when compared to its public high school counterparts.

The above findings suggest that introducing mobile e-learning can increase efficiency in the use of school resources, and also dramatically enhance overall technical efficiency—which is more important in high schools than vocational schools. For example, as shown in Table 5 and Table 6 below, teaching efficiency at Chi Jen High School was not significantly different from other high schools prior to the introduction of mobile e-learning and teaching. However, following the introduction of mobile e-learning and teaching the school's overall efficiency in resource usage improved, which led to a significant increase in TE when compared to other high schools.

4.2 PURE TECHNICAL EFFICIENCY (PTE)

As shown in Table 8 below after imported digital mobile e-learning, in 2011 two schools in the Xindian District introduced mobile learning as a teaching method: Chi Jen High School and Juang Jing Vocational High School. Over the course of six years as shown in Table 6 and Table 7 below, Juang Jing was the only school to achieve a yearly PTE value of 1 (PTE=1), therefore suggesting maximum output and minimum input. PTE values indicate efficiency of use among input factors; thus, if environmental factors are not taken into account, Juang Jing does not need to make any improvements or adjustments.

TABLE 5: TOTAL EFFICIENCY BEFORE IMPORTED DIGITAL MOBILE E-LEARNING

DMU	2007-2008	2008-2009	2009-2010	2010-2011	Average
1	0.962	0.867	0.674	0.688	0.798
2	1.000	1.000	1.000	1.000	1.000
3	0.344	0.293	0.294	0.325	0.314
4	0.547	0.804	0.729	0.696	0.694
5	0.904	0.873	0.806	0.812	0.849
6	1.000	1.000	0.990	1.000	0.998
7	0.998	0.988	0.985	1.000	0.993
8	0.862	0.948	1.000	1.000	0.953

TABLE 6: TOTAL EFFICIENCY AFTER IMPORTED DIGITAL MOBILE E-LEARNING

DMU	2011-2012	2012-2013	Average	ME	Ranking
1	0.826	0.740	0.783	Yes	6
2	0.927	1.000	0.964	Yes	2
3	0.364	0.355	0.360	No	8
4	0.706	0.543	0.625	No	7
5	0.820	0.841	0.831	No	5
6	0.952	0.937	0.945	No	3
7	0.934	0.852	0.893	No	4
8	1.000	1.000	1.000	No	1

Regarding Chi Jen as shown in Table 7 and Table 8 below, its average TE value over a six-year period was approximately 0.96, which is superior to other high schools. Nevertheless, as shown in Table 7 below, its PTE value declined following the introduction of mobile e-learning and teaching. Further analysis revealed that this lower efficiency value was because the high school implemented mobile e-learning and teaching while its affiliated middle school did not.

TABLE 7: PURE TECHNICAL EFFICIENCY BEFORE IMPORTED DIGITAL MOBILE E-LEARNING

DMU	2007-2008	2008-2009	2009-2010	2010-2011	Average
1	1.000	1.000	1.000	1.000	0.798
2	1.000	1.000	1.000	1.000	1.000
3	1.000	0.686	1.000	0.712	0.426
4	0.986	0.959	1.000	1.000	0.705
5	0.909	0.874	0.876	0.871	0.962
6	1.000	1.000	1.000	1.000	0.998
7	1.000	1.000	1.000	1.000	0.993
8	0.947	0.948	1.000	1.000	0.976

TABLE 8: PURE TECHNICAL EFFICIENCY AFTER IMPORTED DIGITAL MOBILE E-LEARNING

DMU	2011-2012	2012-2013	Average	ME
1	1.000	0.760	0.880	Yes
2	1.000	1.000	1.000	Yes
3	0.816	0.703	0.760	No
4	1.000	0.685	0.843	No
5	0.861	0.878	0.870	No
6	0.985	1.000	0.993	No
7	0.958	1.000	0.979	No
8	1.000	1.000	1.000	No

4.3 SCALE EFFICIENCY (SE)

As shown in Table 10 below after imported digital mobile e-learning, in 2011 two schools in the Xindian District introduced mobile learning as a teaching method: Chi Jen High School and Juang Jing Vocational High School. Over the course of six years as shown in Table 8 and Table 9 below, Juang Jing achieved an SE value of 1(SE=1) for five of those years, and therefore reached a constant scale. This is indicative of a balanced input/output ratio (i.e., maximum productivity), and also indicates that the school reached high scale efficiency. Accordingly, no changes need to be made.

Chi Jen had a generally low SE, and was experiencing a gradual decrease in SE prior to the introduction of mobile e-learning and teaching as shown in Table 8 below, thus indicating a need to adjust its input/output ratio. Following the introduction of mobile learning as shown in Table 9 below, the school's SE value improved substantially. When compared to the academic year before and after mobile learning's introduction as shown in Table 8 and Table 9 below, SE grew by approximately 15% (in 2011-12) and by 30% the year afterward (in 2012-13). Thus, in terms of SE, Chi Jen had the best performance of all high schools in the 2012-13 academic year.

TABLE 9: SCALE EFFICIENCY ANALYSIS BEFORE IMPORTED DIGITAL MOBILE E-LEARNING

DMU	2007-2008	2008-2009	2009-2010	2010-2011	Average
1	0.962	0.867	0.674	0.688	0.798
2	1.000	1.000	1.000	1.000	1.000
3	0.344	0.535	0.294	0.530	0.426
4	0.555	0.838	0.729	0.696	0.705
5	0.994	0.999	0.920	0.933	0.962
6	1.000	1.000	0.990	1.000	0.998
7	0.998	0.988	0.985	1.000	0.993
8	0.904	1.000	1.000	1.000	0.976

TABLE 10: SCALE EFFICIENCY ANALYSIS BEFORE IMPORTED DIGITAL MOBILE E-LEARNING

DMU	2011-2012	2012-2013	Average	ME
1	0.826	0.973	0.900	Yes
2	0.927	1.000	0.964	Yes
3	0.464	0.592	0.528	No
4	0.706	0.849	0.778	No
5	0.952	0.958	0.955	No
6	0.966	0.937	0.952	No
7	0.974	0.852	0.913	No
8	1.000	1.000	1.000	No

5. CONCLUSIONS AND DIRECTIONS FOR FUTURE RESEARCH

This paper has reached the following conclusions, and subsequently makes the suggestions below based on its empirical findings.

5.1 CONCLUSIONS

According to the aforementioned research findings, the implementation of mobile e-learning as an innovative teaching model can lead to improved operational performance and higher enrollment. Furthermore, this study demonstrated that improvements were more significant in high schools than vocational high schools. This indicates that mobile e-learning is a new teaching model that is appropriate in this technological era. In order to implement and maintain mobile e-learning,

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schools will require increased funding for software and hardware installations. Therefore, to enable schools to achieve sustainable development and further increase competitiveness, the government should provide technological resources and funding in a timely manner as to encourage the implementation of mobile e-learning.

5.2 DIRECTIONS FOR FUTURE RESEARCH

This study primarily examined the operational performance of schools that implemented mobile e-learning. Follow up studies should account for environmental variables in their analyses to identify the true causes of mobile e-learning's impact. This study only examined internal structural variables that schools can manage independently, and in doing so overlooked environmental variables such as schools' administrative regulations, financial standings, and locations. Therefore, it is possible that differences or gaps exist between the research findings and reality. Further analysis should be conducted to address this issue in order to ensure that the findings better reflect current social conditions.

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IMPLEMENTATION OF PERFORMANCE MANAGEMENT SYSTEMS IN INDIAN IT INDUSTRY: AN EXPLORATORY STUDY

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ABSTRACT

The Information Technology (IT) industry is fast growing industry and deals with highly skilled work force. The conventional appraisal systems are upgraded to Performance Management Systems (PMS) that are more comprehensive. The success of the PMS depends on the level of implementation. Performance planning and performance review are two important steps of PMS processes. The firms are imposing forced rating for deciding the performance based pay to the employees. Both managers and employees have reservation about the practice of forced rating. The study is conducted to assess the periodicity of PMS activities and rigor of these activities. An online survey is conducted among Information Technology professionals of Hyderabad. The data is analysed by calculating the frequencies and graphical representation. It is found out that both performance planning and review are conducted as annual exercises. Periodic review and revision are not practiced. The Performance Review Discussion (PRD) is also more like earlier appraisals, but no effort to identify corrective actions. Employees do not believe that forced rating increases productivity. It is recommended to implement the Performance Management Systems more rigorously. There is a need to discontinue forced rating of the employee performance and find alternate mechanisms for motivating employees.

KEYWORDS

performance management system, forced rating, performance planning, performance review discussion, productivity.

ABBREVIATIONS

HRM   Human Resource Management
HRD   Human Resource Department
IT   Information Technology
KPA   Key Performance Areas
PDCA   Plan Do Check Act
PMI   Project Management Institute
PMS   Performance Management System
PRD   Performance Review Discussion

1. INTRODUCTION

IT industry depends on highly skilled motivated professionals. To retain and nourish the talent the firms started practicing performance based pay. Firms have realized that to nourish and retain the talent, they need to upgrade earlier appraisal systems to more sophisticated Performance Management Systems (PMS). Thus, the performance management systems (PMS) have gained prominence in Information Technology (IT) industry. Performance planning, measurement and review are the prime activities for the success of implementation of performance management system. There are considerable studies on Human Resource Management (HRM) practices. There are also few more studies on employee attitudes and the factors for improvement of employee performance. However, we thought that study of implementation of performance management itself would throw more light on the issues and concern for the management for achieving the desired results from these practices. We have conducted an online survey on employees working in IT industry located at Hyderabad. The findings are presented in this article.

2. REVIEW OF THE LITERATURE

2.1 PMS Processes: The Performance Management Systems (PMS) implementation is vital for the employee performance and firm performance. (Armstrong Michael, 2007; Kandula R Srinivas, 2009; Aguinis Herman, 2009) The successful implementation of performance management system increases firm performance. (Maniam Kaliannan, 2015) The performance management systems are designed on the principle of PDCA (Deming's circle). The Planning, activity, review and corrective action based on review are the four stages of PMS. The planning includes both performance and development plans. Key Performance Areas (KPA) and corresponding measures are decided in the beginning of the year. The measures are reviewed and modified in the midterm reviews. At the end of the year, annual review is conducted to assess the performance and rate the employee. The employees are rewarded based on the performance ratings. (Armstrong Michael, 2007; T V Rao, 2007) The employee's performance ratings are forced to a bell curve by many IT firms. (Sanyal MK, 2014)

2.2 PMS Implementation Issues: The PMS implementation has many challenges. Measurements can be erroneous due to usual human factor. Managers are reluctant to rate their employees and most of the times employees are not convinced that ratings are fair. (Henderson I Richard, 2007, Chada Prem, 2003) The performance measures can be dysfunctional. (Spitzer R Dean, 2007) Employees have accepted pay for performance but not convinced that the link between pay and performance is properly set. (Boice F Deborah, 1997) The Indian IT firms are adapting US based HRM initiative but the design and implementation is not effective in Indian context. (Wright P Robert, 2004; Bradley L Kirkman, 2001)

2.3 Gap: There are studies on identifying factors for motivation, retention and performance. (Akella Sastry, 2016; Gupta Sangeeta, 2011; Saraswathi S, 2011; Punia B K, 2008) There is a study on IT industry with a focus on firm performance. (Bolar P Kartikeya, 2009) There is a study on intellectual capital in the Indian Information Technology Industry. (Kavida V, 2010) There is another study on human resource practices based on chairman's speech. (Mulla R Zubin, 2008). There is a study on performance appraisal implications in IT firms of West Bengal. It has been suggested that such studies be conducted in other clusters. (Sanyal MK, 2014) We could not find studies on implementation of PMS alone in IT industry especially in Hyderabad. We have identified study of implementation of PMS in IT firms of Hyderabad as a gap to be filled with this study.

3. NEED AND IMPORTANCE OF THE STUDY

The purpose and process of PMS is well defined. Before assessing the success of implementation of PMS, it is essential to understand whether PMS processes or implemented as per the recommended practice. Unless the process is in place, we cannot test whether the process is giving desired results. It helps the managements to decide whether they have to focus on implementation or change the process itself. Another important input required for the management is whether the employees accept the bell curve.

4. OBJECTIVES

The study is conducted with the following objectives.
1. To determine whether the PMS process are practiced as per the theory
2. To determine the employee perception of forced rating

5. HYPOTHESES

The following hypotheses are tested in this study.
H1   Performance Planning is done at the beginning of the year.
H2   Performance Planning is revised during the year.
H3   Performance Review is done during the year.
H4   Performance Review is done at the end of the year
H5   Feedback is provided during the performance review
H6   Forced rating increases productivity
H7   Forced rating causes dysfunctional measurements

6. RESEARCH METHODOLOGY

The study is conducted using on line survey. The survey instrument is prepared to collect the data on performance planning and review. Another important aspect of performance management system is forced rating of employees in a predefined curve to decide performance based pay. Three sets of questions are prepared. One set enquired about the periodicity of performance management system activities. The second set is on feedback during Performance Review Discussion (PRD). The third set is on effects of forced rating. All the questions are structured and respondents are given options to choose. The demographic variables are age, role and area of working. The IT professionals of PMIPCC members are requested to participate in the survey. Out of 95 responses received only 72 are considered for analysis. We have 38 responses from Application development, 13 responses from Infrastructure management, three from ITES, four from E&T and 12 from other support services. We have ten team leaders, thirty project managers and seventeen senior managers in the participants. The balance respondents are team members, top management and other supporting roles. The respondents are adequately represented from different roles and areas of operation. The answers are analysed using frequencies.

7. RESULTS AND DISCUSSION

Performance management system comprises of performance planning, performance review, performance rating and identification of skill improvements. We have enquired about the periodicity of these activities and the same is presented as "Performance Activity Frequency Table" in Table 1 of Annexure I. The graphical representation of the performance is given in Graph 1 below:

GRAPH 1: PERFORMANCE ACTIVITY FREQUENCY
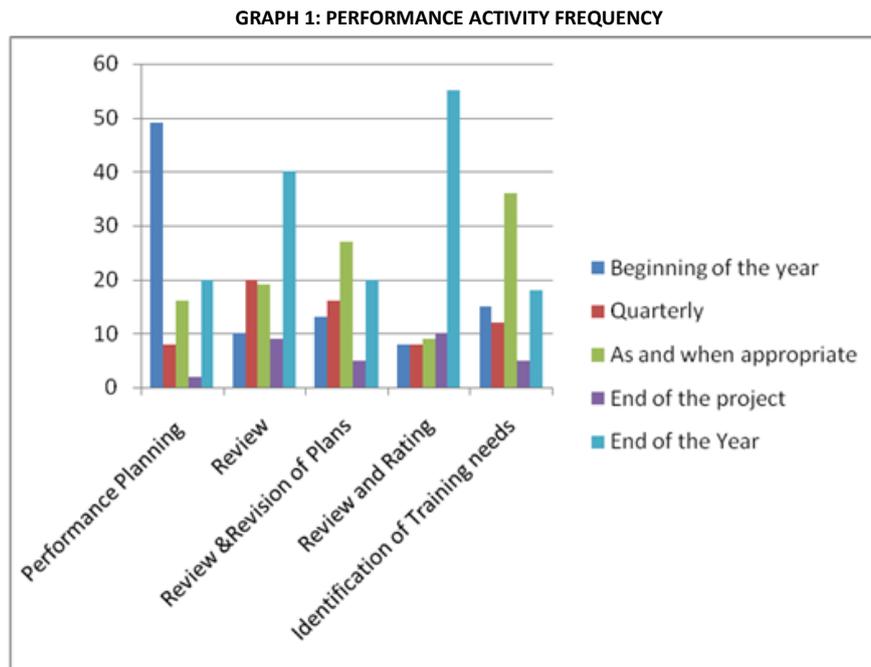
The performance planning is conducted for majority in the beginning of the year and it is as per the recommended practice of PMS processes. The performance rating is done at the end of the year. The midterm reviews are not predominant. The revision of plans during the year are also not many. There is an evidence that plans are revised based on the need, but not at a predefined fixed interval. We tried to understand whether there is an independent process to identify the training needs of the employee. The training needs are identified based on the requirement i.e. as and when appropriate.

There is a positive evidence from the responses that performance Planning is done at the beginning of the year. We can conclude that hypothesis H1 is true.

There is no confirmation that performance plans are revised as process during the year. Plans are revised as an exception whenever the manager and the employee together decide to revise the plans. We cannot conclude that hypothesis H2 is true.

The performance review is enquired under three categories. The review alone, review along with revision of plans and review along with performance rating are the three categories. Majority have stated that review and review with rating are done at the end of the year. The PMS theories suggest that the review is also conducted by the project manager at the end of the project. This will facilitate to identify the contribution during the project execution. Very few participants have acknowledged that review is done at the end of the project. The review is not evident at the end of the project. Similarly, there is no evidence that the review is

undertaken at the end of the quarter. The reviews are not scrupulously conducted at a frequency or a mile stone. There is an indication that review and revision are done as and when appropriate. That means that the performance review and revision of plans are done at the discretion of the manager. We have no evidence that hypothesis H3 is true.

Substantial majority of the respondents have confirmed that performance review is done at the end of the year. We can conclude that hypothesis H4 is true.

Identification of training needs was done as and when appropriate. It clearly shows that identification of training needs is not a standard process but done based on the manager's judgement.

Another important aspect of PMS is providing feedback to the employees. Feedback comprises of appreciation for the good work and identification of failures. The failures may be due to many reasons and some of them may not be in the control of the employee concerned. But identifying the areas of improvement can be achieved by identifying the concerns during the performance review. The employee and manager are together expected to identify the areas of concerns in the employee performance. It is different from the feedback of the activity and is essential for initiating proactive correction mechanisms on the areas of improvement based on the concerns identified during PRD. Employee skill improvement is an important step in the processes of PMS. It is recommended that the manager and employee together identify the training needs during the performance review. This information will be used by Human Resource Department (HRD) to plan and organise the training programs to adequately train the employee in current and future technologies. The performance goals are set and measured for rating the employee. The measures are essential to verify whether the employee has performed as per the goals set. It is highly recommended that the performance measures are identified and agreed by both appraise and appraiser. We have collected data on these five aspects and the same is given in 'Performance Review Discussion Table' as Table 2 in Annexure I. The Performance Review Discussion graph is given below as Graph 2.

GRAPH 2: PERFORMANCE REVIEW DISCUSSION
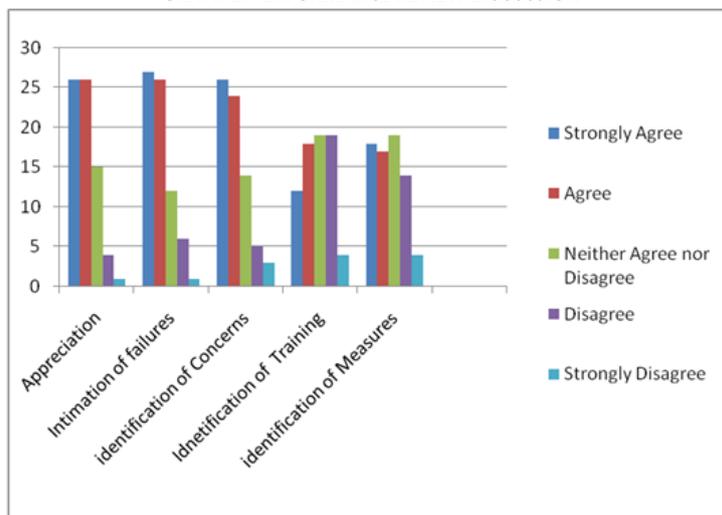
Majority of the participants have accepted that the performance is appreciated by the manager. Also employee failures are identified during the performance review discussion and is evident as majority have agreed to the statement. Similarly concerns are identified during the performance review discussion. But opinion is divided on identification of training needs and identifications of performance measures. Balance is towards neutral and disagree. The identification of training needs is not given as much importance as giving feedback on activities both in terms of success as well as failures. Similarly, identification of performance measures is not given the same importance of providing feedback. The Performance Review Discussion (PRD) is focussing on giving feedback. But the same focus is not given on proactive actions like identification of training or identification of performance measures.

We can conclude that hypothesis H5 is true.

Most of the Indian IT firms are practicing the bell curve. The employee performance rating is not absolute evaluation, but the employees are rated relatively. The actual rating is in a predefined ratio and employees are forced to be rated accordingly. The performance pay is based on the rating of the employee thus allotted. This mechanism is barrowed from western organisations and has become a controversial issue. Some of the firms have discontinued the practice in the recent past. More than 60 percent of participants have agreed that bell curve is practiced by their organisation. We have collected the effect of the bell curve in terms of productivity, teamwork and dysfunctional measurement. The results are presented in the tabular form as "Effects of Forced Rating Table" as Table 3 in Annexure I. The Graphical representation is given below as Graph 3 as Effects of Forced Rating.

GRAPH 3: EFFECTS OF FORCED RATING
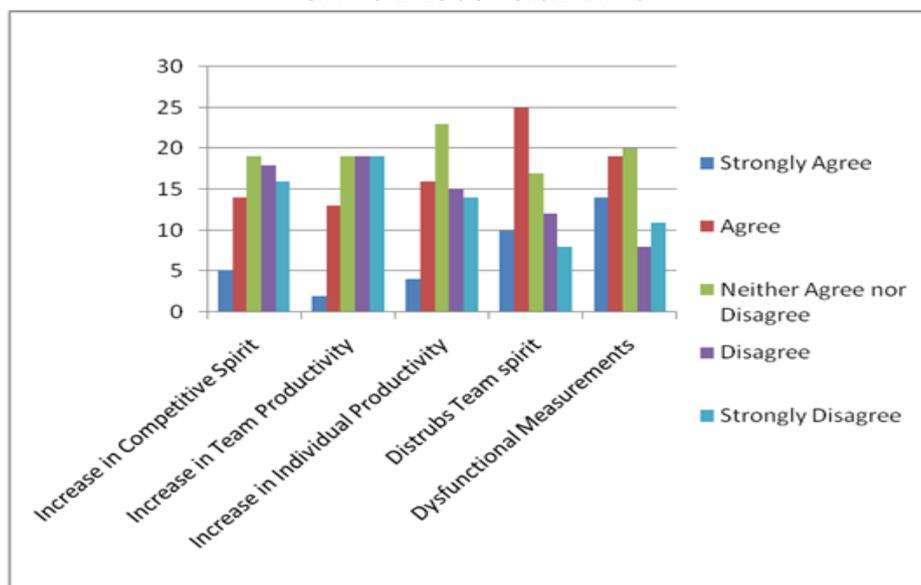
The performance based pay is expected to increase competitive spirit and increase individual productivity. The relative rating and forced rating is aimed at making performance based pay more effective. The respondents do not agree that competitive spirit increases due to forced rating. The participants do not agree that forced rating increases individual productivity. Majority of the participants disagree that team productivity increases. Also majority of the participants agree that forced rating disturbs team spirit. It is evident that forced rating does not increase competitive spirit or individual productivity or team productivity. Also participants agreed that forced rating disturbs team spirit.

We can conclude that forced rating does not increase productivity i.e. H6 is not true.

Majority of the respondents agree that forced rating increases dysfunctional measurements. Dysfunctional measurement is manipulating individual measurements so that the individual may get better measurements and better rating but overall productivity of the firm may suffer.

We can accept that forced rating causes dysfunctional measurements and conclude that hypothesis 7 is true.

8. LIMITATIONS OF THE STUDY

The study has the usual limitation of online survey due to the self-reporting nature of the data collection. The study is limited to the planning and review aspects of performance management systems. The follow up actions in terms of rewards, promotions relocations and training programs are not included in the study.

9. CONCLUSION AND RECOMMENDATIONS

The performance planning is done at the beginning of the year. The performance review is done at the end of the year. The midterm reviews are not conducted and there is no attempt to review and revise the plans during the year. In addition, there is no evidence of reviews at the end of the projects. Planning is not a onetime affair and needs continuous monitoring, review and revision. Performance management is a process for improvement. The emphasis is not rating or rewarding the employee, but to give continuous feedback and support the employees to perform well.

The performance review discussion is an opportunity to provide effective feedback to the employee. Only 62 percent of the participants have confirmed that the manager conducts PRD. The managers are appreciating and informing the failures to the employees. However, identification of training requirements is not given the same importance. The employee is informed about the performance but correction to measurements or skill requirements are not identified.

The participants do not believe that forced rating increases either individual or team productivity. They also agree that forced rating disturbs team spirit and causes dysfunctional measurements.

The appraisal systems are implemented. The Performance management processes are initiated but not institutionalised. The activities at the beginning and end of the year are practiced. But as per the theory, the performance management is a continuous process. The feedback, skill improvement and periodic reviews are not visible during the year. It is recommended to conduct periodic reviews and revise the plans appropriately. The performance planning has to be done at the beginning of the year as well as beginning of each project. The performance review discussion has to focus on training requirement to improve employee skills. The system of forced rating has to be reviewed.

10. SCOPE OF FURTHER RESEARCH

The future researchers can conduct similar studies on different clusters and compare the PMS implementation between the firms. The future studies can include follow up actions and employee opinion on performance based pay.

ACKNOWLEDGEMENTS

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ANNEXURE

TABLE 1: PERFORMANCE ACTIVITY FREQUENCY TABLE

S. No	Description	Performance Planning	Review	Review &Revision of Plans	Review and Rating	Identification of Training needs
1.	Beginning of the year	49	10	13	8	15
2.	Quarterly	8	20	16	8	12
3.	As and when appropriate	16	19	27	9	36
4.	End of the project	2	9	5	10	5
5.	End of the Year	20	40	20	55	18
6.	Total Responses	95	98	81	90	86
7	Over lap	23	26	9	18	14

Note: Total 72 respondents

None of the option is selected by all 72 respondents

TABLE 2: PERFORMANCE REVIEW DISCUSSION TABLE

S. No	Description	Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree
1.	Appreciation	26	26	15	4	1
2.	Intimation of failures	27	26	12	6	1
3.	Identification of Concerns	26	24	14	5	3
4.	Identification of Training	12	18	19	19	4
5.	Identification of Measures	18	17	19	14	4

TABLE 3: EFFECTS OF FORCED RATING TABLE

S. No	Description	Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree
1	Increase in Competitive Spirit	5	14	19	18	16
2	Increase in Team Productivity	2	13	19	19	19
3	Increase in Individual Productivity	4	16	23	15	14
4	Disturbs Team spirit	10	25	17	12	8
5	Dysfunctional Measurements	14	19	20	8	11

DEPOSIT MOBILISATION OF ANDHRA PRAGATHI GRAMEENA BANK IN ANDHRA PRADESH: AN EMPIRICAL STUDY

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ABSTRACT
Deposit is an important element determining the development of the bank. Deposits are the reserves of the people with the bank. Mobilisation of deposits promotes social wellbeing of the depositors as also the public at large by instilling in them the habit of savings. The present study is an empirical analysis on deposit mobili-sation of Andhra Pragathi Grameena Bank. The study is mainly based on secondary data which is collected from the annual reports of APGB. Data were processed by using simple statistics like mean, standard deviation, coefficient of variation compound growth rate and t tests. The study concludes that there is a rapid progress in the mobilisation of deposits by APGB.

KEYWORDS
Andhra Pragathi Grameena Bank, deposit mobilisation.

INTRODUCTION
Deposits are the reserves of the people with the bank. Mobilization of deposits promotes social well-being of the depositors as also the public at large by instilling in them the habit of savings. Deposit is an important element determining the development of the bank. Banks, therefore, can discharge their socio-economic responsibilities only if they accelerate the pace of deposit mobilization. Mobilization of deposits is welcome sign for loaning operation of the bank and helps further in mobilizing the resources. The success of the deposit mobilization hinges on the effectiveness of the management of the bank. The prosperity of lending institution depends on its capacity to generate its resources that not only make it strong and viable, but also avoids the reliance on external financing. Nakkiran viewed that "the 'deposits' are an important indicator of the success and efficiency of the credit agency".

Andhra Pragathi Grameena Bank was established on 1st June, 2006 after amalgamation of 3 RRBs namely Rayalaseema Grameena Bank (established on 06.08.1976), Sree Anantha Grameena Bank (established on 01.11.1979) and Pinakini Grameena Bank (established on 11.6.1982). These Regional Rural Banks were established under the provisions of RRB Act, 1976 and consequent to the Government of India Notification dt. 1.6.06, were amalgamated and formed as a new entity called Andhra Pragathi Grameena Bank with its Head Office at Kadapa. The bank is operating in Kadapa, Anantapur, Kurnool, Nellore and Prakasam districts of Andhra Pradesh and having Regional Offices in each District Head Quarters. The bank is catering to the needs of rural poor covering Agriculture, Small Industries, Village Artisans, Small business besides catering to the needs of Non Priority sector also. The bank is progressing with all-round development and introducing new products to cater the needs of the people in its service area. The bank has been propagating innovations in Rural Banking and also has been receptive to new ideas.

REVIEW OF LITERATURE
Narayana Maharana, Suman Kalyan Choudhury and Ashok Kumar Panigrahi (2015) focus a light on comparative analysis of deposit mobilisation in commercial banks and concluded that there was a significant uptrend and growth in current deposits but overall growth of deposits are fluctuating year by year which results Bank of Baroda is performing well in deposit mobilisation than Axis bank during the study period; Richard, Florence and Zenon (2015) made an attempt to analyse the effects of deposit mobilisation on the financial performance of commercial banks in Rwanda. The study revealed that the introduction of innovative banking technology has led to the increase in deposits at a low cost as opposed to the usual way of g etting deposits through term deposits and made financial services accessible in the unbanked people; Suresh, R. (2014) in his study on Regional Rural Banks (RRBs) of India and its Performance: An Empirical study, found that the performance of the RRBs in India since 1975 is good, even though they are facing many crises and competition with other banks; Tomola (2013) in his study examined the intermediation functions of deposit mobilisation and granting of loans and advances of banks in Nigeria. The results of the study reaffirm that banks with high deposits and loans perform better in terms of profitability than banks with low deposits and loans; Kanika& Nency (2013) in their article, made an analysis on the growth pattern, credit deposit ratio and financial performance of RRBs in India and found that after the amalgamation of RRBs the net profits were doubled and the loss making banks have been dwindled.

NEED FOR THE STUDY
Majority of the studies have concentrated on the deposit mobilisation of commercial banks and on the overall performance of the Regional Rural Banks. But no significant studies have been undertaken on the deposit mobilisation of Regional Rural Banks. To fill this gap Andhra Pragathi Grameena Bank (which is one of the Regional Rural Banks in A.P.) was selected for micro level study on deposit mobilisation. The present study examines the extent of growth in both the deposit mobilisation and the branches on sector wise.

OBJECTIVES OF THE STUDY
The main objective of the study is to evaluate the deposit mobilisation of Andhra Pragathi Grameena bank and specific objectives are given below:
To scan the branch network of APGB.
To evaluate the growth of deposits of APGB.
To find out the relative importance between types of deposits.

RESEARCH METHODOLOGY
The present study is analytical and exploratory in nature by the use of secondary data. The secondary data have been collected from various secondary sources such as websites, annual reports of the Andhra Pragathi Grameena Bank, journals and magazines of concerning Banking, Finance and Rural Development were

also referred to. The study is confined to Andhra Pragathi Grameena Bank which is one of the Regional Rural Banks operating in Andhra Pradesh. For analysis, the present study makes the use of simple tables, percentages, charts, CGR, Coefficient of Variation, Mean and Standard deviation. The period chosen for the present study is from 2006-2007 to 2015-2016.

DATA ANALYSIS

Expansion of branches is necessary to provide banking facilities to the people at proper places and at right time. One of the objectives underlying the APGB is that credit should be extended to remote rural areas, particularly to unbanked and under banked centres by establishing branches. The Categorisation of branches according to population of the APGB rural, semi-urban and urban is furnished in table 1.1.

TABLE 1.1: POPULATION GROUP-WISE CLASSIFICATION OF BRANCHES OF APGB

Year	Rural	Semi-Urban	Urban	Total
2007	233 (70.18)	75 (22.59)	24 (7.23)	332 (100)
2008	237 (69.71)	75 (22.06)	28 (8.24)	340 (100)
2009	244 (68.54)	81 (22.75)	31 (8.71)	356 (100)
2010	244 (67.78)	81 (22.50)	35 (9.72)	360 (100)
2011	258 (67.01)	87 (22.60)	40 (10.39)	385 (100)
2012	281 (66.75)	95 (22.57)	45 (10.69)	421 (100)
2013	295 (67.35)	97 (22.15)	46 (10.50)	438 (100)
2014	302 (67.11)	99 (22.00)	49 (10.89)	450 (100)
2015	310 (65.96)	103 (21.91)	57 (12.13)	470 (100)
2016	323 (66.60)	112 (22.40)	65 (13.00)	500 (100)
Mean	272.7	90.5	42	405.2
SD	33.43	12.59	13	58.69
CV (%)	12.26	13.91	30.96	14.48
CGR (%)	3.32	4.09	10.48	4.18
't' Cal	25.79*	22.73*	10.21*	21.83*

Source: Annual Reports of APGB

Note: Figures in parenthesis are percentages to the total

*Indicates significant at 1 percent level

It can be observed from the table that the number of branches increased in all the rural, semi urban and urban areas throughout the study period. Compare to the urban and semi urban areas more branches are located in rural areas, but the CGR was noticed more in urban areas due to the establishment of new branches was more when compared to the other in the later years and the calculated t value is significant at one percent level.

DEPOSIT MOBILIZATION BY THE APGB BANK

Mobilisation of the deposits by the bank helps in improving the economy of the people in the country as well as the economy of a nation. The Andhra Pragathi Grameena Bank has to strive very hard by organising camps to create awareness among the rural folk in inculcating the habit of savings to deposits and introduced several innovative schemes which suit the needs of the rural masses for mobilization of deposits. Deposits also serve as a cushion in absorbing the shocks of over dues enabling the bank to maintain an uninterrupted flow of credit. Bank had made special efforts for this purpose. The details of different deposit schemes provided by the APGB are given below:

FIG. 1.1: VARIOUS TYPES OF DEPOSITS PROVIDED BY APGB
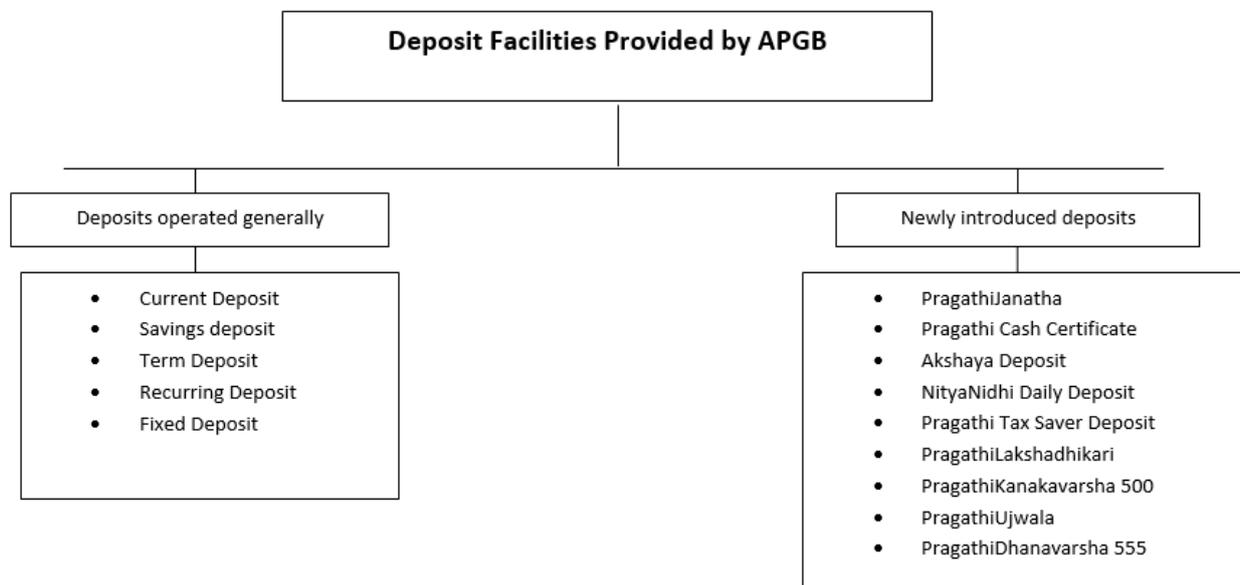
The pace of deposit mobilization of APGB in Andhra Pradesh during the study period is reported in Table 1.2.

TABLE 1.2: TOTAL DEPOSITS OF APGB (Rs. in lakhs)

Year	Total deposits (Rs.)	Change Over Preceding Year	Growth
2007	236780.77	-	-
2008	281209.27	44428.50	18.76
2009	303670.76	22461.49	7.99
2010	351733.69	48062.93	15.83
2011	407905.10	56171.41	15.97
2012	451274.60	43369.50	10.63
2013	500106.68	48832.08	10.82
2014	594769.25	94662.57	18.93
2015	781323.81	186554.56	31.37
2016	959464.70	178140.89	22.80
Mean	486823.86		
S D	232387.00		
CV (%)	47.73		
CGR (%)	15.02		
't' Cal	6.63*		

Source: Annual Reports of APGB

*Indicates significant at 1 percent level

It is evident from the table that the quantum of deposits had depicted an overall rise from Rs. 236780.77 lakhs in 2007 to Rs. 781323.81 lakhs in 2016. The overall performance of the deposits is in increasing trend throughout the study period with some ups and downs. A very least growth was observed in the year 2009 with 7.99 percent and the highest was recorded in 2015 with 31.37 percent which is a very good sign to the bank in arranging the finance for banking operations. The statistical calculations of mean, standard deviation, coefficient of variation and compound growth rate were registered as 486823.86, 232387.00, 47.73 percent and 15.02 percent. The Calculated t value is significant at one percent level.

Chart 1.1 Deposit Mobilization of APGB
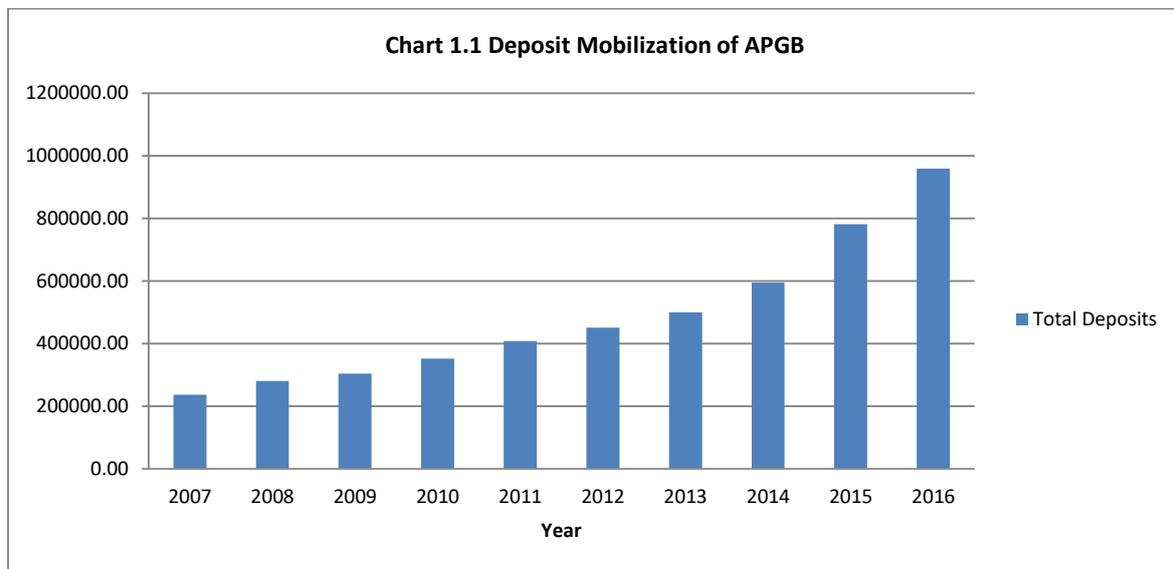
TYPES OF DEPOSITS

Deposits of any bank are mainly categorised into three, they are demand deposits (current accounts), Savings bank deposits and term deposits (fixed deposits). APGB has introduced several types of deposits to attract the targeted group. Table 1.3 depicts the data relating to the various types of deposits.

TABLE 1.3: TYPES OF DEPOSITS (Rs. in lakhs)

Year	Demand Deposit	Savings Bank Deposit	Term Deposit	Total
2007	22144.93 (9)	96896.04 (41)	117739.80 (50)	236780.77 (100)
2008	18427.81 (7)	113327.77 (40)	149453.69 (53)	281209.27 (100)
2009	18381.95 (6)	104935.15 (35)	180353.66 (59)	303670.76 (100)
2010	22620.96 (6)	125482.08 (36)	203630.65 (58)	351733.69 (100)
2011	26763.21 (7)	165214.07 (41)	215927.82 (53)	407905.10 (100)
2012	33375.79 (7)	167381.19 (37)	250517.62 (56)	451274.60 (100)
2013	47291.51 (9)	181995.30 (36)	270819.87 (54)	500106.68 (100)
2014	48485.75 (8)	201466.99 (34)	344816.51 (58)	594769.25 (100)
2015	59308.18 (8)	241221.89 (31)	480793.74 (62)	781323.81 (100)
2016	37398.58 (4)	280438.90 (29)	641627 (67)	959464.70 (100)
Mean	33419.87	167835.94	285568.06	486823.86
S D	14315.46	60697.34	163018.28	232387.00
C V (%)	42.84	36.16	57.09	47.74
CGR (%)	5.38	11.21	18.48	15.02
't' Cal	7.38*	8.74*	5.54*	6.63*

Source: Annual Reports of APGB

Note: Figures in parenthesis are percentages to the total

*Indicates significant at 1 percent level

The average of demand deposits, savings deposit and term deposits were Rs. 33419.87 lakhs, 167835.94 and 285568.06. The coefficient of variation was 42.84 percent, 36.16 percent and 57.09 percent. The CGR was 5.38 percent, 11.21 percent and 18.48 percent. The t calculated value is significant at one percent level. From the above it is clear that term deposits are preferred more by the people to save their balances than the other due to introduction of various term deposits and conducting financial literacy and awareness programmes to the public. The categories of deposits are shown in chart 1.2.

Chart 1.2 Types of deposits of APGB
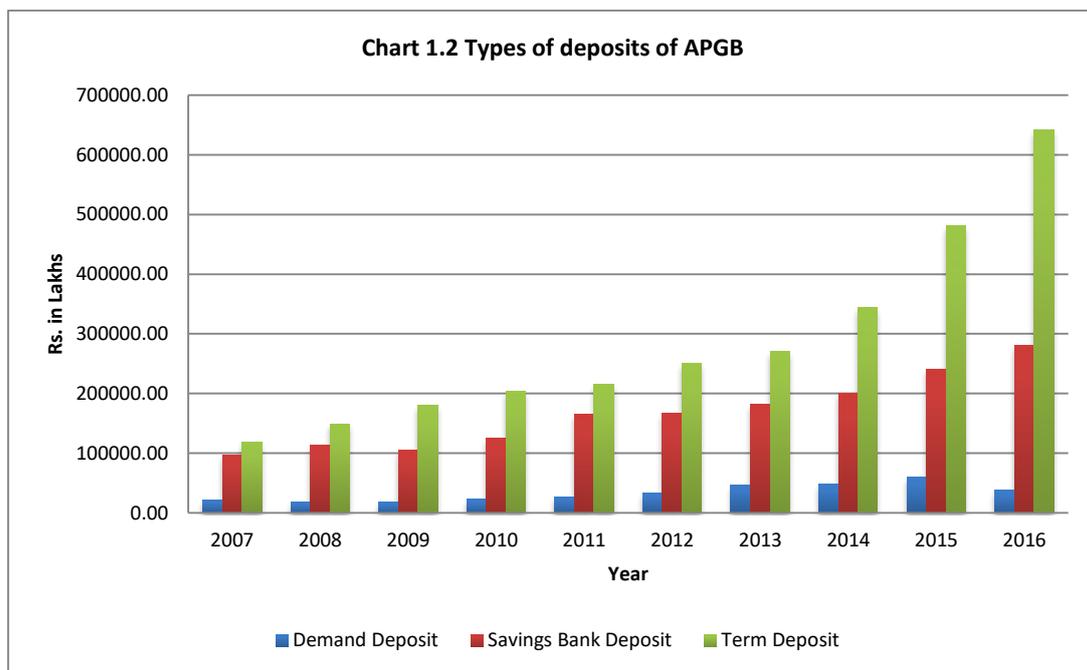
CATEGORY WISE BRANCH DEPOSITS OF APGB

The category wise branch deposits of APGB is depicted in table 1.4:

TABLE 1.4: CATEGORY WISE BRANCH DEPOSITS OF APGB (Rs. in lakhs)

Year	Rural Deposits	Semi urban Deposits	Urban Deposits	Total Deposits
2007	109426 (46.21)	74030 (31.27)	53325 (22.52)	236781 (100)
2008	124784 (44.37)	85668 (30.46)	70757 (25.17)	281209 (100)
2009	147905 (48.69)	91388 (30.08)	64478 (21.23)	303771 (100)
2010	156452 (44.48)	107561 (30.58)	87720 (24.94)	351733 (100)
2011	176779 (43.34)	116055 (28.45)	115071 (28.21)	407905 (100)
2012	196241 (43.39)	124451 (27.58)	130583 (28.93)	451275 (100)
2013	221657 (44.32)	149509 (29.90)	128941 (25.78)	500107 (100)
2014	265004 (44.56)	175697 (29.54)	154068 (25.90)	594769 (100)
2015	332481 (42.56)	233885 (29.93)	214958 (27.51)	781324 (100)
2016	392096 (40.87)	287053 (29.92)	280316 (29.21)	959465 (100)
Mean	212282.50	144529.70	130021.70	486833.90
S D	92293.49	69228.33	71558.74	232378.35
C V (%)	43.48	47.90	55.04	47.73
CGR (%)	13.61	14.51	18.05	15.02
't' Cal	7.27*	6.60*	5.75*	6.63*

Source: Annual Reports of APGB

Note: Figures in parenthesis are percentages to the total

*Indicates significant at 1 percent level

From the table it is evident that major part of the branches are spread in rural areas and more than 40 percent of the total deposits are from rural branches next comes the semi-urban and the deposits also ranged between 29 -30 percent and the coverage of branches in urban areas is less in the initial period later it has increased and the deposits ranged between 23-29 percent. The compound growth rate and the Coefficient of variation are a little bit high in urban deposits when compared to semi urban and rural deposits.

PER BRANCH AND PER EMPLOYEE DEPOSITS

The deposits, on an average, per branch and per employee of APGB are tabulated in table 1.5.

TABLE 1.5: PER BRANCH AND PER EMPLOYEE DEPOSITS (Rs. in lakhs)

Year	Total deposits	Per Branch Deposits	Per Employee Deposits
2007	236780.77	713.19	129.82
2008	281209.27	827.08	150.78
2009	303670.76	853.28	162.55
2010	351733.69	977.04	181.31
2011	407905.10	1059.49	205.7
2012	451274.60	1071.91	224.51
2013	500106.68	1141.8	242.65
2014	594769.25	1321.71	295.61
2015	781323.81	1662.39	368.38
2016	959464.70	1918.93	372.17
Mean	486833.90	1154.68	233.33
S D	232378.35	381.58	86.66
C V (%)	47.73	33.05	37.14
CGR (%)	15.02	10.40	11.11
't' Cal	6.63*	9.57*	8.52*

Source: Annual Reports of APGB

*Indicates significant at 1 percent level

A look at the table 1.5 reveals that in the average deposits per branch and also amount of deposits per employee have risen from Rs.713.19 lakhs and Rs.129.82 lakhs in 2007 to Rs.1918.93 lakhs and Rs.372.17 lakhs in 2016 respectively. The degree of variation was 33.05 percent in per branch deposits and 37.14 percent in per employee deposits. The CGR for per branch and per employee deposits were 10.40 percent and 11.11 percent respectively. The t value is significant at one percent level.

COST OF DEPOSITS

Costs of deposits have a direct impact on banks profitability. It is determined by the interest rate paid to the depositors. A higher rate of interest encourages large number of deposits. The details of the cost of deposits are furnished in table 1.6

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TABLE 1.6: COST OF DEPOSITS

Year	Interest Paid	Average Deposits	Cost of Deposits
2007	7539.27	201264.28	3.75
2008	12021.31	227174.26	5.29
2009	16317.81	269704.78	6.05
2010	19608.23	309385.22	6.34
2011	20555.99	350352.70	5.87
2012	25043.93	392477.50	6.38
2013	30446.88	436866.86	6.97
2014	35088.68	491694.26	7.14
2015	49160.00	647251.00	7.60
2016	61158.00	835189.00	7.32

Source: Annual Reports of APGB

*Indicates significant at 1 percent level

The interest paid on deposits was Rs. 7539.27 lakhs in 2007 and reached to Rs. 61158 lakhs in 2016. There is a tremendous increase in the interest paid during the study period as there is an increase in the deposits mobilised. The cost of deposits was 4.50 percent in 2007 and 7.32 percent in 2016. As the term deposits are more the cost of deposits is high.

FINDINGS AND SUGGESTIONS

➢ The branch expansion was rapid in urban areas compared to the rural and semi urban areas.
➢ There is a need to concentrate on branch expansion in semi urban areas.
➢ Though there is growth in branch expansion that much growth is not recorded in the deposits.
➢ Innovative products, technological up gradations and customer services have to be enhanced to attract more deposits.
➢ Term deposits are mobilised more by the bank, than the savings and demand deposits.
➢ The illusion of poor man's bank must be removed from the minds of public and business persons must be motivated for mobilising more demand deposits.
➢ Half of the total deposits are mobilised from the rural branches and the rest are mobilised from both semi urban and urban areas.
➢ The branch wise deposits have increased progressively.
➢ Growth in per employee deposits is observed during these 10 years.
➢ The rise in the share of high cost deposits have resulted in the increase in cost of deposits.

CONCLUSION

For over a decade the Andhra Pragathi Grameena Bank is rendering its services in an effective way by the vast expansion of its branches, and establishment of new branches in unbanked centres. The bank is introducing so many new products and services for mobilizing the deposits resulting in an upsurge in the deposit mobilisation which leads to proper deployment of credit to the needy people in rural areas resulted rural development.

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STUDY OF HUMAN RESOURCE MANAGEMENT IN PUBLIC HEALTH SECTOR OF INDIA

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ABSTRACT

The public health workforce requires up-to-date knowledge and skills to deliver essential public health services to meet the training and continuing education needs of an evolving workforce, a clearer understanding of the factors and components, composition of the public health workforce both now and for the future. Proper management of human resources is critical in improving high quality of medical care in public sector. Therefore, refocus on human resources management in health care and more research are needed to develop the new policies.

KEYWORDS

human workforce, public health care, qualified physicians and trained paramedical workforce.

INTRODUCTION

Human Resources are one of the most important factors determining performance of public health system. Public health is defined as the science and art of preventing disease, prolonging life and promoting, health through the organized efforts of society. It has a population rather than an individual focus and involves mobilizing local regional, national and international resources to ensure the conditions in which peoples can be healthy. Performance of the public health system depends on multiple factors among which human resources are one of the most important components. The public health workforce requires up-to-date knowledge and skills to deliver essential public health services to meet the training and continuing education needs of an evolving workforce, a clearer understanding of the factors and components, composition of the public health workforce both now and for the future. Proper management of human resources is critical in improving high quality of medical care in public sector. Therefore, refocus on human resources management in health care and more research are needed to develop the new policies. Effective human resource management strategies are highly needed to achieve better results from and access to health care around the world.

"Human Resource Management is the integrated use of system, policies and management practices to support the organization to meet its desired goal through recruitment, maintain and development of employees." According to Management Sciences for Health.

Human Resource Management is the critical management area that is most important asset for any organization as well as health care system. We can study the Human Resources for health action framework, which includes six components; human resource management, policy, finance, education, partnerships and leadership. It refers to the sum total of skill and expertise of all types of workers who are engaged in the process of production. Human resources when pertaining to health care can be defined as the different kinds of clinical and non-clinical staff responsible for public and individual health intervention. The development of the public health system depends on the knowledge, skill and motivation of those individuals for delivering health services. Human Resource Management must be developed in order to find the appropriate balance of workforce supply and the ability of those practitioners to practice effectively and efficiently. The presence of qualified and motivated human resources is essential for adequate health service provision. A practitioner without adequate equipment's is an inefficient as having empty gun. The present paper is to bring forth the problems of the Human Resources in the Public health sector of India and to pin point the condition of the Physicians and other paramedical work force in comparison to the medical workforce of the developed countries of the world as well as to find out the measures for the development of the human resources.

DEVELOPMENT OF MEDICAL HUMAN RESOURCE

Human Resource plays an important role in the development of any nation, in real sense it is an asset for the nation. National human capital means the stock/availability of skill and expertise to a nation in the field of engineers, doctors, advocates, technicians, professors and workers of all types. In the present study we are to bring forth the problems of the Human Resources in the public health sector of India and to high light the present position of the physicians and other paramedical work force in comparison to the medical workforce of the major development nations of the world as well as to state the measures for the development of the Human Resources.

Since independence India has developed a vast public health infrastructure. The New Economic Policy in India, enunciated by the Government since the middle of 1991, has brought serious implications for both quantity and quality of employment. The restriction in filling up the posts after superannuation has been followed as per the new economic policy. As more and more people are retiring organizations are suffering with manpower crunch. The deficiency in the functioning of health organizations has become a major challenge. The terms and conditions of various forms of employment have resulted in various human resources management issues including legal. The restricted career growth, high turnover and inadequate salary of contractual staff in comparison to regular colleagues working in same organization. Increased number of temporary or contractual human resource may invite several undesired and unpleasant questions to the sustainability of health care delivery system.

Human Resources in the area of health care can be defined as the different kinds of clinical and non-clinical staff responsible for public and individual health intervention. HRM is the critical management area and it is the core field for any as well as health care system. HRM must be developed in order to find the appropriate balance of workforce supply and the ability of those practitioners to practice effectively and efficiently. The main concern is towards knowledge and certification and less on skill development. In general, there is mismatch between skills required and skills available. Little evaluation of training is there whereas no evaluation of whether training led to improved service delivery outcomes.

At the time of independence in India there were about 50,000 medical graduates and 25000 nurses in modern system of magicians to provide health care to the population. During the plan periods concerted efforts were made to address the shortages of human resources for health. However, it is a matter of concern that there are huge gaps in critical health man power in government institutions that provide health care to the poorer segments of population living in urban, slums remote rural and tribal areas. In keeping with the growth of health infrastructure and expanding scope of health care services human resource needs have been increasing. Though India has developed a vast public health infrastructure which presently includes 1,44,988 Sub-Centre's, 22,664 primary health centre's and 3910 community Health Centre's, providing services to rural population. Besides over 7663 sub-divisional and district hospitals and other specialized hospitals are also functioning in the public sector. According to NSSO 60th round, the proportion of population of utilizing private health facilities for in-patient care is 58.3% in rural areas and 61.8% in urban areas and for our patients the proportion are 78% and 81% in rural and urban areas respectively. A huge training infrastructure is also available at national and state levels in both public and private sectors.

CURRENT STATUS

Currently India has been a shortage of all key cadre including Doctors. Nurses and Paramedics, particularly in rural areas. The number of registered doctors and population coverage per doctor varies across the states. As per the information's provided by the Indian Nursing Council, the total number of registered doctor's is 9,36,489 as on 31-12-2014 auxiliary nurses midwives are 7,56,936 and registered nurses/ midwives are 16,73,378. The ministry's says as per the report of the steering committee on health for the 12th five-year plan of the Planning Commission, India has 19 health workers (doctor's 6, nurses and midwives 13) per 10,000

populations in India whereas the WHO the requirement is of 25 health workers per 10,000 people. There is unequal distribution of public health workers across selected institutions, with lack of professionals in remote rural district centers and over staffing in urban centers. Survey reports disagreed or were uncertain that public health workers possess adequate skills and knowledge necessary for delivery of public health programs. So, the Human Resource Management issues require urgent attention by the policy makers adopting good practices in human resources, management will go a long way in ensuring the availability of adequately prepared skilled and motivated personnel in health care delivery system. A comprehensive and efficient Human Resource Policy is needed for regular and contractual staff is strongly suggested to tackle the problems of discontentment and disparities. It will tend to improve equity between compensation of employees and level of responsibilities, it will also help employees to understand how their work relates to the mission and values of organization, it will motivate the employees and increase employee's job satisfaction as well as encourage employees to work as a team.

In India, in spite a well-developed and extensive network of public health infrastructure, including institutions for training and researches, the health outcome is still behind the set goals. The influence of health care providers on health care provision and use of health care resources has been fully recognized. Availability of adequate number of health personnel with suitable skills and their appropriate development of different levels of health care set-up are essential for providing an effective health care services for the people Human resource absorb a large part of public expenditure in the health in low and middle income countries, cost of human resources for health services usually amounts to 60% and 80% of the public expenditure, respectively.

CONCLUSION

As Human Resource Management is the critical management areas that is most important asset for any organization as well as health care system. Every state should make Human Resource cell compulsory and policy should be made there should be periodic supervision of these cells. For concentration and satisfaction adequate leave facility be provided to the doctors, nurses and other paramedical staff. Periodic training and refresher courses with foreign collaboration be conducted so that HR can keep themselves updated. Work load of senior doctors should be minimized by adopting decentralization policy. Administrative and operational delays can be managed by proper planning. The selection criteria, terms and conditions of recruitment, promotion policy and other work force should be updated continuously and more number of medical and para medical colleges and universities should be established so that the work force in public health sector may be increased.

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EFFECTIVENESS OF REMEDIAL TEACHING TOWARDS SCIENCE AND COMMERCE STUDENTS IN HIGHER EDUCATION: AN ANALYTICAL STUDY

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ABSTRACT
Education contributes knowledge to the students to live in the competitive world. The students need more knowledge to meet the competitive in their work place. The entire world is growing very fast because of the information technology. There are many sources available to the students to learn from their house, technology helps in this regards. The faculty should understand the concept of subjects with application view and should educate the students in practical oriented, obviously the students will be aware of application of the subjects in their profession, job, business and real life, then only the students will like the subject and they will secure more mark as well as purpose of higher education will achieve the fruitful results. In future the methodology of teaching should be changed by the faculty for understanding the subject very clearly as well as avoiding the number of arrears in respective semesters by students.

KEYWORDS
professors are denoted as faculty, education, remedial class, teaching methodology.

PREAMBLE
Education contributes knowledge to the students to live in the competitive world. The students need more knowledge to meet the competitive in their work place. The entire world is growing very fast because of the information technology. There are many sources available to the students to learn from their house, the technology helps in this regards. The knowledge, diffusion and transmission are helps for the economic growth of the country (learn holds, 2013). Indians prefer to go abroad to earn more money because of their talent, knowledge and proper education. The schools and colleges takes major part in this proper education. The well-educated students become scientist, technologist, analyst and inventor developing new process and technologies (k. Dasaradhi, 2016). In India, the school education has twelve years after that higher education three years and two years for under graduate and post graduate respectively. Many colleges are opened and running successfully to give higher education to the students. Now a day's number of colleges available not need more universities to give good new updating in the syllabus as theory and practical's. There are many arts and science colleges functioning in Coimbatore for Higher education. More number of students comes from near states and few numbers of students come from north India. Majority of the students who completed the school education, they are coming for higher education in Coimbatore from near states. The arts and science college fee structure is reasonable for the students, so that the students could join arts and science and college. But the same time many students have the problems of scoring less mark in semester examinations. Remedial classes are being conducted by the colleges to make the students score high marks in the semester examinations.

SCOPE OF THE STUDY
The higher education helps the students to get identity in the society. More number of students secured very less marks in selected subjects. It will be negative for attending the campus interview. So the marks are acting as a one of the major elements to decide the student faith. Remedial teaching is offered by the colleges to score pass marks to clear the arrear subjects. The present study is important to measure the effectives of remedial teaching in higher education. In further, any researcher may conduct the study related to problems faced by the higher education students in terms of getting fail in some subjects.

OBJECTIVES OF THE STUDY
The primary objective of the study is to analysis the effectiveness of remedial teaching in higher education of the students of arts and science colleges. To offer suggestions to the Students, educational council, policy makers, intellectual faculties and Governing body of higher education in India.

RESEARCH METHODOLOGY
The sample data collected only from commerce and computer science students, could not collected from other discipline. The sample could not collect from engineering college. The further study may conduct for other discipline and engineering colleges in Coimbatore city.
SAMPLING DESIGN
There are many arts and science and engineering colleges functioning in and around Coimbatore city. The sample respondents are collected from only arts and science college situated in the Coimbatore city. The students who appeared for the semester exam and got fail marks are selected for this study. The long absentees are omitted for this study because they have some other reason for the absenteeism. Five colleges are selected for the study which are similar in this remedial teaching. The data collected from the students before and after conducting the remedial class from the same students to study the effective remedial teaching. The remedial class duration is 15 hours, it is conducted after the working hours and holidays. The students must secure minimum 80% of attendance for appearing end semester examination after the remedial class conducted by concern subject faculty.

WILCOXON MATCHED PAIRS TEST

Wilcoxon Matched Pairs test applies to two-sample designs involving repeated measures, matched pairs, or "before" and "after" measures. This tool used to measure the effect of remedial class for computer science and commerce students before and after.

COMMERCE STUDENTS

The faculty conducted class test to arrear holders before conducting the remedial class and the class test marks are noted by concern faculty. The marks were considered for data analysis by researchers.

Totally forty students are selected for this present study from five colleges in Coimbatore city based on the convenient sampling technique. The pattern of question paper contains three Sections i.e. A, B and C. A section are containing 5 one marks, Section – B contains 5 questions each 5 marks and Section C contains 2 question 10 marks each. The total marks is taken to find out the Mean score, Standard Deviation, Range, Minimum and Maximum to compare the Before and After the remedial teaching. The detail is presented in the following table. It shows that there is an improvement in the marks. The mean score is increased from 24.53 to 30.88 and the same time minimum and maximum total marks of the students are increased from 6 to 10 and 39 to 48 respectively. It was concluded that the remedial teaching is effective.

TABLE 1: STATISTICS

		Before	After
N	Valid	40	40
	Missing	0	0
Mean		24.53	30.88
Std. Deviation		8.127	8.555
Range		33	38
Minimum		6	10
Maximum		39	48

Source: Computed from primary data

The low medium and high is calculated based on the mean score and standard deviation. The total marks up to 31.74 is taken as low, marks between 31.75 to 68.18 is taken as medium and the marks above 68.18 is taken high. The result is calculated based on the above table. This result obtained from the students before remedial teaching. After the remedial teaching the test conducted with the same students and marks taken to find out the same low, medium and high. The total marks upto 43.64 is taken as low, marks between 43.65 to 87.18 is taken as medium and above 87.18 is taken as high based on the after remedial teaching, the tool used to find out the effectives of remedial teaching.

The following chart shows that, effective of direct teaching method. It shows how many students come under low, medium and high before and after the direct teaching method.

CHART 1: BEFORE AND AFTER REMEDIAL TEACHING

TESTING OF HYPOTHESIS

Ho: There is no significant different between before and after the remedial teaching in terms of securing score of students.

TABLE 2: TEST STATISTICS

	Before – After
Z	-5.100
Asymp. Sig. (2-tailed)	.001
a. Wilcoxon Signed Ranks Test	
b. Based on positive ranks.	

The calculated P-Value is 0.001 (Z = - 5.100), it is less than 0.05. Hence the hypothesis is rejected at 5% significant level. There is a significant difference between before and after remedial teaching classes. It concluded that the remedial teaching is effective in commerce major students in the study area.

COMPUTER SCIENCE

The remedial teaching was conducted for computer science students to measure the effectiveness of remedial teaching. The test conducted before starting the remedial class and after conducting remedial classes, test conducted to the same students. Totally thirty seven students are taken for this study from five colleges in the Coimbatore city. The question paper contains three Sections i.e. A, B and C. A contains 5 one marks, Section – B contains 5 questions each 5 marks and Section C contains 2 question 10 marks each. The total marks is taken to find out the Mean score, Standard Deviation, Range, Minimum and Maximum to compare the Before and After the remedial teaching. The detail is presented in the following table. It shows that there is an improvement in scoring the marks by students. The mean score is increased from 24.43 to 31.80 and the same time minimum and maximum total marks of the students are increased from 11 to 16 and 38 to 48 respectively. It concluded that the remedial teaching is effective in computer science.
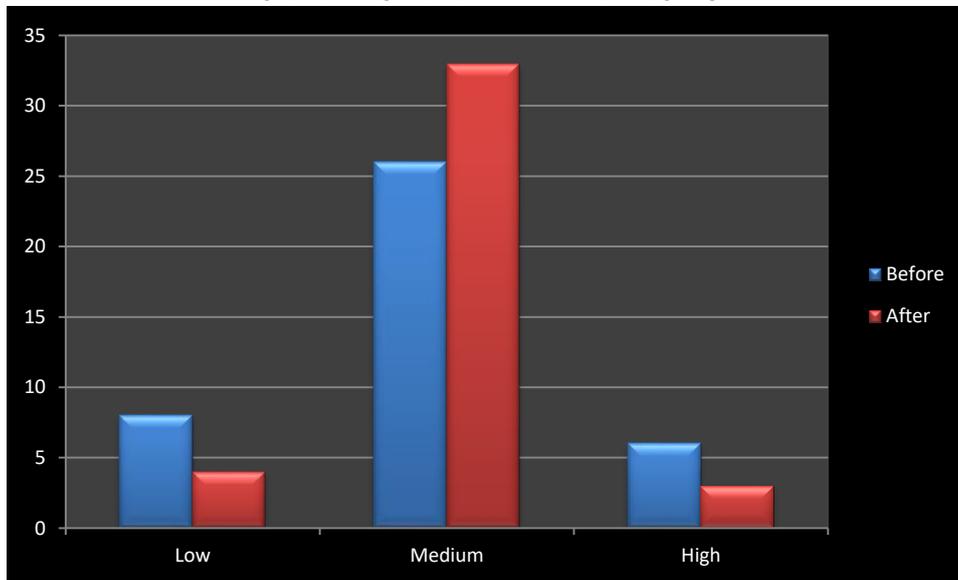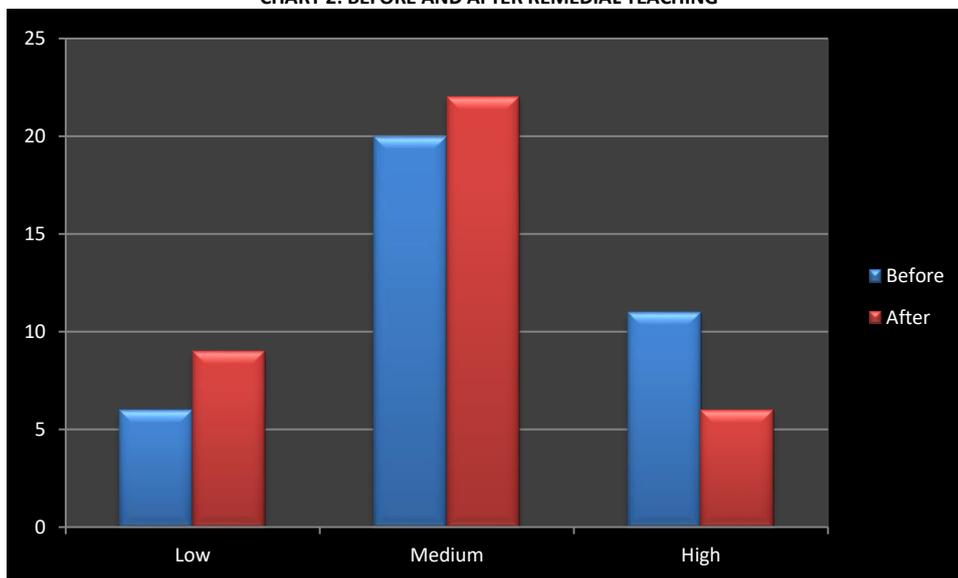
TABLE 3: STATISTICS

		Before	After
N	Valid	37	37
	Missing	0	0
Mean		24.43	31.80
Std. Deviation		8.421	10.552
Range		27	32
Minimum		11	16
Maximum		38	48

The low medium and high is calculated based on the mean score and standard deviation. The total marks up to 35.84 is taken as low, marks between 35.85 to 79.17 is taken as medium and the marks above 79.17 is taken high. This result obtained from the students before remedial teaching. After the remedial teaching the test conducted with the same students and marks taken to find out the same low, medium and high. The total marks upto 42.47 is taken as low, marks between 42.48 to 88.24 is taken as medium and above 8.24 is taken as high this is based on the after remedial teaching, apart from this the tool used to find out the effectives of remedial teaching.

The following chart shows that effective of remedial teaching. It shows how many students come under low, medium and high before and after the remedial teaching.

CHART 2: BEFORE AND AFTER REMEDIAL TEACHING

WILCOXON SIGNED RANKS TEST
Testing of hypothesis
Ho: There is no significant different between before and after the remedial teaching.

TABLE 4: TEST STATISTICS

	Before – After
Z	-4.329
P- Value (2-tailed)	.001
a. Wilcoxon Signed Ranks Test	
b. Based on positive ranks.	

The calculated P-Value is 0.001 (Z = - 4.329), it is less than 0.05. Hence the hypothesis is rejected at 5% significant level. There is significant difference between before and after remedial teaching. It concluded that the remedial teaching is effective.

MAJOR FINDINGS OF THE STUDY
Researchers have observed the following major findings of the study. They are as follows.
1.   The majority of the arrear holding candidates are male category.
2.   The remedial teaching methodology is effective in commerce programme.
3.   The remedial teaching methodology is more effective in computer science programme.
4.   After remedial teaching class, the commerce and computer science students scored more marks comparatively previous score. It again shows the effectiveness of remedial class.

RECOMMENDATIONS OF THE STUDY
Based on the present study, researchers have proposed the following recommendations to stake holders of higher education in India.
* The teachers should insist their student to attend the class regularly with condition of securing 80% of attendance in every subject and students should be monitored in terms of internal and model exam, later based on the score of internal examination, students should be advised, counselled and directed with the help of tutorial system towards prepare the end semester examination with the help of class notes and study material for minimising the number of arrear holders in every semester.
* The study concluded that the remedial teaching is effective in higher education, meanwhile these practices are followed based on arrears of the students only. In spite of this, the faculty must motivate their students to understand the subject with current trends for clearing the entire semester examination subjects during each semester.
* The faculty should motivate to conduct the remedial classes by top level authorities for rendering the quality service towards improving the slow learners. The faculty may identify the slow learns during normal working hours and they want report to head of the department for observing and solving the obstacles of students. It will be more useful to students for securing more marks in end semester and avoiding the number of failure in subjects.

CONCLUSION

The study conducted by researchers to observe the effectiveness of remedial teaching in higher education's commerce and computer science students with application of appropriate statistical tools. The commerce and computer science students are preferring coaching centre for clear the subjects especially accounts, tax and language papers (lajolla 2016). In this circumstances, many private coaching centre people are converted this obstacles of students in to business point of view, they are charging high fee for handling arrear subjects. The higher education is not covering fundamental education, it is very practical and applications oriented in corporate world. Therefore, the faculty must teach with advanced technique like simulation model to understand the concept with application oriented (IEAB 2005). This type of teaching will be more useful to student's community to attend the placement drive and securing placement offer in corporate sector. The faculty should understand the concept of subjects with application view and they should educate the students in practical oriented, obviously students will aware of application of the subjects in their profession, job, business and real life, then only the students will like the subject and they will secure more mark as well as purpose of higher education will achieve the fruitful results. The aim of the study is to know the effectiveness of remedial teaching. In future the methodology of teaching should be changed by the faculty, to understanding the subject very clearly as well as avoiding the number of arrears in respective semesters by students. If it is implemented, India will secure sound mind students community with sound body in near future.

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INTERNATIONAL TRADE: DIRECTION AND DIMENSION

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ABSTRACT

Development is the main aim of every economy. Economic development increasingly depends on trade. The growing importance of the developing countries in international trade reveals that a country with immense natural and human resources can surely benefit through their strategic move in the international changed world. The economic reform process introduced in the beginning of the 1990s with the focus on liberalisation has enabled increased integration of the Indian economy with the rest of the world.

KEYWORDS
international trade, economic development.

INTRODUCTION

Trade has been the most outstanding characteristic of International economics as well as development economics. Globalization and increasing economic interdependence among national economics are indeed very important. Economic globalization has entailed a few key developments in trade, finance and FDI. International trade has grown more rapidly than the global as well as domestic economic output. In addition to the great expansion of merchandise trade (goods), trade in services (banking insurance, I & T) are also significantly increased with the immense expansion of world trade. International competition has greatly increased. Although consumers and export sectors within individual nations benefit from increased openness, & competition between domestic and foreign firms raised efficiency among the infant industries (name sake) and private industries/firms. During 1980s and 1990s, trade competition become even more intense as a growing number of industrializing economies in East Asia and whole Asian countries. The end of the cold war and the growth of economic globalization coincided with new industrial revolution and trade liberalization and expansion, largely as a consequence of successive rounds of trade negotiations carried out under the GATT and by strong support by the American leaders.

Consequently, international trade integrated national economies more closely with one another. After Mid-1970s, global stagflation, new protectionism, again major steps were taken towards further trade liberalization with new rounds of trade negotiations, and particularly with the successful completion of Uruguay round negotiations (1993). The Uruguay round created the WTO (world trade organization) to replace the increasingly obsolescent GATT. At the opening of the twenty-first century, the free trade regime is again threatened by several new problems like cut throat competition, TRIPS, NAMA like several obstacles increased among developed and LDCs. Till today, WTO is existing with several severe disparities and limits. (Seattle, Doha summits)

The impact of Neo-liberal policies of IMF and World Bank made India to integrate its economy with the world economy through NLP like globalization, Liberalization and privatization in 1991. Before that in 1985 it some symptoms of liberal economy appeared started in India. While globalization today has opened up new opportunities, not only for richer section but also for middle class people who are how the parameters of consumption led growth in India. The neoliberal economic principles started in India officially from 1991, in that time when India with serious economic crisis like Inflation, deterioration in exchange value of rupee rate, lack of exchange reserves even to import goods to feed the economy, approached international institutions as they are the lender of last resort for assured help. The consequences of this development are LPG, neo-liberal policies. Globalization encourages market-driven policies. Globalization implies an integration of markets, not only for goods and services but also free flow of finance.

Trade and Development and Economy: The main Aim of every economy is development, which increasingly depends on trade. Today no country can stay in vacuumed, not in isolation, economic integration and co-operation and co-ordination are the essential evils to growth. (E.g.WTO-Russia-Doha). this circular link of progress is an unavoidable for all countries.

In the sixty years since India's independence, its relations with (the) all major power of the world are being strengthened, simultaneously with emerging economies in Asia, African, mainly with present emerged "Look east policy" brought a complete transformation in its trade policy and foreign policy. Indian economy has been completely transformed since 1991 as a first stage of development through import-led and import substitution led growth and later on since 2001-02, export-led growth strategy developed in the economy with raised export of services oil refinery development and IT, ITES (growth) raised share in the export.

According to the OECD (development) and late Mwalimu Julius Myesera the first president of Tanzania development can define by means of the following formula. Development means social factor (people's well being) - Democratic factor (people's right) – imperial factor (right of a nation to liberalization, liberation from foreign domination).

Countries are looking for opportunities to expand their export markets through free trade agreements. Awarding to WTO statistics, the number of free trade agreements (FIAs) notifies under WTO has reached 505 in 2011. FTA facilitates the enforcement of legally binding commitments among member nations by eliminating various trade barriers. (E.g. ASEAN, NAFIA, EV etc.). The growing importance of the developing countries in international trade reveals that a country with immense natural and human resources can surely benefit through their strategic move in the international changed world.

India's merchandise trade increased rapidly mainly after 2002. Today its share in the global exports and imports increased to 1.7 per cent and 2.5 percent in 2011 as per WTO report.

GROWTH OF INDIA'S PRINCIPAL EXPORTS

India's total export increased from 478.51 billion in 1991-92 to 13637.37 billion in 2009-10. The overall import can be broadly divided into two parts, such as bulk and non bulk imports. The bulk imports mainly consist of petroleum (pol) and consumer goods and non bulk consist of capital goods. This is the main cause for rising trade imbalance in India. The below table reveals the changing structural trend in its exports.

TABLE 1

YEAR	AAGR of bulk imports	POL / bulk imports	consumption goods/ blik imports	bulk imports/total imports	AAGR of non-bulk imports	IAAGR of Mainly Export Related Items	non-bulk Items /total import	Export Related Items /total import	1. c.A Fertilisers	7.C.B Iron and Steel	1. Pearls, Precious and Semi-Precious Stones	2. Edible Oils	AAGR of Capital Goods
1991-92	-32.4	62.2	3.2	44.1	-32.5	-25.8	55.9	18.4	23.52	19.70	48.25	2.48	-25.8
1992-93	-2.3	61.3	5.3	44.1	-25.7	-82.7	55.9	19.0	28.32	22.55	70.73	1.67	-49.2
1993-94	-24.4	63.1	3.6	39.1	-22.2	-22.5	60.9	18.8	25.91	24.94	82.63	1.67	-22.5
1994-95	-34.7	52.4	10.1	39.5	-37.4	-46.9	60.5	15.1	33.04	36.53	51.17	6.24	-44.1
1995-96	-21.3	52.6	6.8	39.0	-8.1	-1.9	61.0	14.3	56.29	48.38	70.45	22.62	-1.9
1996-97	5.4	61.3	7.4	41.8	-22.7	-20.2	58.2	15.7	32.35	48.66	103.84	29.29	-3.4
1997-98	-1.3	55.2	10.0	35.7	-23.7	-16.3	64.3	16.7	41.50	52.81	124.21	27.65	-16.3
1998-99	-53.0	48.4	19.1	31.2	-6.1	3.5	68.8	16.8	45.28	44.74	158.20	75.89	8.2
1999-00	-11.7	64.2	12.3	39.6	-4.4	-5.1	60.4	18.4	60.63	41.24	235.56	80.46	-5.1
2000-01	-1.6	75.2	6.9	41.2	-9.4	-59.9	58.8	15.9	34.35	35.54	219.64	59.77	-15.4
2001-02	-21.7	69.1	10.1	39.4	-20.9	-38.6	60.6	16.1	32.38	39.76	220.46	64.65	-38.6
2002-03	-15.1	72.6	9.9	39.6	-24.6	-72.9	60.4	16.8	30.29	45.67	293.41	87.80	-28.6
2003-04	-40.7	69.8	10.4	37.7	-38.8	-34.5	62.3	16.3	33.12	69.21	327.57	116.83	-34.5
2004-05	-42.0	70.4	7.3	38.0	-25.6	-88.6	62.0	15.3	61.88	119.95	423.38	110.77	-47.7
2005-06	-41.3	72.0	4.5	41.0	-17.6	-27.7	59.0	12.5	94.17	202.43	404.41	89.61	-27.7
2006-07	-18.8	67.7	5.1	45.5	-21.8	-55.1	54.5	9.6	142.27	290.71	338.81	95.40	-32.5
2007-08	-38.2	70.6	4.1	44.8	-33.8	-17.0	55.2	8.3	217.65	349.81	320.94	103.01	-17.0
2008-09	5.5	66.9	3.6	45.7	-3.2		54.3	10.7	626.73	435.80	762.63	158.38	5.4
2009-10		69.4	7.2	43.5			56.5	10.9	324.37	390.98	766.78	264.83	

The share of bulk imports in total imports was lower compared to the share of nonplus imports. In 1991 the bulk imports were 44 percent and it almost remained same till today. It share is 43.5 percent in 2009-10. Whereas the share of non bulk import was 55.9 per cent in 1991-92 and it also remained same in 2010 with 56.5 per cent with some fluctuation in last 20 years. When we look at the AAGR of bulk imports, it reveals that its growth rate was higher compared to non bulk imports which were mainly after 2003, with increased India's trade with outer world. In bulk imports POL share has been almost 65-70 percent of the total bulk imports over the years. The consumer goods share also rose mainly in between 1997-2003, after that it reduced but the overall fall was less than the first half of 1990s. It shows that with increased growth India is importing more and more consumer good, mainly the import of edible oil import rise to a larger extent over the years, which raised the import share of non oil imports nearer to oil imports in recent years. In non bulk imports the share of capital goods as well as export related items are rising mainly after 2001, which is the only positive trend in its total imports. Today India's Imports have been driven by an increase in the imports of mainly export-related items like pearls, precious and semi-precious stones and electronic goods. The period of economic recession was exception to some positive structural changes. The share of fertilizers in total imports higher than the share of iron and steel. The rising share of edible oil, fertilizers implies growing domestic demand for non-oil commodities in the growing economy.

GROWTH OF INDIA'S EXPORTS

The structural change in the total exports can be traced. India has gradually transformed from a predominantly primary products exporting country into an exporter of manufactured goods. Aided by various export promotion measures, the share of 'manufactured goods' in India's total exports increased. The share of agriculture and allied sectors total exports has been declined over the years. Share of manufactured goods' relatively rose over the years. Although India is the world's largest leading producers of a range of commodities. It has a largest share in the production of rice, coffee, wheat, sugar, cotton, coconuts, fruits, flowers and vegetables, dairy products, turmeric (patent issue) and some other commodities. Agriculture sector is providing for nearly (50 to 55 percent working population a direct employment through Agri and Allied sectors. Agriculture and allied sector contribute about 17 percent to GDP and about 25 percent to exports belong to agricultural products category (economic survey, 12). For example Basmati is a key exporting commodity mainly to Gulf countries like Saudi Arabia, Iran also to Europe and US. Recently many fruits mainly mangoes are getting more demand from EU, USA and some other countries. In agriculture goods sector the share of raw material reduced but it has been pre occupied by agri allied sections namely fruits and vegetables. Today food processed industry and floriculture are getting more demand from outside India. The share of manufactured goods has shown an improvement driven by the increasing share of chemical and allied products, engineering goods, textiles and handicrafts including gems and jeweler. The AAGR of the manufactured goods' rose over the years; its share in total export was 73 per cent in 1991 and over the years in rose to a maximum rate of 80 per cent in 1999-2000. After that the sect oral growth is not optimistic, it further reduced during 2007 economic recession. Minerals fuels ores, fuels and lubricants all are doing well. India's future lies in its petroleum products, which is nearly 2.23 per cent in 1991-92 and it consistently raised, in 2009-10 it is nearly 16 per cent in the total export. It is more promising major exporting category.

TABLE 2

YEAR	AAGR of primary products	AAGR of manufactured goods	AAGR of petroleum products	Manufactured Goods/ total exports	Petroleum Products/ total exports	AAGR of total exports	Rice/Agra products	Processed Fruits, Juices/ agri products	Fruits and Vegetables/ agri goods
1991-92	-10.13			73.60	2.32	-2.19	12.12	4.42	4.42
1992-93	-37.43	-25.44	-34.92	75.73	2.57	-29.92	11.83	2.51	3.44
1993-94	-6.19	-22.17	9.53	74.90	1.79	-1.85	8.06	3.28	3.28
1994-95	-48.26	-22.63	-4.90	77.49	1.58	-28.64	6.85	2.72	3.29
1995-96	-17.51	-19.34	-15.95	74.69	1.43	-1.17	11.04	2.59	2.59
1996-97	-0.16	-10.00	-12.69	73.54	1.44	-9.50	5.34	4.48	2.38
1997-98	-2.02	-11.44	23.35	75.83	1.01	-0.74	5.56	2.40	2.40
1998-99	3.00	-9.98	71.30	77.64	0.27	-14.17	9.75	2.81	2.13
1999-00	-15.16	-15.73	55.21	80.70	0.11	-2.76	5.29	2.65	2.65
2000-01	-4.94	-21.82	-4969.26	77.05	4.20	-2.68	3.94	4.83	3.09
2001-02	-23.32	-1.44	-18.32	76.14	4.84	-2.21	4.01	3.75	3.75
2002-03	-7.99	-22.38	-23.38	76.34	4.89	-14.98	5.53	4.57	3.66
2003-04	-33.84	-12.59	-31.50	75.96	5.59	-2.79	3.48	5.18	5.18
2004-05	-19.07	-22.46	-91.52	72.70	8.37	-21.60	4.67	3.35	4.70
2005-06	-22.85	-15.06	-64.10	70.39	11.29	-2.53	3.04	4.72	4.72
2006-07	-24.53	-19.61	-64.01	67.20	14.78	-14.71	2.14	3.20	0.21
2007-08	-5.05	-7.32	-35.11	63.21	17.41	-2.82	2.13	4.13	4.13
2008-09	-7.47	-36.61	-8.06	67.37	14.68	-0.57	1.72	3.94	5.60
2009-10		3.65	-7.70	64.63	15.72	10.00	1.59	6.37	6.37

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BOP – Balance of payments accounts are the record of all monetary transactions between country and rest of the world. India being a largest economy in the world, having a medium stable BOP history. Through capital flows with increased integration of the Indian economy with the rest of the world the current as well as capital accounts transactions raised over the decades. The combined share of exports and imports of goods increased from 14.2 per cent of GDP in 1990-91 to about 43 per cent in 2011-12 according to the economic survey report. After the adaptation of liberalized economy in 1990s, Bop not showed stability in the initial stage, but in later stages, mainly in-between 2001-2004 achieved a surplus Bop record, but in later mainly since 2007 it adversely affected by Global financial crisis. Till today with rising oil and non-oil imports (POL and gold rush) current account deficit widening. Bop has been under increased stress recently due to the adverse effect of global economic crisis and domestic inflation, which also turned negative for the first time during 2008-09 due in the decade (2001 to 2010).

TABLE 3: BALANCE OF PAYMENTS - INDICATORS

(%)	Trade		Invisibles			Current Account			Capital Account		Import Cover of Reserves (in months)				
YEAR	Exports/ GDP	Imports/ GDP	Net/ GDP	Payments/ GDP	Receipts/ GDP	CAD/ GDP	Current Receipts/ Current Payments	Current Receipts/ GDP	Foreign Investment/ Exports	Foreign Investment/ GDP		trade deficit as % of exports	AAGR of net invisibles	AAGR ofM exports	AAGR ofM imports
												-14.5	-5.1	-21.9	-28.6
1991-92	6.9	7.9	0.7	2.9	3.6	-0.3	94.3	10.3	0.7	0.1	5.3	-31.5	-103.1	-29.9	-16.5
1992-93	7.3	9.6	0.6	3.0	3.6	-1.7	87.7	10.7	3.0	0.2	4.9	-17.9	-96.2	-18.5	-25.6
1993-94	8.2	9.7	1.0	3.1	4.1	-0.4	95.6	12.2	18.7	1.5	8.6	-33.7	-3.2	-28.6	-30.0
1994-95	8.3	11.1	1.8	3.1	4.8	-1.0	91.7	13.0	18.3	1.5	8.4	-35.1	-97.0	-11.7	-15.7
1995-96	9.1	12.3	1.5	3.4	5.0	-1.6	88.8	14.0	14.9	1.4	6.0	-43.4	-1.8	-9.5	-9.6
1996-97	8.8	12.6	2.6	2.9	5.5	-1.2	91.6	14.2	18.0	1.6	6.5	-43.6	-4.8	-8.8	-4.7
1997-98	8.7	12.5	2.4	3.2	5.6	-1.4	90.9	14.2	15.1	1.3	6.9	-38.4	-47.4	-12.7	-20.1
1998-99	8.2	11.4	2.2	4.0	6.2	-1.0	93.2	14.4	7.0	0.6	8.2	-47.5	20.8	-27.7	-9.3
1999-00	8.3	12.3	2.9	3.8	6.7	-1.0	93.0	15.0	13.8	1.2	8.2	-27.3	-58.1	-2.6	-1.4
2000-01	9.9	12.6	2.1	4.9	7.0	-0.6	96.4	16.9	14.9	1.5	8.8	-25.8	-15.4	-21.9	-13.9
2001-02	9.4	11.8	3.1	4.6	7.7	0.7	103.8	16.9	18.2	1.7	11.5	-19.9	-54.7	-16.9	-17.8
2002-03	10.6	12.7	3.4	4.9	8.3	1.2	106.6	18.8	11.2	1.2	14.2	-20.9	-9.6	-25.6	-31.2
2003-04	11.0	13.3	4.6	4.3	8.9	2.3	112.8	19.9	23.7	2.6	16.9	-39.8	-33.2	-22.0	-30.3
2004-05	12.1	16.9	4.4	5.5	9.9	-0.4	98.0	21.9	18.0	2.2	14.3	-49.3	-26.7	-25.1	-19.4
2005-06	13.0	19.4	5.2	5.9	11.1	-1.2	94.8	24.0	20.3	2.6	11.6	-48.0	-29.1	-14.6	-20.0
2006-07	13.6	20.1	5.5	6.6	12.1	-1.0	96.0	25.6	23.1	3.1	12.5	-55.0	-38.0	-28.4	-26.3
2007-08	13.4	20.8	6.1	5.9	12.0	-1.3	95.0	25.4	37.3	5.0	14.4	-63.8	9.4	-0.6	-1.3
2008-09	15.4	25.2	7.5	6.2	13.7	-2.3	92.6	29.1	14.8	2.3	9.8	-64.9			
2009-10	13.4	22.0	5.9	6.1	12.0	-2.8	89.9	25.3	35.9	4.8	11.1				

Going beyond trade reforms, India moved to full convertibility on current account in August 1994 by liberalizing various transactions relating to merchandise trade and invisibles. The compound average growth rate of overall trade balance was 40.29 per cent in between 1991-2000 and it further reduced to 23.73 per cent in between 2001- 2010. One of the main components of BOP is the current account. India's current account deficit – the excess of imports of goods and services over exports, factor incomes and transfers from overseas The current account deficit to total GDP was 0.3 per cent in 1991-92, it almost remained about 1.0 per cent of GDP during the period between 1992-2000. It recorded a surplus in 2001-02 after a period of 23 years, which sustained up to 2004. The main reason behind is increasing the share of invisibles which are growing over the years. The AAGR of the invisibles rose from 5 per cent in 1991, to above 90 per cent over the years. With the narrowing of the current account deficit in the recent years, there is a need for revisiting the issue of sustainability of current account in the Indian context. The ratio of short term debt to total debt has increased rapidly and consistently since 2006, which can be seen in the below table. With the increased integration with the rest of the world, international factors further worsening vulnerable balance of payments position resulting from more long-term structural factors. (eg: global recession, 2oo7). The share of exports as well as imports rose over the years, but the imports share was higher than its imports, which are 6.9 % and 7.9 % in 1991, raised further in 2010 to 13.4 % and 22% respectively. India's capital accounts are at good stage with increasing foreign investment inflow into the country over the years. The foreign investment to GDP was raised from 1 percent to 4.5 per cent in 2010. With the constant rise in the AAGR of the imports rather than imports the overall trade deficit as percent of export raised from -14.5 per cent in 1991 to -64.9 percent in 2008-09, with larger negative trend. Though imports have been more responsible for the higher CAD, while in the meantime exports have not been booming The problem therefore lies with imports mainly the two sets of commodities—gold and petroleum and petroleum products accounted for more than half of the merchandise trade deficit. This made India the country with the second highest external deficit in the world, after the United States. A sharp reduction in gold imports is what the government needs to aim for to reduce rising deficit.

With the increased integration with the rest of the world, international factors further worsening vulnerable balance of payments position. The liberalized current account as well as capital account convertibility the ratio of external debt raised with increased freedom for the private corporate to borrow money from external sources. The share of short term debt to total debt has increased rapidly and consistently over the years. It further rose since 2006, which is one of the prime reasons for widening and worsening BOP situation. The bellow table reveals the rising external debt burden to the Indian economy. In absolute terms, External debt rose from 163100 crore Rest in 1991 to 13, 66,117 crore Rs in 2011. The AAGR depicts the declining trend, which again reached double digit in 2007 onwards due to economic recession. The concessional component of the external debt as percent of total debt had declined from 45.9 percent in 1990 to 15.6 percent in 2011-12. Over the same period the short term debt as well as debt stock- GDP ratio also showing declining trend. But the share of short term debt increased to double digit since from 2005 till 2011. The debt service ratio has a downward trend and also the interest on foreign debt as percent of value of exports falling from 6.3 percent in 1991 to 1.1 percent in 2003, and further to 0.3 percent in 2010. So the overall ratio of external debt reduced compared to internal debt, in which market borrowing share rising consistently from 23 percent in 1991 to 80 percent in 2011, nearly fivefold rise in two decades. The budgetary deficit also turned negative since 1998 except few years (2001, 2005, 2006, and 2008). India's private sector external borrowing also raised the burden beyond Government debt service. It is important to know that the external borrowing by India's private sector has increased as a share of GDP in recent years, and also the share of long-term private non-guaranteed debt and the short term external debt in total external debt has increased. The selected indicators reveal that the external debt position significantly changed over the years with the fall in the debt service ratio and consistent rise in the volume of export as a percent of interest share. The rising debt burden is contributing to the unsustainable internal as well as external deficits followed by domestic fiscal deficit and raised trade deficit, which in turn have adverse impact on Investment and growth with reduced confidence among domestic as well as foreign investors. To achieve debt sustainability, either revenues has to be raised or cut in public spending should be the remedy.

The share of total external debt to GDP progressively reduced from 39 percent in 1991-92 to 18.2 per cent in 2009-10. The share of short term debt to Gdp also declined progressively with reaching the level even below 10 per cent in between 2000 to 2004, which is the era of surplus BOP in the trade history of India, but after that it again moving upward direction with 19 per cent rise in 2009-10. In the mean time the share of short term debt as percent of total debt and debt stock to GDP ratio rising in opposite direction, which were 10.2 and 28.7 per cent respectively in 1991-92 and they further raised and reached 20.4 per cent and 20.5

per cent respectively in 2009 -2010. But the positive development in is that the AAGR of the external debt reduced drastically in the first half of 2000s except the rise in 2007 onwards due to several internal as well as external imbalances. The net inflow of Aid also benefited India to balance with its deficits. The major worry sum issue is the rising interest burden which was 42 per cent in 1991, but further rose to 54 percent in 2001 and almost remained in the same level with 40 per cent in 2009-10. So the overall picture is a mixture of positive as well as negative points and signs.

TABLE 4

	India's Key External Debt Indicators			Debt Service Payments						Key External Debt As Well As Internal Debt Indicators						
YEAR	Total External Debt to GDP	Short-term Debt* to Foreign Currency Assets	Foreign Exchange Reserves to Total Debt	Net Inflow of Aid	TOTAL	Interest	AAGR of total debt payment	Value of Exports(crore)	Interest on foreign debt as % of Value fo Exports	Market borrowing	Bedgetary Deficit	Gross Total Debt	AAGR of External debt	Concessional Debt as % of Total Debt	Short Term Debt As % of Total Debt	Debt Stock - GDP Ratio
1991-92	39.0	77.0	11.0	142	165	42	-31	44041	6.3	23	15	163001		45.9	10.2	28.7
1992-93	38.0	65.0	11.0	110	159	49	-9	53688	6.7	14	24	252910	-55	44.8	8.3	38.7
1993-94	34.0	19.0	21.0	66	132	46	-9	69751	5.4	46	18	280746	-11	44.5	7.0	37.5
1994-95	31.0	17.0	25.0	59	134	45	-21	82674	4.9	36	-3	290418	-3	44.4	3.9	33.8
1995-96	27.0	23.0	23.0	68	120	37	6	106353	4.2	50	33	311685	-7	45.3	4.3	30.8
1996-97	25.0	25.5	28.0	43	128	33	-3	118817	3.6	31	15	320728	-3	44.7	5.4	27.0
1997-98	24.0	17.0	31.0	-145	318	38	-14	130100	3.2	36	54	335827	-5	42.2	7.2	24.6
1998-99	23.6	13.0	34.0	-186	344	54	-8	139752	3.1	51	-1	369682	-10	39.5	5.4	24.3
1999-00	22.0	10.0	39.0	16	160	53	-13	159561	2.8	45	-89	411297	-11	38.5	4.4	23.6
2000-01	23.0	9.0	42.0	-28.37	170	54.2	7	203571	2.2	44	-1	428550	-4	38.9	4.0	22.0
2001-02	21.0	5.0	55.0	-7.6	152	55	-115	209018	2.1	46	28	472625	-10	35.4	3.6	22.5
2002-03	20.0	6.0	73.0	-8.3	141	52	7	255137	1.8	54	1	482328	-2	35.9	2.8	21.1
2003-04	18.0	4.0	100.0	-6.01	123	48	60	293367	1.1	58	-5	498804	-3	36.8	4.5	20.3
2004-05	18.1	12.5	106.0	0.39	119	48.7	6	375340	0.7	27	-33	495459	1	35.8	3.9	18.0
2005-06	17.0	12.9	109.0	-16.25	126	51	-12	456418	0.7	46	12	586305	-18	30.7	13.2	18.1
2006-07	17.0	14.0	116.0	4.55	104	46	2	571779	0.7	58	37	620522	-6	28.4	14.0	16.8
2007-08	18.0	15.0	138.0	22.3	96	42	-21	655864	0.6	90	-6	751402	-21	23.0	16.3	17.5
2008-09	20.0	17.0	112.0	22.3	87	40	-4	840755	0.5	74	32	897290	-19	19.7	20.4	18.0
2009-10	18.2	19.0	107.0	49.5	67	30		845534	0.4	83	-8	1142125	-27	18.7	19.3	20.5

Source: Indian public finance statistics 2004-2010

Terms of trade plays an important role in benefiting the concerned country. Country can get gain from trade when its TOT is favorable compared to other countries. India's net terms of trade, which measure the relative change in export and import prices have been fluctuating during the 1990s. Import purchasing power of exports as measured by the income terms of trade have consistently improved during the 1990s on account of strong export, growth in volume terms. The growth rate of Terms of trade in CARG terms turned negative such as -1.8613 in between 2001-2010 compared to 2.175574 percent growth in between 1990-2000. It shows that the overall trade growth was unfavorable to India. The AAGR of the gross TOT which was 15.7 per cent in 1991, showing very much volatility with positive as well as negative trends reached 22 percent in 2009-10. The overall avability of Foreign exchange reserves (Rupees Billion) are substantially riser in the present years compared to 1991s deficit reserves, this is one of the major achievement in India's trade scenario.

TABLE 5

YEAR	Terms of trade(gross)	Foreign Exchange Reserves to Total Debt	Foreign Investment(crore)	Foreign exchange reserves(Rupees Billion)	AAGR in oreign Investment	AAGR of Foreign exchange reserve
1991-92	-15.7	11.0	326	9220	-425.5	-6.6
1992-93	-1.0	11.0	1713	9832	-660.4	-95.8
1993-94	-9.2	21.0	13026	19254	-23.9	-30.8
1994-95	3.9	25.0	16133	25186	-1.4	13.9
1995-96	7.2	23.0	16364	21687	-33.1	-21.8
1996-97	-17.1	28.0	21773	26423	8.1	-11.1
1997-98	-10.9	31.0	20014	29367	49.5	-10.6
1998-99	5.3	34.0	10101	32490	-122.3	-17.1
1999-00	20.1	39.0	22450	38036	-38.2	-11.2
2000-01	-1.1	42.0	31015	42281	-25.3	-28.0
2001-02	10.2	55.0	38874	54106	25.1	-40.6
2002-03	-14.2	73.0	29105	76100	-147.9	-48.4
2003-04	2.4	100.0	72139	112959	4.3	-25.3
2004-05	-32.6	106.0	69042	141514	-37.6	-7.1
2005-06	-7.2	109.0	94981	151622	-42.2	-31.4
2006-07	-20.6	116.0	135080	199179	-85.0	-55.5
2007-08	53.8	138.0	249953	309723	48.5	18.6
2008-09	-11.2	112.0	128650	251985	-158.4	-10.7
2009-10	22.0	107.0	332490	279057		

TRADE DIRECTION

Destination-wise analysis of the Indian exports and import indicates an unchanged position in respect of the Organization for Economic Cooperation and Development (OECD) group being the largest market, increasing prominence of the Organization of Petroleum Exporting Countries(OPEC) and the developing countries (Asia, Africa and Latin America), and a steep fall in the relative position of the Eastern Europe countries. India has also been successful in diversifying its export market increasingly to the developing countries along with the OECD emerging as the largest market for India's exports. A notable feature is that despite the loss of the East European market after the collapse of the Soviet Union, India made a safe transition to other markets like developing countries of Asia and to the OPEC.

TABLE 6						
	1990-91		2001-02		2008-09	
COUNTRIES	EXPORT	IMPORT	EXPORT	IMPORT	EXPORT	IMPORT
OECD	56.5	57.2	52.7	39.9	37.4	31.8
EU	27.5	29.4	23.4	20.8	21.3	14.3
OPEC	5.6	16.3	10.9	5.3	21.2	32.6
UAE	2.4	4.4	5.8	1.3	13.1	7.1
ASIA	14.4	14	22.5	16.7	28.1	26.6
SAAC	2.9	0.5	4.3	0.9	4.6	0.6
AFRICA	2.2	2.4	4.4	3.9	6.3	4.3
LATEN AMERICA	0.5	2.3	2.3	1.4	3.1	2
USA	14.7	12.1	20.9	6	11.4	6.2
UK	6.5	6.7	5.2	6.3	3.6	2
CHINA	0.1	0.1	1.9	3	5.1	10.8
SAUDI	1.3	6.7	1.8	1.2	2.7	6.7
HONG KONG	3.3	0.7	5.9	1.7	3.6	2.2
GERMANY	7.8	8	4.3	3.5	3.5	4
DEVELOPING COUNTRIES	17.1	18.7	29.3	22.1	37.6	32.9
IRAN	0.4	2.4	0.5	0.4	1.4	4.2
INDONESIA	0.6	0.3	0.9	1.8	1.4	2.3
KOREA SOUTH	1	1.5	1	1.8	2.2	2.9

Source: economic and political weekly data base

An important factor in the direction of India's trade is that the USA which was in first position in 1990s and even in 2001 to 07 has been moved to the third position in 2008 onwards. In the mean time UAE become India's largest trading partner, followed by China from 2008 onwards. This position continued from 2008 onwards with share in the total trade of 20.2 per cent, where as china is in the second place with share in total trade 15.9 percent. The major changes in bilateral trade direction are the entry of Indonesia, Korea, Iran, and Nigeria into the new list in the place of Italy, Malaysia, France, and Australia. Today India is having less number of advanced countries among the top 15 trading partners compared to 1991 to 2000, previous decade. The top 15 countries themselves have changed over the years. The major changes are the entry of Indonesia, Korea, Iran, and Nigeria in the new list in place of Italy, Malaysia, France, and Australia.

BILATERAL TRADE AGREEMENTS

India has important and strong economic relations with many countries in the world. Traditionally India has maintained trade relations with various countries. After the economic reforms of the early nineties, the Indian economy was opened up to further bilateral trade relations with various countries and to FDI with increased trade liberalization, import restrictions on many items were lifted which led to further expansion of India's economic relations with other nations.

The bilateral relationships between India and USA as well as India and Japan are considered due to increased strategic partnership between the countries. Now a day's India is looking for more strategic relationships rather than economic tie-ups'. From the past couple of years, with rising dominance of so called Asian Dragon India, USA, and Japan moving towards Geopolitics-strategic Agreements. The relations between India and Japan have progressed with rising Indo-US engagement. The first trilateral security meeting recently held between the three countries to discuss security issues in East Asia. The strategic formulations between United States, India, and Japan are having linking thread. The key points of bilateral frame work as follows

INDIA-UNITED STATES OF AMERICA: India's economic relations with the USA have been growing since from 60 years but mainly after the economic reforms substantial progress has been achieved. India would benefit by US' re-balancing strategy in the Asia-Pacific. Indo-US economic dialogue of 2003 was a major step in strengthening economic relations between India and USA (W.T.O). India ranks 24th among the trade partners of the USA in terms of exports and 18th in terms of imports. American is a huge market for Indian commodities, with Close trade and investment relations between India and US increasing demand for India's goods and services.

Nuclear Deal: (123 deal, 2005) Indo-US nuclear deal (2005-06): Indo-US bilateral cooperation in civilian use of nuclear energy was a major step in their bilateral relation. Through this USA extended full civil nuclear cooperation to India. With this agreement India is planning to set a target to lift its electricity generation capacity through nuclear means from 3000 MW at present to 63000 MW in the next 25 years, which require highly enriched uranium and modern technology. It was the first commercial agreement on civilian nuclear power cooperating.

The Indo-US defense cooperation: It covers diverse aspects such as joint military exercises (2006), sale of equipments, reciprocal visits by senior official, as well as doctrinal exchanges, naval exercise. Recently USA proposed for Joint collaboration to develop net generation version of the Javelin anti-tank missile, MH-60 Romeo multi-role helicopter, M-45 125 mm rapid firm naval gun, Javelin missile (Co-producing),anti-tank missile etc.

Energy cooperation: Opening up the prospects of export of shale gas to energy starved India, the US glinted conditional authorization to export domestically produced liquefied natural gas (LNG) to India.

The India-US higher education dialogue: The dialogue has been very instrumental in strengthening educational collaborations between the two countries. In the name of "Defining partnership of the century" they have outlined that knowledge sharing is an important component of it. The major initiatives include enhanced two-way student mobility, research collaborations, faculty development, and collaborations for cyber systems, technology enabled learning including massive open on-line courses (MOOCs). Through "Connect India" programmed both the countries aimed at inviting students from US institutions for short term courses in India. India has a vision to transform the country's educational institutions into hubs of knowledge creation and promoters of innovation as also provide opportunities to its youth for their skill development and employment. India-US higher education dialogue-2013 connects India. This dialogue focus on three areas namely, 1) workforce development, 2) research in sustainable development and energy and public health and 3) developing open education resources.

The Indo US cooperation in the field of technology, medical technology space, climate change are the major factors through which economic relations strengthened despite the major disputes with respect to patent issue on Basmati rice, internal as well as external subsidy and HIB and LI visas issue, BPO issue including long back imposed economic sanctions against India for its nuclear test in 1990s (1998).

INDIA AND JAPAN: The INDO-JAPAN strategic partnership taken a concrete shape in the mid 1990s when India launched its multi focused look east policy.

Cooperation in defense matters: Security is gradually becoming an important area of cooperation between the countries due to increased Chinese activities in the region. Both the countries went under naval exercises in 2007.

Energy security: The nuclear energy agreement also. They started formal negotiations for civil nuclear cooperation agreement in 2010. Regional energy efficiency and conservation centers establishment as well as "India-Japan energy forum" also under consideration.

Infrastructure development: The special "economic partnership initiative" launched in 2006 to given boost to bilateral economic and commercial ties. Japanese official development assistance (ODA) in poverty reduction, economic and social infrastructure development and human development was appreciated. A flagship project of India-Japan cooperation in the western corridor of the dedicated fright corridor (DFC) project, which also links Delhi-Mumbai Industrial corridor (DMIC) has potential of taking bilateral relations to a new stage.

Comprehensive economic partnership agreement – The agreement in which large number of Japanese MNCs infesting mainly automobile and infrastructure sectors. At the same time many Japanese small and medium enterprises showed interest to invest in India.

Disaster management: The space agency's of two countries, namely ISRO and JAXA cooperating with each other with respect to disaster management. Promoting capacity building in disaster prevention, sharing of knowledge and experience in disaster management.

India –Japan have also signed cooperation agreements for better cooperation in the field of pure science and biotechnology, ICT, broadband, traffic management, tele-medicine, high speed railway system on ppp basis are all other areas in which countries agreed to work together.

WTO AND INDIA: WTO was established to supervise and liberalize international trade. It was the Uruguay round's significant creation. Its structure was more legalized to make it more effective than GATT. The growing difference between developed and developing countries is the main obstacle for its proper functioning. Although WTO wasn't given extensive rule and decision making authority as desired. It is still in the hands of major economies. Being an initial member country of WTO, India is following its trade policies. There are several unsettled issues in WTO. The major incident was Doha development agenda, which was planned to enhance poor countries participation in international trade, but it ended with raised disagreement with respect to agricultural sector, in which India for the first time raised its voice against rich countries dominance. Still India is having several unsettled issues with wto.The present major issues are Novartis patent case, IT (visa fee issue) and environmental goods agreement issues. The major successful issues are patent disputes with respect to Basmati Rice and turmeric patent with EU and USA, in which India succeeded by using WTO's dispute settlement mechanism. The major augmenting areas are NAMA (non-agricultural market access), TRIPS (Trade Related intellectual property Regimes, TRIMS (Trade Related Investment Measures) and Agriculture and textile. In the field of agriculture, agricultural products exports India is still facing non tariff barriers like qualitative regulations (Sanitary and phyto sanitary regulations, E.g. Mangoes banned by EU, US on quality grounds.) from several developed countries. WTO restricted India in providing 'Domestic subsidies', which is even less than 5 percent of GDP, compared to developed countries which are continuing to give subsidies in the name of Blue box, Green box, Amber box,(used for infrastructural development, provide alternative employment etc.).

The Doha round of negotiation in 2001 can be described as 'Development Round' because it was planned to enhance poor countries participation in international trade, in which for the first time developing countries, including India raised its voice against developed countries favored trade agreements. But unfortunately it was ended with implementation failure, due to the lack of time bound in removing trade barriers by the developed countries. In spite of that failure, it arrived at conclusion in the area of services anti-dumping, agriculture, IPS etc. on the whole, despite the strengthening of the multinational agreements under WTO, several demerits and loopholes still not permitting WTO to succeed in its goal, which mainly aimed at increase trade among LDCs, as a mean to growth (Rapid growth).

The economic reform process introduced in the beginning of the 1990s with the focus on liberalisation has enabled increased integration of the Indian economy with the rest of the world. The structural adjustment and economic policy reforms since 1991 are supposed to have resulted in a major shift in the development strategy of the country from that of inward-looking import substitution to globalization with export promotion. The opening of the economy to international trade has successfully raised the share of trade in the GDP.

CONCLUSION

Development is the main aim of every economy. Economic development increasingly depends on trade. The growing importance of the developing countries in international trade reveals that a country with immense natural and human resources can surely benefit through their strategic move in the international changed world. The economic reform process introduced in the beginning of the 1990s with the focus on liberalisation has enabled increased integration of the Indian economy with the rest of the world.

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FDI HIKE IN INSURANCE SECTOR: A STUDY ON THE NEED AND SIGNIFICANCE FOR THE INDIAN ECONOMY

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ABSTRACT

Our country is the fifteenth largest insurance market in the world in terms of premium volume, and has the potential to grow exponentially in the coming years. With the FDI in insurance been raised to 49%, our country still bears the tag of one of the least penetrated insurance market in the world. There is no doubt that the insurance sector needs capital. The projection of India's insurable interest to touch 750 million by 2020 and the savings through life insurance to reach 35% by 2020 signals growth for the industry. Despite being the biggest insurance industry in the world with 360 million policies still with so much of diverse policies available, the penetration is just 4% of the Indian economy. There is a strong need for the regulators to create a favorable environment for a competitive market through constructive engagement and effective consultation with industry, emphasizing on proper market conduct, good governance, customer centricity and efficient distribution. This article is an attempt to the present a picture of the insurance industry of the pre-reform period and also to capture the threats and opportunities after the raise in the FDI to 49%.

KEYWORDS

FDI, life insurance, penetration.

INTRODUCTION

THE BUSINESS OF INSURANCE

Insurance in India refers to the market for insurance in India which covers both the public and private sector organizations. It is listed in the Constitution of India in the Seventh Schedule as a Union List subject, meaning it can only be legislated by the Central government. The insurance sector has gone through a number of phases by allowing private companies to solicit insurance and also allowing foreign direct investment. India allowed private companies in insurance sector in 2000, setting a limit on FDI to 26%, which was increased to 49% in 2014.

AN ANALYSIS OF THE PRESENT INSURANCE INDUSTRY

FIG. 1: PRESENT INSURANCE INDUSTRY
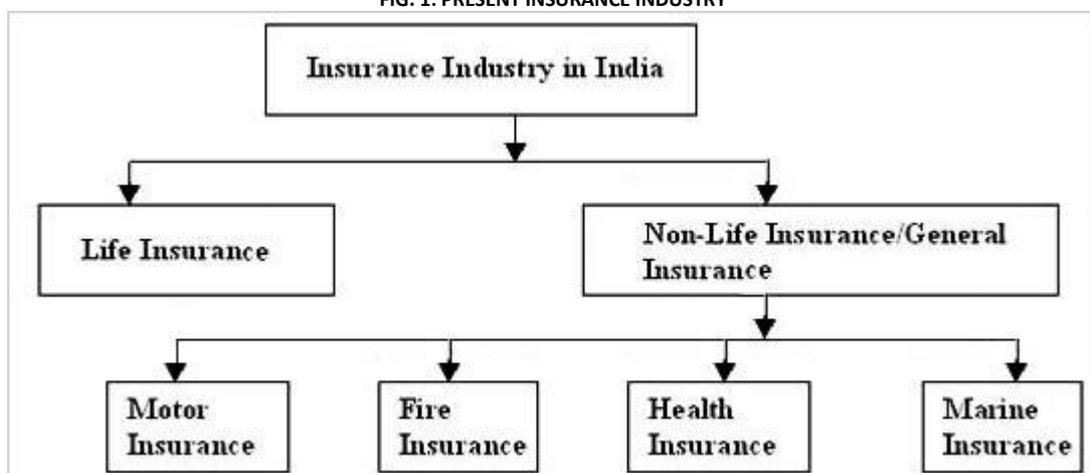
The Indian insurance industry consists of 53 insurance companies. Out of these 53 companies 24 are in life insurance business and 29 are non-life insurers. Life Insurance Corporation (LIC) is the sole public sector company. There are six public sector insurers and one sole national re-insurer, namely, General Insurance Corporation of India (GIC Re). Other stakeholders in Indian Insurance market include agents (individual and corporate), brokers, surveyors and third party administrators servicing health insurance claims. Out of 29 non-life insurance companies, five private sector insurers are registered to underwrite policies exclusively in health, personal accident and travel insurance segments. They are Star Health and Allied Insurance Company Ltd, Apollo Munich Health Insurance Company Ltd, Max Bupa Health Insurance Company Ltd, Religare Health Insurance Company Ltd and Cigna TTK Health Insurance Company Ltd.

FOREIGN DIRECT INVESTMENT (FDI)

Foreign Direct Investment is an attempt made by a company or individual in one country in business interests in another country, in the form of either establishing business operations or acquiring business assets in the country, such as ownership or controlling interest in a foreign company**.**

THE NEED AND SIGNIFICANCE OF FDI IN INSURANCE

The Insurance Law (Amendment Bill) was passed by the Parliament in the year 2015. It was first passed in LokSabha on 4 March 2015 and later in Rajya Sabha on 12 March 2015. The main objective was to bring in major improvements and revision related to the insurance business in India. The old FDI limit of 26% was raised to 49% with an expectation that this radical change will bring in at least 20000-25000 crore of short funds. There is a strong relation between foreign investments and economic growth. FDI in insurance can lead to better penetration of insurance in India.

The measure of insurance penetration and density reflects the level of development of insurance sector in a country. The level of insurance penetration depends on a large number of factors like level of economic development of the country, the extent of the savings in financial instruments and the size and reach of the insurance sector. While insurance penetration is measured as the percentage of insurance premium to GDP, insurance density is calculated as the ratio of premium to population (per capita premium). Penetration of insurance critically depends on the availability of insurance products and services. Huge untapped market, proliferation of schemes, new product innovations, perception of insurable risks of Indian consumers, competitive pressures arising from integration of bank and insurance, impact of information technology, and the role of insurance industry in financial services industry are some of the forces which shape the competitive structure of the insurance industry. A close look on the views and opinion of the eminent personalities of the Insurance Industry

Ashwin Parekh, the managing Director of eponymously named Advisory Services is of the view that the insurance sector needs capital. The general insurance sector needs it even more as their combined loss in 2013-14 was Rs 7,549 crore and that capital can only come from their overseas partners. For the additional capital, the companies need to do a valuation exercise for themselves. He also said that it is the process of price discovery.

Keki Mistry, CEO, HDFC and on the board of directors of HDFC Ergo is of the view that the company has the ability or the option and agreement to take the stake to 49 per cent based on the valuation which would be done by two independent values.

Varun Dua, CEO, Coverfox has said that the company is reasonably well funded but will start the fresh fund raise process within few months and has also talked existing investors as well as to some global funds

As per The Indian Express, the raise in the FDI Limit has made the life of some of the largest insurance companies difficult.

THE MARKET POTENTIAL

India's insurable population is expected to rise by 750 million by 2020, with the life expectancy reaching 74 years. The savings in the form of life insurance is expected to be 35% of the income against 26% by 2020. The other driver for the industry are explained with the diagram below

FIG. 2: THE MODEL SHOWS THE VARIOUS GROWTH DRIVERS FOR THE INDUSTRY

Growth of finance industry as a whole
- ✓ Increasing disposable income,
- ✓ Working population and awareness

Growth in the life as well as non-life insurance
- ✓ Strong need to invest for the security of self and family
- ✓ Consumer goods, automobiles, travel and facilities necessitates the need for cover

Promoting innovation and removing inefficiency
- ✓ Increasing universe of potential insurance takers
- ✓ Professionalization of the companies

Growth of specific insurance products
- ✓ Micro insurance, motor insurance health insurance

Competition and orderly growth
- ✓ Regulations which are conducive for growth and expansion
- ✓ Large number of providers

Though there are many drivers for the raise in the FDI limit for the insurance sector but the most significant one is the poor market penetration necessitating the need for liberalising the FDi limit. The table below shows the year wise penetration of the insurance industry.

TABLE 1

Year	Premium as a percentage of the GDP
2004-05	3.17
2005-06	3.14
2006-07	4.8
2007-08	4.7
2008-09	4.6
2009-10	5.2
2010-11	5.1
2011-12	4.1
2012-13	3.96
2013-14	3.9
2014-15	3.3

Source: Swiss Re's Sigma Study

ADAPTING TO THE NEW MEASURE

At least 12 insurance companies have sent their applications to the Foreign Investment Promotion Board (FIPB) to increase the stake held by their foreign partners. Bharti Enterprises became one of the first businesses to state that its overseas investor, AXA, would step up its equity investment in the life and general insurance companies to 49 per cent. Shortly afterwards, it applied to FIPB.

AXA increased its stake in Bharti AXA Life Insurance and Bharti AXA General Insurance to 49 per cent after receiving approvals from FIPB and the Insurance Regulatory and Development Authority of India (IRDAI) in the month of December. AXA's proposal to invest Rs 1,290 crore in Bharti AXA Life and General Insurance is approved by FIPB

FDI INFLOW IN INSURANCE

The table below presents a list of the insurance companies with additional funds and the stake of their partners.

TABLE 2

Insurer	Additional funds via FDI(crore)	Foreign partner stake(%)
AEGON Religare Life	560.00	23
Bharti AXA life	858.60	23
Bharti AXA General	431.40	23
Birla Sun Life Insurance	1664.00	23
Cholamandalam MS General Insurance	882.60	14
Edelweiss Tokio Life	540.00	23
HDFC ERGO	1122.00	22.90
HDFC Life	1705.00	9
ICICI Lombard	1550.00	9
ICICI Prudential lifeInsurance	1950.00	6
Max Bupa Health Insurance	191.00	23
Reliance Life Insurance	2265.00	23

Source: company statements

The table proves the contribution of the foreign institutions in the Indian Insurance Industry and also signals the further that increase in the FDI for insurance will help in better penetration and coverage of the market.

CONCLUSION

Insurance not only helps people hedge different kinds of risk but also acts as one of the important medium to channelize the savings of the people into different sectors with promising returns. FDI has always worked as life blood for the developing nations. India has the largest number of policies to offer and raising the FDI limit for the Insurance sector means welcoming benefits in terms of economic prosperity healthy competition and better market penetration and coverage.

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CORPORATE ANNOUNCEMENTS EFFECT: A STUDY OF DIVIDEND ANNOUNCEMENTS

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ABSTRACT

This study tests the semi-strong form of market efficiency by investigating the reaction of stock prices to dividend announcements. This study belongs to event study methodology. The focus of present study lies in the sample period from 2011 to 2013 for finding out significant change in the abnormal stock returns before and after dividend announcement by 34 sample companies from 12 different sectors which are listed at NSE 100. The results indicate that there are significant positive abnormal returns can be observed from the day five (t_{+5}) of dividend announcement in line with evidence of developed stock market. On the announcement day there is negative AAR of -0.4% which is very low and significant at 1% level (z value = 3.57). The results provide stronger evidence of semi-strong efficiency of the Indian stock market.

KEYWORDS

AAR, CAAR, dividend, semi-strong form.

1.　INTRODUCTION

In the corporate finance world, companies don't have any obligation to pay dividends. However, we still see a large number of corporations paying out dividends regularly. The crucial question is why do companies pay dividend? Dividend pay-out decision is among the basic policy choices that corporate financial officers make. How much to pay is still an open issue. The dividend is the cost of equity capital to equity shareholders. The dividend announcement has an impact on the market price of the shares; the market will react positively, if the dividend is up to the expectation level of the equity shareholders. At the same time if the dividend announcement is not the expectation level of the equity investors, the market reaction will in bear trend for that particular scrip. Dividend announcements are one of the most important events and the studies on stock market reaction to earnings information are included in the semi-strong form of efficient market hypothesis (EMH). It is therefore a matter of concern that firms announcing Dividend experience rise in their stock prices on an average supporting semi-strong form Efficient Market Hypothesis (EMH).[1]

Most recurrent form of dividend announcement is in the form of cash. When a company has either contained the ideas regarding better investment alternatives in its hands, or is suffering from liquidity crunch, the company will not think it wise to give cash to the shareholders and the company will go for the other option that is bonus shares. Dividend announcement is one of the most important corporate announcements, as this does not only entail cash flow from company to shareholders but also send signals regarding companies' present and future plans and performance. Why companies pay dividend at all and incur double taxation? This remained a debatable issue in the earlier financial research.[2] But daniels, Shin and Lee (1977) focused on level of market efficiency and argued that since managers have private and superior information which is not available to general public they use dividend announcement and payout to signal company's present and future earning cash flow potential and consequently the magnitude of dividend increase/decrease the value of share.[3]

The aim of this paper is to examine the stock price reaction to dividend announcement with a view of examining whether the Indian stock market is semi-strong efficient or not. The Event Study Methodology (Dolley 1933; Fama et al. 1969; and Brown and Warner 1980, 1985) has been used to contribute further evidence on the efficiency characteristics of the Indian stock market.

2.　LITERATURE REVIEW

According to the dividend information content hypothesis, dividend changes trigger stock returns because they reflect changes in management's assessment of a firm's future profitability. This hypothesis has motivated a considerable amount of theoretical can empirical research. The general procedure used in prior research begins with classifying the dividend change announcement into either favorable or unfavorable. Ball, R. and Brown, P. (1968), Bhattacharya, S.(1979) and Bae Gil S. (2008) found out that the announcement increased (decreased) earnings over the previous year by a chaebol-affiliated firm had a positive (negative) effect on the abnormal return for the value -weighted portfolio of other non-announcing affiliates in the same group. Dasilas Apostolos (2008) investigated the stock market reaction of the Athens Stock Exchange to cash dividend announcements for the period 2000-2004. In particular, the study examined both the stock price and trading volume response to company announcements about dividend distributions. Eriotis Nikolaos (2007) discovered that existence of a long term dividend policy stood partly unaffected by the level of current period earnings. Hazak Aaro (2007) presented a theoretical model on dividend policy for distributed profit taxation which is the corporate taxation regime of Estonia. Henry Elaine (2006) examined market reactions to firm's earnings announcements. The study extended the examination to include a broad range of concurrent disclosure contained in earnings press releases, the financial disclosures captured as accounting ratios and verbal components of disclosure which were captured using elementary computer based content analysis. Hochberg Yael V. (2003) examined the effects of venture capital backing on the corporate governance of the firm following the IPO. How Janice C. Y. (2007) observed that in a relatively less litigious environment like Australia it was common to find IPO firms that voluntarily provided forecasts in their prospectus. Hribar Paul (2004) examined how institutional investors respond to accounting restatements. The study showed that transient institutional investors defined as institutions with shorter investment horizons and higher portfolio turnover significantly reduced their holding in a restating firm at least one quarter prior to the quarter of the restatement. Jegadeesh Narasimhan (2002) examined the relation between revenue surprises and future stock returns. The study investigated how analysts updated their earnings forecasts followed by announcements of revenue and earnings surprises. The results indicated that the stock price reaction on the earnings announcement date was significantly related to both revenue surprises and earnings surprises. Kato, K. and Loewenstein, U. (1995), Kanniainen Juho (2007) examined of stock return volatility by questioning the assumption that the conditional expectations of future dividends react to the same new information. Kanwal Anil (2008) observed profitability as always been considered as a primary indicator of dividend payout ratio. Apart from profitability, numerous other factors like cash flows, corporate tax, sales growth and market to book value ratio were also considered rampant. Koerniadi Hardjo (2008) examined in their study whether managers deliberately used accruals to convey information regarding firm future profitability. The contemporaneous earnings and dividend announcement data was used as research setting as it reduced the possibility of opportunistic income smoothing by managers and hence increased the validity of the inference on the accrual signaling hypothesis.

Kumar Praveen (2006) derived a conditional CAPM in a general equilibrium model where investors faced estimation risk on mean returns and learnt from information of uncertain quality or precision. Minnick Kristina L. (2004) examined the cross sectional determinants of the decision to take write offs. A hand collected dataset on write-offs was used that was much more comprehensive than existing write-off datasets. It was found that quality of governance was positively related to write-off decisions in the cross section. Narayana moorthy Ganapathi (2003) identified previously undocumented source of predictable cross-sectional variation

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[1] According to the Efficient Market Hypothesis (EMH), if the stock prices reflect the announcement of public information instantaneously and unbiased, the market should be classified as semi-strong form efficient market. (Fama (1970)

[2] "Miller and Modigliani (1961)", were the pioneers to establish that it is the investment policy and not dividends which add to the value of company.

[3] Their research give raise to Linter (1956) proposition of "information content of dividend hypothesis" or "dividend signaling hypothesis" which was further refined by "Fama, Jensen and Roll (1969) and John and Williams (1987)"

in Standardized Unexpected Earnings' autocorrelations viz. the sign of the most recent earnings realization and presented evidence that the market ignored this variation (loss effect).[4] Padgett Carol (2007) tested the signaling and free cash flow hypotheses of the information content of share repurchases using UK open market share repurchases between January 1999 and December 2004. The five day mean announcement abnormal return of the sample was low at 1.28% but it was statistically significant at the 5% level. Rees Lynn (2001) examined the importance attached to revenue forecasts by firms and the market and whether these forecasts were value-relevant conditional on earnings forecasts. Sadka Ronnie (2005) investigated the components of liquidity risk that were important for asset pricing anomalies. The unexpected systematic variations of the variable component rather than the fixed component of liquidity were shown to be priced within the context of momentum and post earnings announcement drift portfolio returns. Servaes Henri (2008) studied responses of industry when another firm in the same industry was put to a hostile takeover attempt. The study documented some major responses i.e. the industry peers cut their capital expenses, free cash flows, cash holdings, increased their leverage and payouts to shareholders. Shu Tao (2008) analyzed the impact of trader composition i.e., the fraction of total trading volume of a stock accounted for by institutional trading on the cross section of stock returns. The study found that trader composition had significant effects on stock returns beyond institutional ownership. Subramani Mani R. (2002) examined the returns to e-commerce events in the period from 1999 to 2000 which employed a set of short time windows (1 day, 5 days, 10 days bracketing the event) as well as a set of long event windows (6 months, 9 months and 1 year from the event). The results reflected little consistency between abnormal returns in short 1 day, 5 days and 10 days event windows. In contrast, the abnormal returns observed in 6, 9 and 12 months windows were reasonably consistent. Zhu PengCheng (2008) examined the short term stock performance of a sample of Indian firms who acquired U.S. firms in the period 1999-2005.

3. DATA AND METHODOLOGY

3.1 DATA AND SAMPLE
The sample consisted of 34 companies of dividend announcements (from 12 sectors) listed on the NSE 100 index in the sample period from 2011 to 2013. The information regarding dividend announcement dates, daily price of companies as well as of NSE 100 index are obtained from CMIE Prowess Database and from NSE websites. First media announcements date is defined as the event date. This approach was taken on the assumption that the information was first known to the market on the event date only.[5]

3.2 ANNOUNCEMENT EFFECTS
The study used the event study methodology to examine the market reaction to dividend announcement on stock prices by using daily adjusted prices for sample stocks for 115 days prior and 15 days after the event date. The respective media announcement dates of dividend are obtained from CMIE Prowess Database, along with the necessary share price data and the value of the NSE 100 index. The procedure adopted in using the Event Study Methodology[6] is also discussed.

3.3 ESTIMATION PROCEDURE
The purpose of our study is to determine whether there is any abnormal return around the event window and how fast the information is absorbed in the security prices. For the purpose of the study, we constructed null hypotheses (H_0) as follows:
(H_0) There are no significant average abnormal returns (AAR) around the dividend announcements date i.e. $1/n \sum AR = 0$ Where n is the number of sample companies.
NSE 100 index is used as a proxy for the market portfolio. In order to carry out an event study, we determine the event window as $t = -15$ to $t = +15$ relative to the event day $t = 0$ (date of dividend announcement). An estimation period of -115 to -16 days is used for computing expected returns using market model given in equation 3.
The daily returns for each sample company have been computed for the estimation window period and also for the event window period as:

$R_{it} = (P_{it} - P_{it-1}) / P_{it-1}$ ...(1)

Where, P_{it} and P_{it-1} are respective daily prices for company i at time t and t-1. Analogously, the actual returns for the market are also computed as:

$R_{mt} = (I_t - I_{t-1}) / I_{t-1}$ ...(2)

Where, I_t and I_{t-1} are daily index values at time t and t-1 respectively.
The expected returns on a stock have been estimated using the market model given in the following equation:

$R_{it} = \alpha_i + \beta_i R_{mt} + \varepsilon_{it}$ ...(3)

Where R_{it} is the observed daily return for the share of a company i at time t, R_{mt} is the observed daily return for the market index at time t,
α_i is the estimate of the intercept for share of company i,
β_i is the estimate for beta of share of company i, and
ε_{it} is the independently and identically distributed residual error term.
In the next step we compute the "abnormal" returns for each of the sample company for the window period. Abnormal return is defined as the actual return minus the expected return. The abnormal return for company i on day t calculated as:

$AR_{it} = R_{it} - \alpha_i - \beta_i R_{mt}$ ...(4)

In order to eliminate the effect of any one or group of securities on the abnormal returns, the ARs are averaged over the number of companies. The ARs of individual companies are averaged for each day surrounding the event-day (i.e., -15 to +15 days) using the following model:

$$(AAR_t) = \sum_{i=1}^{N} AR_{it} / N \quad \dots (5)$$

With a view to know the cumulative effect of AARs on days surrounding the event the Cumulative Average Abnormal Return (CAAR) are calculated for event days t_1 through t_2 by summing the average abnormal returns for these days, that is:

$$(CAAR_d) = \sum_{t=t_1}^{t_2} AAR_t \quad \dots (6)$$

3.4 SIGNIFICANT TEST
Standard deviation of abnormal returns for the estimation period -115 days to -16 days is computed first. Then the Standardized Abnormal Returns (SAR) for each company is obtained, by dividing abnormal returns of the event period (i.e., -15 to +15) by the standard deviation obtained. For event day t, the z-statistics for the Average Abnormal Returns (AARs) on N securities will be calculated as:

$$Z_t = \sum_{i=1}^{N} SAR_{it} / \sqrt{N}$$

For testing cumulative excess returns for N securities over T days (event days t_1 through t_2) the Z-statistic is:

$$Z_T = \sum_{i=t_{1i}}^{t_{2i}} SAR_{it} / \sqrt{T * N}$$

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[4] It was possible to earn returns higher than from the "Bernard and Thomas" strategy by incorporating this feature.
[5] First media announcements date has been taken by ignoring the probability of insider trading.
[6] For details, see Elton and Gruber, (1996); Ball and Brown, (1968).

4. RESULTS

In an efficient market, if there is some information content associated with dividend announcement, then the same should be incorporated in the stock price on the announcement day. The result of the event study concerning the announcement dates of dividend are presented in Table 2. However the researches in the past have documented a significantly positive abnormal return on the event day i.e. on dividend announcement day. But this study documents dissimilar results. On the announcement day there is negative AAR of -0.4% which is very low and significant at 1% level (z value = 3.57). On the days t_{+1}, t_{+2}, t_{+3}, market earn a significant negative AAR as observed, z values have exceeded the critical values. Whereas, on the day t_{+5}, t_{+6}, the market earn a significant positive AAR, it continues to build up to three days i.e. $t_{+8} t_{+10}, t_{+11}$. There are significant positive excess returns before run up to the dividend announcement date on the days t_{-12}, t_{-8}, t_{-5}, whereas, on the day t_{-1}, AAR is insignificant positive is observed, which depicts that there was not any substantial leakage of information before the event.

Graph 1: AARs

Graph 2: CAAR
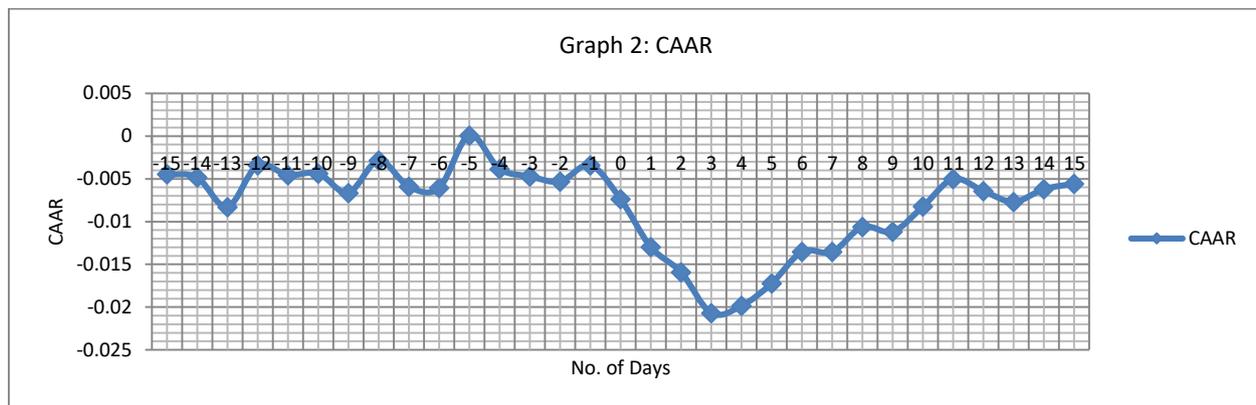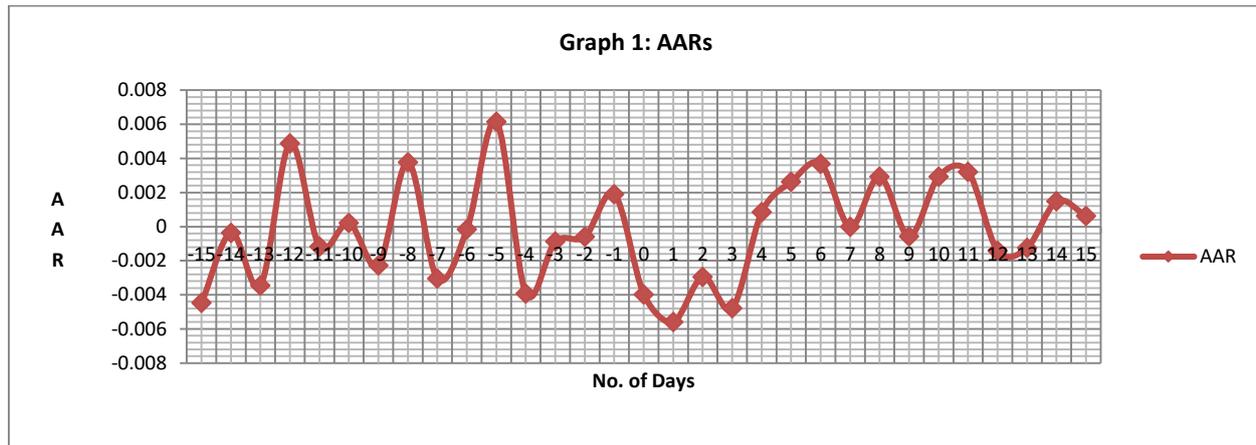
We observed a randomly trend in the prior event period i.e. from the day t_{-15} to t_{-2} the mean CAAR is -0.0047 and during this period fluctuation can be seen. From the day t_{-12} to t_{-2} the CAAR gradually drift down to 0.53%, which continue till the day t_{+4} (1.98%). But from the day t_{+5} the market reacts positively and goes with the flow of the announcement till the day t_{+10}. However, during the period under consideration investor initially appear to respond negatively to announcement of dividend offering, but the CAAR shows an upward trend shortly thereafter. On the event day a radical downfall to 0.74% can be observed i.e. t_0. The CAAR of -1.3% on the day t_{+1} decline to 1.98% by t_{+4} indicating the acceptance of our Null Hypothesis (H_0) that there is no significant abnormal returns (AAR) around the dividend announcement date.

5. CONCLUSIONS

This study documents the market behavior around the dividend announcement date for 34 stocks listed on the NSE 100 index over the period 2012-13. An event study was conducted using a 30 days event window. It was found that on an average the stocks start showing negative abnormal returns from the day t_{-11th} day. On the announcement day there is negative AAR of -0.4% which is very low and significant at 1% level (z value = 3.57). In this study it is observed that the generally stocks don't react immediately but gradually from the third or fourth day of the announcement. Thus there appears to be no announcement effect associated with dividend announcement in India. In general, the behavior of AARs and CAARs is found to in accordance with expectation, thereby lending support to the hypotheses that the Indian Stock market is Semi Strong Efficient.

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ANNEXURE

TABLE 1: SAMPLE DESCRIPTIVE CHARACTERISTICS

Sr. No.	Industry Classification	No. of Sample Companies	% to Total
1	IT	3	8.82
2	INDUSTRY	6	17.6
3	AUTO	4	11.8
4	BANKING	7	20.6
5	CEMENT	2	5.88
6	FMCG	1	2.94
7	OIL & GAS	3	8.82
8	PHARMA	3	8.82
9	ENERGY	2	5.88
10	FIN SERVICES	1	2.94
11	COMMUNICATIONS & NETWORK	1	2.94
12	REAL ESTATE	1	2.94
Total	12	34	100

Source: Information extracted from CMIE Prowess Database

TABLE 2: AVERAGE ABNORMAL RETURNS (AARS) AND CUMULATIVE AVERAGE ABNORMAL (CAARS) RETURNS AROUND DIVIDEND ANNOUNCEMENT DATES

Event Day	AAR	Z value	CAAR	Event Day	AAR	Z value	CAAR
-15	-0.00447	-6.42446*	-0.00447	0	-0.00397	-3.57428*	-0.00738
-14	-0.00037	-0.42576	-0.00484	1	-0.00559	-3.88857*	-0.01296
-13	-0.00345	-4.59538*	-0.00829	2	-0.00295	-2.8161*	-0.01592
-12	0.004886	5.095132*	-0.00341	3	-0.00478	-5.25497*	-0.0207
-11	-0.00117	-1.47133	-0.00457	4	0.000854	1.042731	-0.01984
-10	0.000208	0.265768	-0.00436	5	0.002632	3.375135*	-0.01721
-9	-0.00227	-2.45939**	-0.00664	6	0.003686	3.859489*	-0.01353
-8	0.003777	5.343411*	-0.00286	7	-1.4E-05	-0.01966	-0.01354
-7	-0.00305	-3.29522*	-0.00591	8	0.002928	3.315552*	-0.01061
-6	-0.00016	-0.17227	-0.00607	9	-0.00057	-0.67445	-0.01118
-5	0.006152	6.402866*	7.76E-05	10	0.002941	3.538729*	-0.00824
-4	-0.00392	-4.53973*	-0.00385	11	0.00322	3.452511*	-0.00502
-3	-0.00087	-0.86557	-0.00472	12	-0.00142	-1.71758	-0.00644
-2	-0.00059	-0.78024	-0.00531	13	-0.00125	-1.52123	-0.00769
-1	0.001908	1.85136	-0.0034	14	0.001486	1.754476	-0.0062
				15	0.000631	0.653513	-0.00557

Note: *Significant at 1% level, **Significant at 5% level of significance

TABLE 3: CAAR ACROSS THE EVENT WINDOW

Days	Mean CAAR	Variance
t-15 to t-2	-0.004659306	3.78289E-06
t-1 to t-0	-0.005390502	7.88901E-06
t0 to t+1	-0.010169624	1.56022E-05
t+2 to t+15	-0.011549967	2.85661E-05

Source: Information extracted from CMIE Prowess Database

IMPACT OF PARENT-CHILD RELATIONSHIP ON CAREER MATURITY-COMPETENCE OF HIGH SCHOOL STUDENTS

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ABSTRACT

*This study investigated the impact of Parental acceptance rejection on Career Maturity-Competence of High school student in Relation to Management of Schools (Government and Private) and Board of Affiliation (CBSE & M.P. State Board). 400 high school students of Jabalpur District (100 Parentally accepted boys, 100 Parentally rejected boys, 100 Parentally accepted girls and 100 Parentally rejected girls) were selected based on **Mohsin Parent-Child Inventory** (MPCI). Indian adaptation of **Career Maturity Inventory** (CMI) of Crites, (by Dr. (Mrs.) Nirmala Gupta) was administered on the students selected in the final sample. Results show that the Career Maturity-Competence of parentally accepted Boys studying in CBSE affiliated private schools is highest in comparison to other group, while parentally rejected Boys of MP Board studying in government schools have lowest Career Maturity-Competence. Parentally accepted Girls studying in CBSE affiliated private schools have highest Career Maturity-Competence in comparison to other group, while parentally rejected Girls studying in MP Board affiliated government schools have lowest Career Maturity-Competence. The Career Maturity-Competence of parentally accepted Students (Boys + Girls) studying in CBSE affiliated private schools is highest in comparison to other group, while parentally rejected Students (Boys + Girls) studying in MP Board affiliated government schools have lowest Career Maturity-Competence.*

KEYWORDS
parent-child relationship, career maturity-competence.

INTRODUCTION

In the modern age of science and technology, hundreds of vocations have been thrown open to an individual. The choice of a right vocation is becoming difficult these days. Selection of career and getting set in it is an important task and a source of personal gratification. Adolescence is the period when a major turning takes place in the life of a student because the career will depend upon the subjects selected at this level. The concept "career" refers to a sequence of occupations, jobs, and positions occupied by an individual in his or her lifetime (Super & Bohn, 1970). It is a concept derived from Latin and French denoting a pathway, race course, or a course of action (Collins, 2006). In a more contemporary sense, this concept can be clarified from an economical, sociological, and psychological perspective (Super & Bohn, 1970).

Economically viewed, a career is a series of positions occupied by a person as a means of preparing to earn, earning, or withdrawing from the earning of a livelihood. Viewed *Sociologically* viewed, it is a series of roles played by a person, in which the nature of each role played, the way in which it is played, and the situation in which it is played have some bearing on the nature of the next role in the series. Viewed *psychologically*, a career is also a series of roles played by a person, the choice of and success in which are determined in part by the aptitudes, interests, values, needs, prior experiences, and expectations of the person in question (Super & Bohn, 1970).

Now-a-days it is difficult for student to cope with present circumstance and their future plans. Lack of knowledge of world of work and frequent emergence of new specialization & new kinds of job are making student more confused. Hence due to family environment, job profiles & job's requirements, students are unable to focus on future plan. Students find themselves lost or are highly confused.

Students come from various family backgrounds, study in different schools, affiliated to different boards (CBSE-Board/MP State Board), organised by different managements (Private schools/Government Schools). Hence, students have large gap within their own generation with respect to their career awareness and future strategy.

"Career maturity" refers to a person's ability to make career decisions that reflect decisiveness, self-reliance, independence, and a willingness to compromise between personal needs and the requirements of one's career situation (Coetzee & Roythorne-Jacobs, 2007; Schreuder & Coetzee, 2006). It refers to the degree of development a person has reached on the continuum of career development across the lifespan (Patton & Creed, 2001; Super, 1957; Smedley et al., 2003; Super & Overstreet, 1960). It can also be viewed as an individual's readiness to deal with age-appropriate vocational tasks (Creed & Patton, 2003; Fouad, 1988). Super (1957) identifies the following dimensions of career maturity as comprising his model: orientation to career choice, information and planning, consistency of career preferences, crystallisation of traits, and wisdom of career preferences. What is important with regard to these dimensions is that he acknowledges that they are more appropriate at the early (exploratory) stage of career development.

Career maturity assesses a person's feelings, subjective reactions, and disposition towards making a career choice and entering the world of work (Crites, 1973; Wigington, 1982). According to Crites (1973), career choice attitudes mediate the use of career choice competencies in ultimately choosing an occupation; they act as internal cues which precede overt goal selection, planning, or problem-solving.

Of the many different relationships peoples form over the course of the life span, the relationship between parent and child is among the most important. The quality of the parent-child relationship is affected by the parent's age, experience, and self-confidence; the stability of the parents' marriage; and the unique characteristics of the child compared with those of the parent. Early adolescence marks an important turning point in the parent-child relationship. As the child enters adolescence, the biological, cognitive and emotional changes of the period spark transformations in parent-child relationship. In many families, the transition into adolescence coincides with the parent's transition into mid-life, and this, too, may introduce additional challenges into family system that spill over into the parent-child relationship.

There is often a wide debate on accrediting the best school and the best board governing the secondary and senior secondary education system. The question – What is better for the child, CBSE or State Board, often becomes serious for the parents, as it is them who have to decide. So far as CBSE or State Boards are concerned, one has to know about their structure and how they function, so as to arrive at any positive conclusion. There is a strong debate on the relative merits of government versus private schools. It is argued that the government school system is expensive and wasteful and fails in imparting even minimum skills to students; private schools not only do better but also provide learning at a much lower unit cost. Evidence from the surveys in India show that learning outcome of students in private schools, as measured, is on the average better than government schools.

Dhillon Upma & Rajinder Kaur [2005] studied "Career maturity of school children". The present investigation has been undertaken to study career maturity among the students of public and government schools. A dense sample of 500 High School students was the subject of this study (250 males & 250 Female. (i) Crite's Career Maturity Inventory (CMI) (ii) Self Concept Scale (SCS) (iii) Achievement Motivation Test (ACMT) (iv) Lumpkin Locus of Control Scale (LOC) were administered to the student to study the relationship between career maturity, achievement motivation and locus of control. Major findings of the study were: On comparison of public and government schools students, the result clearly indicates that the student of public school possess (i) higher Career Maturity-Attitude(CM-A) (ii) higher Career Maturity-Competencies(CM-C) (iii) higher Self-Concept and achievement motivation. Significant relationship has been obtained between career maturity attitude (CMA) career maturity competence, internal locus of control (LOC) & Achievement motivation in case of boys in public school. Significant relationship has been obtained between career maturity attitude, Achievement motivation and self-concept in case of girls of public school. On other hand significant relationship has been found between CMA & external locus of control, achievement motivation and self concept in case of boys in government school & between

CMC & achievement motivation in case of girls of government schools. This present study revealed that girls possessed greater Career Maturity-Attitude and Career Maturity-Competence as compared to boys.

Hasan B. (2006) studied the "Career maturity of Indian adolescents as a function of self concept, vocational aspiration and gender". The objective of present research was to examine empirically that whether or not self concept, occupational aspiration and gender work independently or in interaction with each other are capable of generating variance in career maturity of Hindi speaking Indian Adolescents studying in class X. Test applied were (i) Career Maturity Inventory (by Dr. Nirmala Gupta, 1989) (ii) Occupational Aspiration Scale (by Grewal 1975) (iii) Swatva Bodh Parikshan (By Sherry Verma and Goswami 1988). All the three independent variables were found to be potential enough in generating variance in career maturity. Barring few exceptions, the first order interaction was not found significant whereas the second order interaction were found significant for almost all the components of career maturity. It is clearly revealed that self-concept, vocational aspiration and gender are able to account for the variance of all the components of career maturity. The findings revealed that girls possessed greater Career Maturity-Attitude, Career Maturity-Competence and Career Maturity as compared to boys.

Mona, Jasdeep Kaur [2010] studied the **"Career Maturity of Adolescents in Relation to Intelligence".** The present study investigated the career maturity in relation to intelligence among the adolescents of plus one stage. Random stratified sampling procedure was used to select the sample. Six hundred and forty students studying in government schools (Academic and Vocational groups) of Amritsar district formed the sample. There were 320 boys and 320 girls varying in age from 16-18 years. The career maturity scale and intelligence test were administered to the sample. The findings revealed that girls possessed greater career maturity and intelligence as compared to boys.

In this study it was concluded that girls in the present sample exhibited more maturity in respect of career. This includes decisiveness, involvement, independence, orientation and compromise in career decision making. They made a more realistic appraisal of themselves, possessed more career related information, and solving problems related to career decision making. The result of present study is supported by research study conducted by (Dhillon and Kaur, 2005)

OBJECTIVE

Is there any impact of Parent-Child Relationship on Career Maturity-Competence of High School Students in Relation to Nature of Management of School & Board of Affiliation?

HYPOTHESIS

There will be no significant impact of Parent-Child Relationship on Career Maturity-Competence of High School Students in Relation to Nature of Management of School and Board of Affiliation.

SAMPLE

TABLE NO. 1: SAMPLE OF THE STUDY

PARENTAL ACCEPTANCE-REJECTION	GENDER	NUMBER
ACCEPTED	BOYS	100
	GIRLS	100
REJECTED	BOYS	100
	GIRLS	100

TABLE NO. 2: SAMPLING OF STUDENTS ON THE BASIS OF PARENTAL ACCEPTANCE-REJECTION

Parental Acceptance-Rejection	Name of Management	Boys	Girls	Total
ACCEPTED	Government	50	50	100
	Private	50	50	100
REJECTED	Government	50	50	100
	Private	50	50	100

TOOLS

The Tools used for the present study were:

Mohsin Parent-Child Inventory by Dr. S.M. Mohsin.

Career Maturity Inventory by Dr. (Mrs.) Nirmala Gupta, (Indian Adaptation)

DESIGN

The students of class Xth were administered with **Parent-Child Relationship Inventory** (PCRI) and after scoring, parentally accepted & parentally rejected students were selected for study. Indian adaptation of **Career Maturity Inventory** (CMI) of Crites, (by Dr. (Mrs.) Nirmala Gupta) was administered on the students selected in the final sample.

ANALYSIS AND DISCUSSION OF RESULTS

Analysis and discussion of the results has been presented below

TABLE NO. 3: COMPARATIVE RESULTS OF STUDENTS CAREER MATURITY-COMPETENCE IN RELATION TO NATURE OF MANAGEMENT OF SCHOOL & BOARD OF AFFILIATION

Gender	Groups	N	M	S.D.	F-Ratio	P-value
BOYS	CBSE - GOVT - Accepted	25	27.08	7.96	13.67	< 0.01
	CBSE - GOVT - Rejected	25	23.20	7.68		
	CBSE - PRIVATE - Accepted	25	33.68	6.68		
	CBSE - PRIVATE - Rejected	25	29.76	7.32		
	MP BOARD - GOVT - Accepted	25	21.84	7.66		
	MP BOARD - GOVT - Rejected	25	20.68	6.37		
	MP BOARD - PRIVATE - Accepted	25	20.32	5.69		
	MP BOARD - PRIVATE - Rejected	25	18.68	7.17		
GIRLS	CBSE - GOVT - Accepted	25	28.72	7.37	9.97	< 0.01
	CBSE - GOVT - Rejected	25	25.28	7.38		
	CBSE - PRIVATE - Accepted	25	38.28	6.54		
	CBSE - PRIVATE - Rejected	25	30.36	8.10		
	MP BOARD - GOVT - Accepted	25	32.84	6.45		
	MP BOARD - GOVT - Rejected	25	23.84	8.25		
	MP BOARD - PRIVATE - Accepted	25	28.20	7.21		
	MP BOARD - PRIVATE - Rejected	25	27.20	6.30		
BOYS & GIRLS	CBSE - GOVT - Accepted	50	27.90	7.63	17.32	< 0.01
	CBSE - GOVT - Rejected	50	24.24	7.53		
	CBSE - PRIVATE - Accepted	50	35.98	6.95		
	CBSE - PRIVATE - Rejected	50	30.06	7.65		
	MP BOARD - GOVT - Accepted	50	27.34	8.94		
	MP BOARD - GOVT - Rejected	50	22.26	7.47		
	MP BOARD - PRIVATE - Accepted	50	24.26	7.56		
	MP BOARD - PRIVATE - Rejected	50	22.94	7.94		

Degree of freedom - df - 7, 192
Minimum value for significance at 0.05 = 2.05
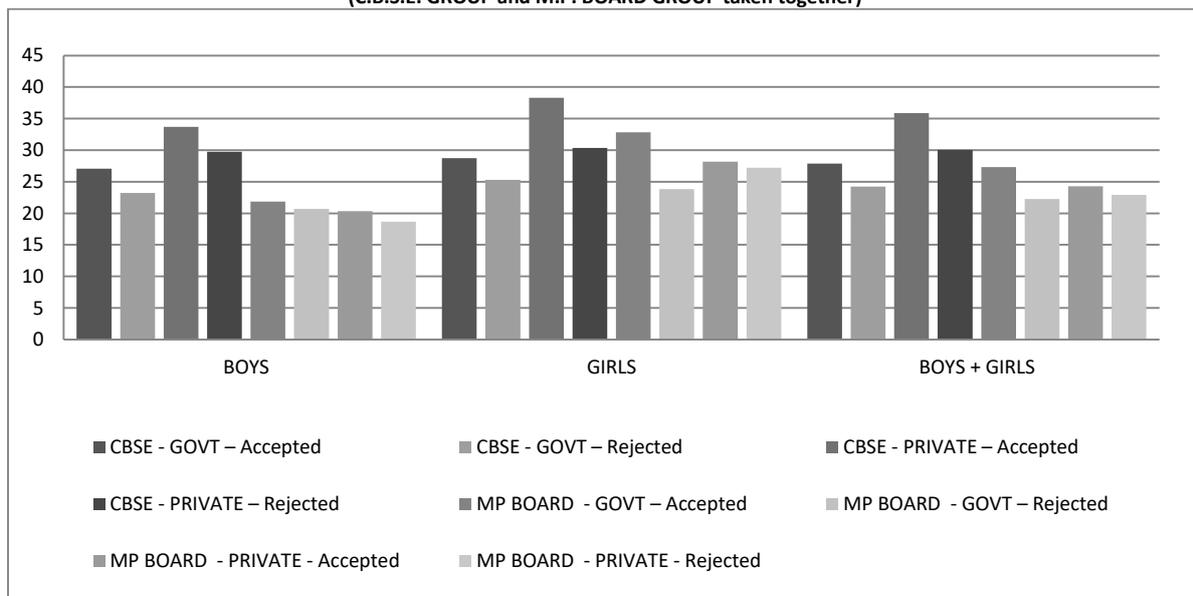*Minimum value for significance at 0.01 = 2.73*
Degree of freedom - df - 7, 392
Minimum value for significance at 0.05 = 2.03
Minimum value for significance at 0.01 = 2.69

GRAPH NO. 1: COMPARATIVE RESULTS OF STUDENTS CAREER MATURITY-COMPETENCE IN RELATION TO NATURE OF MANAGEMENT & BOARD OF AFFILIATION
(C.B.S.E. GROUP and M.P. BOARD GROUP taken together)

DISCUSSION AND ANALYSIS

The comparative result of career maturity-competence of students in relation to Parental Acceptance-Rejection, Nature of Management and Board of affiliation presented in the above Table, in which CBSE Board students and M.P. Board students are compared together, shows there is impact of all these three factors on Career Maturity-Competence of Boys, girls and Students (Girls + Boys). From the results, it is clear that there is a statistical difference in career maturity-compe-tence of Boys, girls and Students (Girls + Boys) in relation to Parental Acceptance-Rejection, Nature of Management and Board of affiliation among the Boys, Girls and Students (Girls + Boys) studying in CBSE and M.P. Board schools taken together. The values of F-ratio (13.67, 9.97 and 17.32) are statistically significant at 0.01 level. Parentally accepted Boys, Girls and Students (Girls + Boys) of CBSE studying in private schools have highest career maturity-competence in comparison to other group, in-depth analysis of these results and investigation of the possible reason behind, it was observed that advantage of parental support, which ensures the appropriate development of Self-appraisal, Occupational information, Goal selection, Planning and Problem-solving capacity. Career Education is integrated part of these students scholastic curriculum, this elaborative programme involves both parents and teachers, hence parentally accepted Boys, Girls and Students

(Girls + Boys) because of these dual support, develops a greater sense of 'Career responsibility' and become capable of taking greater advantages of these kind programmes, leading to the development of proper career maturity-competence, while parentally rejected boys of M.P. Board studying in private schools, parentally rejected Girls and Students (Girls + Boys) studying in M.P. Board affiliated government schools have lowest career maturity-competence, on the parental front, it was found that the parent's of such Boys, Girls and Students (Girls + Boys) are totally uninvolved in their children's academic performance and scholastic activities, either because of ignorance or lack of time. As the result the parents are unable to understand the due importance of this schooling activities, this in turn develops the sense of disinterest among their academic commitment. On the school front, it was found that the teachers are less committed towards the upliftment of these Boys, Girls and Students (Girls + Boys), the ignorance attitude of teachers towards these Boys, Girls and Students (Girls + Boys), all these factors together seem responsible for the lower career maturity-competence among these students. Hence there is impact of Parental Acceptance-Rejection, Nature of Management and Board of affiliation on career maturity-competence.

Dhillon Upma & Rajinder Kaur [2005], Hasan B. (2006) and **Mona, Jasdeep Kaur [2010]** concluded that girls exhibited more maturity in respect of career. This includes decisiveness, involvement, independence, orientation and compromise in career decision making. They made a more realistic appraisal of themselves, possessed more career related information, and solving problems related to career decision making. **Gupta, Nirmala** found that boys were higher on career maturity-competence than were girls.

Thus, from this present study it become apparent that the Career maturity-competence of parentally accepted Boys, Girls and Students (Girls + Boys) studying in CBSE affiliated private schools is highest in comparison to other group, which is in consonance with previous research findings.

CONCLUSIONS

1. In the above study where ***CBSE and M.P. Board students are compared together***, it is concluded that there is impact of the nature of management of school, Board of affiliation & Parental acceptance-rejection on Career Maturity-Competence of Boys. The Career Maturity-Competence of parentally accepted Boys studying in CBSE affiliated private schools is highest in comparison to other group, while parentally rejected Boys of MP Board studying in government schools have lowest Career Maturity-Competence.
2. Parentally accepted Girls studying in CBSE affiliated private schools have highest Career Maturity-Competence in comparison to other group, while parentally rejected Girls studying in MP Board affiliated government schools have lowest Career Maturity-Competence.
3. The Career Maturity-Competence of parentally accepted students (Boys + Girls) studying in CBSE affiliated private schools is highest in comparison to other group, while parentally rejected students (Boys + Girls) studying in MP Board affiliated government schools have lowest Career Maturity-Competence.

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EXPLOITATION OF HUMAN RESOURCES BY MULTINATIONAL COMPANIES IN DEVELOPING ASIAN NATIONS

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ABSTRACT
Globalization has led to the economic developments across the globe but, while this development offers a better living for the elite class of the society, the life of the workers who fuel these industries remain unchanged. For decades, multinational companies have been expanding and setting up their operations in developing nations to seek benefit of lower costs of production and services. However, this has led to exploitation of human resources by multinational corporations in developing nations. For this dissertation, I have conducted a desk based literature review of journals, due to the time constraint. I have concluded that, the host governments allow the firms to take undue advantage of the weak political, economic conditions in those regions by letting them ignore issues of workers' pay, safety, health hazards, in return expecting economic growth of the nation. Even though, the resulting economic growth does not help better the life of the workers.

KEYWORDS
MNC, TNC, LDC, exploitation, developing nations.

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O15

1.0 INTRODUCTION
Globalization has made life easier today, and made business across borders easier than ever but the same globalization has also been blamed for the complications and problems that resulted from the difficult choices Human Resource (HR) managers make today to survive in highly competitive environment (Brady, Beckfield and Zhao, 2007). It is the responsibility of the Human Resources department in this age to act as a leader in strategic business partnership process and become the change agent needed to survive this ever changing economy. (Huselid et al. 1997) HR at this time needs to partner to frontline and middle managers and advocate on behalf of the employees to survive and sustain the global changes in employment. (Kapoor, 2015).

However, beside benefiting corporations and host governments, expanding businesses across borders has also paved way for firms to make unethical choices that causes exploitation and abuse towards the labours or workers in developing nations. As Adler and Ghadar (1990) describes that, modern human resource management views its functions as a tool to look at and deal with the broader and more future oriented issues of a firm, so it is imperative that human resource managers take responsibility and help create an abuse free environment for workers and employees working for international companies in developing nations.

Hewlett (1979) explains, the present-day debate on the issue of human rights in developing nations has caused more problems than solutions, because of the failure to address the huge costs associated with the enforcement of more humane policies. If I look at the developing nations and their economic developments in past two decades, it will be evident that the economic development or increased GDP of a developing nation does not necessarily translate into a better or improved life for the working class or the labours who actually are the muscle of those economic growth. It prompts the conventional belief, that whether the economic development of developing nations is a result of sacrifices made by the labour class. (Hewlett, 1979) Thus, the issue of exploitation in those region is an important discussion.

So, it is imperative that we look into the issue and assess why, how and where these exploitations take place and find out how we can control the situation, hold the involved parties responsible and suggest a model that is ethically responsible towards foreign employees of developing nations and put an end to the abuse and suffering.

2.0 LITERATURE REVIEW
2.1 BACKGROUND
The exploitation of developing nations' workers by foreign corporations is not a new scenario, it has been seen throughout modern history, in different forms at different times. Since, human resource managers in developed nations failed to identify the higher economic costs associated with humane policies regarding HRM, the human rights practices in developing nations has become intense. The current economic performance of the Third World exhibits the fact perfectly that there is no usual connection among economic growth, political freedom, and social justice in development processes. (Kubiszewski et al., 2013) Even the recent thirty years' healthy rates of the growth of many developing nations could not do much to reduce the miserable poverty of major part of their population which was also a contribution of the strict and suppressive political management. (Hewlett, 1979)

In his study of economic growth (Hewlett, 1979) argues whether the recent economic developments and performance of developing nations in recent decades is the result of being silent about the worker abuse in those nations. Human rights and MNEs have gained increased concerns, as lots of cases regarding host government and Multinational Enterprises jointly violating human rights were brought into light by concerned people and NGOs. A few examples that attracted media attention are Unocal in Burma (Myanmar), Rana Plaza in Dhaka, Bangladesh where government was found reluctant to impose laws in various instances before the incident took place and strict imposition of law could save lives. (Muchlinski, 2001)

Accusations on MNCs and MNEs of exploiting human rights have been happening for ages, examples can be 1984, Bhopal incident in India where hundred lost lives following an industrial tragedy and nobody was penalized. (Leigh, 1987)

The campaign against the multinational companies to not allow them to exploit cheap labour and compromising the safety of the labours in poor or developing nations in the name of industrialization began in the nineties in Indonesia under the banner "Anti-sweatshop campaigns" after serious issues of human rights violation in factories in East Asian region. (Van, 1997; Harrison and Scorse, 2010) These campaigns were introduced and organized using different tools, the patrons of the campaign put pressure on local governments, international bodies and multinational companies to change and issue new legislation. They used newspaper campaigning, activities involving labours targeting multinationals, organizing peaceful movements to seek attention from the governments, boycotts in academic campuses etc. However, even after that there were not enough elaborated, in depth and much available academic research on this topic to find out exactly how these campaigns helped the labours. Although research by Strobl and Walsh, (2003); SMERU Research Institute (2001) puts into perspective how these movements in early days impacted the minimum wage in developing nations in the coming days and started a positive movement for the betterment of the labours.

2.2 WHY MULTINATIONAL CORPORATIONS EXPLOIT LABOUR
Nahapiet and Ghoshal, (1998) explain how the social structure to create means of achieving organizational advantage and exploitation of the resources is seen as a unique competitive advantage, as this right to exploit gives organizations an upper hand. In reality, this is one of the major reasons why multinational firms choose to exploit different resources beyond borders, because the actual relationship is based on who has what to offer (Kobrin, 1987). Attempting to formulate and control other functions of a business may not always be possible by a firm but, creating value through highly efficient human resource can be done even when the economy is not growing, and thus it is the most effective tool of competitive advantage. (Peng, 2000; Qehaja and Kutllovci, 2015)

According to Kapoor (2015), the roles and responsibilities of Human Resources departments are transforming in a fast pace due to rapid changes businesses face every day from globalization. It is evident that the global supply of talent is short of demand and the resulting gap is a problem for human resource personnel around the globe. This gap is likely to increase over this decade and thus MNCs positioned in developed nations need to make the decision of moving their operations abroad, not only for cheap labour of blue collar employees but also to take advantage of skilled employees in these developing regions. (Schuler and Jackson, 1987; Daoudi, 2007)

The most obvious reason why multinationals move or set up their operations in developing nations is due to the low wages prevailing in those nations. The average minimum wage in a developing nation compared to UK, US or other European nations is a fraction and this is what drives the corporations to those untapped territories. The table below makes it very clear how low minimum wage in Asian nations are and thus, foreign firms further exploit their workers in these regions for the sake of making more profit.

FIGURE 1: AVERAGE MINIMUM WAGE OF FEW ASIAN NATIONS. IN US DOLLARS PER MONTH
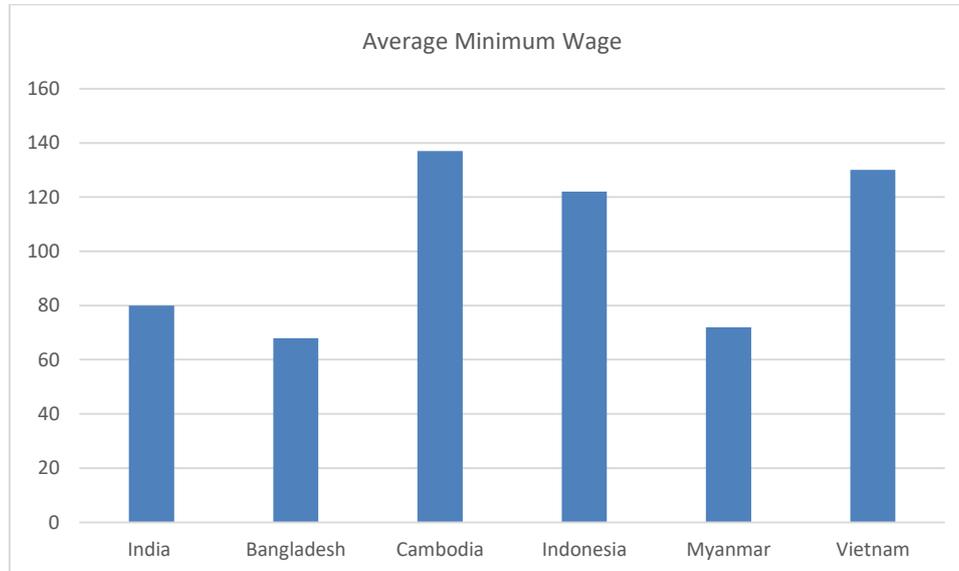
Source: Wageindicator.org, 2016

Multinational corporations move their operation to developing nations where local government impose less restrictions than the developed nations they operate in as many restrictions do not follow them to developing nations. (Schuler and Jackson, 1987; Partridge, D. 2011) The fact that the developing nations are exploited in their dealings with the developed world is a widely held theory and has been in existence for a long time. Kobrin (1987) relates the theory with Lenin's theory of imperialism which is influencing another nation's culture and business by utilising certain tools, and that in modern day imperialism extends in the form of international trade.

2.3 TOOLS OF EXPLOITATION BY MULTINATIONAL CORPORATIONS

Multinational corporations which are the major source of private capital inflow has certain influence on the local government of developing or less developed nations and they prevent any economic and social reform to take place that hurts the corporations, and there are several examples of that in history. (McAleese, 1973)

"Every exploitative relationship begins with an initial inequality that makes the taking advantage possible. In exploitative relationship the rich get richer and the poor fall further behind." (Mayer, 2007). In his attempt to relate such exploitation to economic abuse, he explains how one can be exploited economically by using one's labour but in return giving an unfair compensation, or taking unfair, unethical advantage of a labourer by making them work longer hours than legally allowed, or forcing them to work in an environment that will cause them health hazard. Although, these exploitations are mostly found in sweatshops, or factories in developing or underdeveloped nations in Asia, Africa and South America, it is a major concern in the growing economic nations like India, Bangladesh, Indonesia and also nations like Thailand and China. (Muchlinski, 2001; Özbilgin et al., 2014)

Thomas picket explained to prove his claim that, the globalization and the resulting free market economy helps in concentrating wealth in the developed nation. In his interview in The Economist (2014), he suggested that it is a chain event, as multinational corporations operate in poorer nations and employ them they do not improve their living, unfortunately in the long run they end up capitalizing on their poverty by exploiting their situation and benefiting themselves.

The exploitations today take the form of being paid low wages, sometimes way under the -minimum wage, forced to work in hazardous condition, modern day slavery or buying a person from a third party and forcing them into slavery, or bonded slavery which is a contract or bond to work for a company for a certain period of time or having to pay a good amount as bribe to get a blue collar job, involvement of child labour in the production floor. (Blanchard B., 2012)

When it comes to white collar employees, there are also some form of exploitations that take place, if not direct impact on wage or benefits. MNCs mostly do not leave their control on local managers (Schuler and Jackson, 1987). This is also a form of undermining employees; it is not that there are no qualified leaders in those region but multinationals do not want to leave control on local managers. As a result, managers grow the mindset to prefer centralized decision making and practice tight control and in turn do not delegate authority to their subordinates. (Debroux et al., 2012).

Archive.dhakatribune.com (2016) informed on their site, how one international telecom company threatened and physically abused which resulted into the heart attack of the founder leader of their employee union who opposed the telecom company to stop abusing contractual employees. The organization was terminating and re appointing white collar employees every two years. The company was allegedly using this technic to avoid absorbing them as permanent employees and saving on all the benefits and rights of a permanent staff. Malek et al., (2014) thinks, this kind of practices often give way to exploitation of employees who prefer not to speak up against malpractice and ill treatment done towards them and poor leadership and management that undermines their rights as employees.

2.4 CORPORATIONS AVOIDING CONSEQUENCES OF ALLEGED EXPLOITATIONS & ROLE OF HOST GOVERNMENT

In the current world, when government in the Asian region are competing with each other fiercely to attract and retain foreign investment for the sake of the nation's economic development, expecting such actions would further fuel their economy and expecting to take advantage from the large population and thus cheaper cost of production, it is inevitable that MNCs will translate such desperation as their upper hand in the deal and will try to seek further benefit from such desperation (Madies and Dethier, 2012). Governments of such host countries seek MNCs out specially because of the transfer of key skills and technology and gradually a better, more skilled and more qualified workforce (Chu, 2005). In some cases, host governments let multinationals abuse and exploit human resource in an implicit exchange for achieving some financial and economic targets (Reuveny and Thompson, 2008). Based on mutuality of interest between developing nations and multinational firms, the firms take several undue advantage in different forms, as both parties get some benefits form a kind of silent agreement for a trade off in the form of ignoring the abuse (Kobrin, 1987; Mayer, 2007).

Faustina Pereira, director of human rights and legal aid services at Bangladesh Rural Advancement Committee (BRAC), a Bangladeshi NGO which is currently the biggest NGO globally, says that as a human rights activist she is in "full consonance with the sentiment behind this statement", as she goes on to describe the

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incident at Dhaka, Bangladesh. The incident of Rana Plaza which shook the global textile industry, is the best example of human abuse and exploitation. She uses words like slavery to define how those employees who lost their lives were forced to work even after finding out about the crack in the building. (The Economist, 2014) She also adds how there are several other incidents in Dhaka where employees were free to leave but due economic conditions of the region they were actually not free to choose. She stresses the issue of lack of health and safety at work, extensive hours, lower than minimum wage at work combined with society's implicit acceptance of such slavery to fulfil western nations demand for cheapest production cost made things worse. (Kelly, 2013)

While choosing which strategy to adapt to in terms of achieving competitive advantage by controlling costs on resources an organization, it defines their future. Because, to survive in the competition, organizations today feel compelled to make commitments to certain internal and external stakeholders and gives them promises that might be hard to keep but they commit anyways in order to survive the competition. Thus, these irreversible commitments become a burden, which can only be met by taking certain advantage that are not acceptable from an ethical standpoint. (Teece, 1982)

For decades, nations who have a developed economy now and had previously been developing nations prove the exploitative relationship. There is a clear pattern of relation that portrays the interdependency between dominating elite class and foreign business concern operating in Thailand to seek benefit from their technological and human resources. The latter seeks benefits in terms of tax benefits, licensing, etc. These are examples of nations in South Asia where government worries more about military than they care about people and their vote, and resulting relationship between military and government paves way for foreign multinationals to take advantage of the chaos in different forms. (C. Scott, 1969; Mayer, 2007)

This is not only expected in blue collar industry, when governments let white collar firms like banks and insurance firms to enter an emerging or developing market they expect involvement with the experienced players in the industry, local competing firms, white collar employees of the host nation will be benefited from experience and knowledge. As a result, the host governments avoid a lot of these issues, so that they do not have to face retaliation from people and opposition political parties, which leads to labours suffering (Malek et al., 2014; Muchlinski, 2001).

2.5 ROLE OF INTERNATIONAL REGULATORY BODIES

As Smyth, (1977) puts it, consumer nations who has exploited producer nations throughout the history should compensate for their deeds. Several factors influence the definition of developed and developing nations, however the differentiation among the developing nations are much more complex in nature. The economy, culture and growth of these nations are uniquely different from both western and eastern developed nations. Because, now there seems to be a fourth cluster, who are different than the developing nations, and they fall under the definition of developing nations but are better off than those nations. The differentiation is based on the fact that these nations' local governments and people are educated and concerned about their rights and any forms of abuse, and as a result the way they are treated by foreign corporations and international bodies. (Thite et al., 2012)

While the western governments and international bodies do their best to protect the interest of labours in developing world, they put pressure on local host nations and MNCs, however the pressure put on MNCs are not enough. (Richards et al., 2001) For example, Bangladesh was left out of the GSP scheme which used to give Bangladesh a fair advantage in gaining work and contracts in readymade garments industry, after the incident popularly known as "Rana Plaza" in Dhaka, Bangladesh. (Tillman, 2016) In a building fall, thousands of employees lost their lives, and US government blamed Bangladeshi government and suspended them from GSP facility in April, 2013. However, the clients of those factories where employees were working long hours without proper health and safety requirements met were a large US conglomerate, Walmart. When Walmart was sued and attempted to be tried in US, a US court found them not responsible for the people not directly employed by them even though, those people were producing their labels. (Mridha, 2013; www.europarl.europa.eu, 2016)

The case accused the three major retailers of that site for not taking adequate steps to ensure the health and safety of the labours of their site. Bdnews24.com, (2016) cites Daily Mail, and explains how the judge agreed that, the companies should ensure health and safety that a US company should owe to its direct workers only. (Tillman, 2016)

This is very important issue for the developing nations because these foreign investments and their jobs touch the lives of millions of people who work at these factories or people whose families are dependent on these labours in Asia. It is not a new issue because in early 1990s the Bangladeshi Garment sector faced one of the biggest crisis as US senator Tom Harkin proposed the Child Labour Deterrence Act 1993, which called for a ban on all imports that had used child labour at any stage of production. While, the bill was welcome by the government in the long run, and changed the lives of children who were supposed to go to schools not work in factories, it was also argued that once again the US never penalized the businesses importing from those factories because they were cheap. (Powell, 2014)

It is an outstanding job to hold the nations and their host governments responsible for not ensuring that the foreign investors are meeting the standard laws and regulations, but at the same time it paves way for further exploitation and blame game when the participating retailers who pay to produce from cheap developing nations to benefit from lower costs are not held responsible for their role in the abuse. Besides, major media brands tend to avoid reporting or publishing these news time to time, even when the claims are authentic and original fearing legal outcomes from these million dollar firms. (Hoselton, 2014; Shah, 2016)

2.6 RECENT INCIDENTS OF EXPLOITATION

There have been several incidents of exploitation by multinational corporations in developing nations of Asia over the past decades. Examples of poor treatment towards employees in factories in China is not a new scenario. Several accusations have been made over the last decade towards famous and known brands. A secretly filmed documentary by Bilton, (2016) shown on BBC shows how Apple iPhone 6 factory workers were not being treated the way Apple promised and assured them to be after several allegations. It was shown how their rights were breached at the Pegatron factories.

In June, 2016 Pepsico Charities were linked to child labour in Indonesia, where a government probe later found a whole system of abuse where 13 years old were working in those factories. Although, children as young as 15 years old are legally allowed to work in Indonesia, but Pepsico was turning a blind eye on those issues. (Yi, 2016)

The incident of Rana Plaza is a well discussed issue in the field of both human rights and human resources. On 24th April, 2013 an eight story building in Dhaka, Bangladesh collapsed which housed several small garments factory and resulted in the loss of lives of 1400 people, leaving several hundreds injured. It was the government, the owners, the foreign buyers who played their role in housing and forcing their employees to work in a building which the government let them built without adhering to building code and not knowing or ensuring the safety of those people. In the past 3 years an amount of 21. 5 million USD has been donated by global brands including Primark, H&M, Mango, the Gap and Walmart and many others to set up a charity that compensates the victims and their families. As explained by Srinivas Reddy, director for the International Labour Organization in Bangladesh, who is administering the fund, there is a shortfall of $8 5million USD. he exclaims, that the fund is voluntary and they cannot pressure and brands as this is a charity and not a penalty since no court has held them responsible. (Westervelt, 2015; Kazmin et al., 2016)

Apple was at first accused of constantly changing production to the cheapest makers and in the process giving up on employee health and safety or ethical standing that they should adhere to in choosing and maintaining their suppliers. China Labor Watch expressed concerns on the fact that Apple must take more serious steps to ensure employee safety and rights at work. (CFO, 2015)

There are several examples of such exploitation and the real reason goes deeper than that. Clothing companies have been involved in such activities and this is not the first time. firms like Nike, Gap have faced allegations of employing child labour in their far flung factories in developing countries. (Gayle, 2013)

3.0 RESEARCH METHODOLOGY

For the purpose of this research, data and publications has been collected based on keywords used. As this is a qualitative research work based on literature review, source of information review has been from renowned journals and online publications. This paper is primarily a theoretical dissertation, which is completely based on literature review, which is a non-empirical approach to research, the process includes reading published journals, library archives, news articles and academic journals or text books. (Michalski, 1983)

3.1 RESEARCH GOAL & LIMITATION OF THE RESEARCH

The goal has been to establish acceptable evidence that links between exploitative practices in developing nations and the foreign corporations, finding out what tools or technics they utilize in order to conduct and get away with their actions. This will result in helping further research on the topic and in the long run may

help improve conditions of labours and put an end to their misery. For this research, I am going to find whether, MNCs operating in developing nation exploit the workers, and if it is evident that they do, then what are the elements, tools, and policies used to execute and promote these actions.

4.0 RESULT AND ANALYSIS

Throughout this research, I have accumulated events, facts, figures of exploitation undertaken by foreign firms to exploit labours in developing or less developed nations and how their actions effect the fate of millions of poor labours involved in different industries in those nations.

Globalization is a potential factor that gives competitive edge to one firm over the others. Today firms compete point to point on every resource available. globalization has made this possible for companies to take advantage of cheaper labour, or other resources in other parts of the world. While global HRM strategists should seek benefit from this, it is also important that they do not exploit the resources. A wrong or unethical decision in the utilization of those resources may result in losing that competitive edge and thus multinational firms and their HR department need to take this factor in consideration too.

Looking at the following graphs it is clear the amount of revenue generated from forced labour, and the majority of forced slavery takes place in this part of the world. This is no coincident, all prevailing factors like corruption, aggression of foreign corporations and labour abuse in the region has resulted into this scenario.

FIGURE 2: ANNUAL PROFIT FROM FORCED LABOUR

Source: Theworldweekly.com, 2016

FIGURE 3: TOP 10 NATIONS WITH MODERN DAY SLAVERY

Source: Theworldweekly.com, 2016

International corporations have taken undue advantage of weak economic, political and legal infrastructure in developing or less developed nations in different ways. They have used these as leverage on host governments and to get away with paying less in employee compensation, making them work more hours, or forcing them to work in unhealthy environment. Host nations ignored these issues expecting economic boost and labours did not have a better alternative employment opportunity to pursue.

According to March (1991), for any company to survive today it is very important that they consider maintaining a balance of exploration and exploitation. When this is achieved, both firms and workers will benefit from the situation, which can be achieved through ambidexterity. (Tushman and O'Reilly 1996; Adler et al. 1999; Gibson and Birkinshaw 2004) At this point it is not adequate to only have supplier transparency and publish supplier details and completing the responsibility. We are at a point when responsibility will mean looking into the premises and finding out how suppliers are treating their workers. Now that industry experts think, it will cost brands as little as 10p per garment to ensure the safety of the workers and that they are not being exploited in any ways. (Chao, 2013)

FIGURE 4: HOFFSTEDE'S CULTURAL VARIABLES IN DIFFERENT ASIAN NATIONS
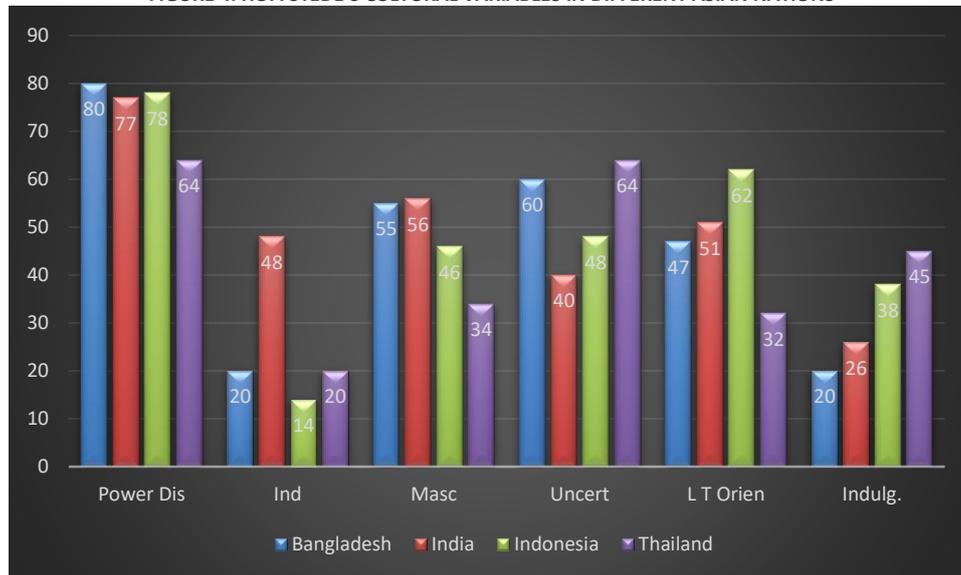
Source: Hoffstede, 2016

Culture also played a major role, the culture of prevailing political exploitation, malpractices, culture of abuse of not speaking up for their own rights in the host nations have influenced the exploitation to further grow with minimum rejection from the society. Looking at Geert Hoffstede's cultural model, which loks at six variables to judge the overall prevailing culture in that nation, a certain trend can be seen which can be related to the abuse that takes place in those regions. The high power distance, high uncertainty avoidance, low indulgence in that part of the world have made issues of exploitation worse, and paved way for mean and unethical practices by the MNCs.

5.0 DISCUSSION

It is evident that these MNCs setting up operations in developing nations are doing more damage than good, it applies to the people who actually are the driving force of these industries. Host governments and international organizations who advocate employee rights should take steps to ensure organizations can no longer exploit the loopholes and get away with exploiting labours beyond borders.

Some of the world's largest fashion brands and the Bangladeshi government are now attempting to rectify the lack of regulation that paved the way for the loss of lives at Rana Plaza, under massive public pressure. All these efforts bring hope for workers, consumers and campaigners who cared about the right and safety of employees working in developing nation and making a product they can never afford. (Kelly, 2013)

One issue that makes it evident that retailers need to be more serious about the health and safety of their workers is that the building that collapsed in Dhaka was visited by Business Social Compliance Initiative (BSCI) based in Brussels, and gave a positive report about the location of the factory based on their evaluation. It is time we realized more attention and seriousness are needed to avoid loss of innocent lives.

The advocates of clean clothes campaign promote and campaign the idea of improving working condition for the employees in the global garments industry, and wanted to arrange money to be paid by multinational companies and international bodies to the workers as compensation.

Since, these corporations are not held liable for their deeds by the host governments, they take the advantage choose the path that is economically most suitable for their interest. Thus, they end up violating the most basic human rights.

It is important to give employees and workers a voice about their work and wellbeing. One of the vital reasons exploitation occurs is because workers don't have the right to speak up. once again, the example of Rana Plaza where workers complained and they still had to work inside a building which had cracked and they didn't want to work in.

We need to ask one question, and this could make a difference. Are these products that we use or consume ethically sourced? This one campaign can make a big difference in consumer decision making. (Disaster at Rana Plaza, 2016; Gayle, 2013)

We need to hold involved parties responsible for their actions. While it is not acceptable when a large multibillion-dollar firm says they didn't know or wasn't made aware by suppliers, it is also resulting from international organizations and governments not penalizing or holding them responsible. As Walmart said they won't accept any agreement at this time to improve fire and building safety in Bangladesh which is supported and signed by several other retailers and activity groups, it is imperative that it is time actions spoke louder than words. (Dudley, 2016)

On the other hand, the businesses outsource in their attempt to optimize costs by globalization. Although, their intentions are to focus on costs and savings on production costs, being able to utilize and sometimes exploit the weak economic aspects in the developing nations is something that motivates the firms towards exploitation as well. Firms should pay proper wage, make employees work proper hours and follow routine hours plan to avoid any claims of exploitation. (Antras and Helpman, 2004; Hijzen et al., 2005)

6.0 IMPLICATIONS

The importance of human resource management in international aspect is more important now than any other time in recent history due to globalization, faster communication and transportation innovations. But, what makes international human resource dealing more critical is the fact that businesses are moving to and from emerging markets. Nations like China, India are no longer only the recipient of foreign direct investments, these are nations who does foreign investments in other nations as well. So, the cultural barrier is falling apart and it is more important now to stop any malpractice of human resource management, since those practices in the emerging markets may become their practice as well when firms from these nations explore the globe. (Basu, 2016) This is inevitable that these nations are growing and with their emergence, employees and workers are becoming more aware of their rights and responsibilities, so businesses must be more cautious on their practices to avoid clash in their operation. (Thite, Wilkinson and Shah, 2012) So, it is more important to take this issue seriously considering the economic growth may influence the developing nations to adapt to such practices as well. (Julius, 1990)

This issue is becoming more important since in developing nations more foreign firms are entering and setting up operation and as Dick (1993) states, when there is a substantial amount of ownership of businesses by foreign subsidiaries, it leads to radical alteration of legislation and policy. To avoid such involvement and alteration that can lead to labour and human right abuse, it is important to deal with the situation. (Mudambi and Ricketts, 2002)

What can prove to be really helpful is bringing nations and multinational companies to adopt and promote a fair trade agreement, a fair trade promise will promise the buyer that the product has been sourced ethically, and it is already evident from fair trade in consumables, that western buyers are willing to pay more for goods that has been ethically sourced, where workers were paid legal minimum wage, and were not abused, this premium can act as a motivation for western buyers and result in a fair working practise in Asia (FRIDELL, 2007; Sylla, & Leye, 2014)

FIGURE 5: FDI INFLOW DATA IN ASIA, 2015

Sourc: Unctad.org, 2016

Moreover, according to the above chart by UNCTAD, Bangladesh and India are the two nations receiving the most FDI this year, and all of these top FDI receiving nations being Asian nations, the issue of exploitation is more important now than ever. Since, more investment will open more factories and employ more people, possibility of exploitation will increase as well. And, if such issues are not discussed and dealt with right now, then it will be too late and hamper the economic growth these nations are seeing. (UNCTAD, 2015; Ovi, 2016)

The most important reason for considering further study on this topic is the issue of human rights violation. Since, it is evident that abuse of white collar and blue collar employees is in fact directly or indirectly promoted by large MNCs, it is very important that more research and studies are done to carefully assess these incidents and to protect labours from such wrongful abuse. The purpose is to find out how and why MNCs exploit employees in developing nations, which will help answering questions on how to carefully take care of the situation.

Even though governments in Bangladesh, India, Indonesia are much more aware and strict on issues of human rights violation at work in current times, but there is still a long way to go. Merely acknowledging labour right in media will not help the situation. Although, some corrupt governments or officials have been found guilty in many cases to support and endure those actions. Governments and campaigners should promote this issue and raise employee rights awareness among the labours, making them aware should be the goal at this point, to stop such actions. In many cases though, employees do not have a choice due to the weak economy but informing them their rights will result in reporting of more incident.

7.0 CONCLUSION

It is evident with several examples of journals and articles, that multinational corporations take undue benefit from workers who work for them in developing nations. It has been established that these corporations abuse and violate employment rights in the form of less pay, forced labour, forced longer hours and forcing labours to work in unsafe working conditions. These corporations are adopting these approach in order to save cost on production. The major reason they are successful at evading law enforcing agencies and continue these abuse is because the weak legal infrastructure, lack of education, unawareness of employee rights in those developing nations.

However, it is also a fact that these are not the only reasons, host nation government sometimes avoid confrontation over fear of losing foreign investment, fearing the corporations will move facilities in other nations where legal and political systems are more relaxed and sometimes in the expectation of economic growth and human resource development. Although, corruption in host nation governance is also a major variable that influences the existence of such exploitation.

It is necessary that, international bodies, human rights organization take steps in order to ensure employee rights in a developed and a developing nation is at par. Only the host nation's will cannot ensure employee rights, international bodies must pressure corporations to treat the employees the same way they would in a developed nation. By doing so, these corporations will no longer be able to adopt different human resource management policy to treat their employees in different regions.

The issue at concern is very important in recent days considering the growth of economy and massive increase in foreign investment in developing nations. Since, these investments and income from these sectors represent a major portion of national income in most of those developing nations.

It is imperative that further in depth academic research is done on this topic to raise awareness on abuse of workers beyond borders, there is no alternative to raising awareness in consumers and lawmakers. Only this can have a positive impact on making legislative changes that is necessary to improve labour rights and their conditions.

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