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**A STUDY ON CONSUMERS' ATTITUDE TOWARDS ORGANIC PRODUCTS**

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**ABSTRACT**

*The world is running behind the targets and goals with lots of stress, pollution and unhealthy fast foods. From recent past people are turning into more health conscious, as a result the organic food products have started to enter into the market. This study had been conducted in Chennai city on consumer attitude towards organic food products. The research work has also used statistical tools to measure the associations between variables.*

**KEYWORDS**

organic food products, attitude, satisfaction, repurchase intentions.

**1. INTRODUCTION**

 Organic is the term which is used frequently, now-a-days by the consumers all over the world. The growth of organic food market in India shows that, it's no longer an exception and at the same time when compare to developed countries like USA, UK and other European countries the awareness and availability of organic food products in India is very limited. In India the traditional method of farming was nothing but the organic farming. After green revolution the agricultural industry has made tremendous change in farming for achieving the aim of food for everyone.

**1.1 ORGANIC FOOD**

The meaning of organic food is, obtaining agricultural produce without using manmade fertilizers and pesticides and without harming the environment. Food products obtained by organic farming is called Organic Food Products. As these food products are environmental friendly, the food products are fresh, hygienic and healthy.

**2. REVIEW OF LITERATURE****2.1 AWARENESS**

Samuel K. Ndungu (2006), opined that the awareness level about organic foods is very low in the study area. The unaware people are belonging to the lower income group and in east Africa majority of the population are lower income group hence the percentage of awareness remains at the very low level. As the awareness level stayed at lower level the consumption also remained at the lower level and half of the sample have never consumed nor had an idea of consuming it in future.

Maria Raquel Lucas (2008). The respondents agreed that they possess average knowledge about the organic food products Lisbon people are more aware than Berlin people. The respondents have positive attitude towards organic like they believed that the organic products are good for health, tastier, better quality than conventional foods. Even the non-buyers of organic food products were approached and the major reason they feel were the price is more for organic products and the limited availability of organic products. The authors also analysed the willingness to pay for OFP by respondents and they found that upto 25% increase of price is accepted and the preference order of OFP is fruits and vegetables then eggs, poultry and meat followed by milk, olive oil etc.,

Mohammad Altarawneh (2013), The results of the Logistics analysis study conducted by the authors in Amman city in Jordan, indicates that the potential Jordanian consumers' awareness of organic food is deeply and significantly affected by factors like education, occupation, marital status, income, desire, promotion, quality, health issues, and product source. The awareness is not affected by factors like gender, age and Trademark.

**2.2 ATTITUDE**

According to Chiew Shi the intention of Malaysian respondents was to purchase organic food was significantly influenced by the consumer's perception of safety, health, environmental factors and animal welfare etc., In this study the authors found that the perception of quality is not significantly related with purchase intention of organic food products which was considered as a contradict one with the previous research findings.

Justin Paul conducted a study to understand the behavior of ecological consumers and their intention in buying organic food products in US, and found that the respondents attitude towards organic food products are influenced by the health factor, availability of organic food products and the education level. The authors also identified that the respondents of study area are highly satisfied with the organic food product when compare to inorganic food products.

Heru Irianto (2015) the study was conducted to find out the intending factor for the respondents to purchase organic factor. The research has used structural equation model for analyzing the results. The findings show that, health & environmental consciousness acts as the major factor of creating the intention to buy organic products. The author also finds that the gender's intention also differs in buying the organic product. Female are more conscious towards health & environment than male.

**3. NEED OF THE STUDY**

Problems faced by peoples of today's world are work tension, stress, pollution which leads to various health issues. For past few years' people has become more health conscious and started approaching dietitian, nutritionist, gym etc., People's perception is hygienic and nutritional food will give good result for health issues. Now people started buying organic food products. So this study is necessary to identify the consumers' attitude towards organic food products.

**4. STATEMENT OF THE PROBLEM**

A study on Organic products are analysed by various authors with different perception. The awareness level of consumers towards organic food products are analysed by the authors and found that the awareness is not sufficient for the consumers in the study area Samuel K. Ndungu (2006), Maria Raquel Lucas (2008,) Mohammad Altarawneh (2013). The perception satisfaction level has been analysed by various authors. The review helped to identify the repurchase intention of organic food products consumer as the problem area in the study

**5. OBJECTIVES**

1. To know the consumers awareness towards organic food products
2. To understand the consumers attitude on organic food products.
3. To study the consumers satisfaction and repurchase intention towards organic food products.

**6. HYPOTHESES**

1. H<sub>0</sub>– There is no association between gender and satisfaction of consumers
2. H<sub>0</sub>– There is no association between age and the awareness level among consumers
3. H<sub>0</sub>– There is no association between satisfaction and repurchase intention of consumers

**7. RESEARCH METHODOLOGY**

**7.1 DATA COLLECTION METHODS**

The study is based on primary and secondary data. The primary data has been collected by distributing questionnaire to the organic food product consumers. Questionnaire had been divided into four parts namely; demographic, awareness, satisfaction and repurchase intention. It contains multiple choice and five point likert scale questions. The secondary data had collected from various books, journals, internet, articles, magazine and reports.

**7.2 SAMPLE DESIGN**

The questionnaire has been distributed to 50 respondents in Chennai city. The questionnaire was distributed only to consumers of organic food products. Convenience sampling is adopted in this study.

**8. RESULTS & DISCUSSION**

1. H<sub>0</sub>– There is no association between gender and satisfaction of consumers

CHI-SQUARE TESTS			
	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	13.976 <sup>a</sup>	9	.123
Likelihood Ratio	17.336	9	.044
Linear-by-Linear Association	.425	1	.514
N of Valid Cases	50		

The above table shows the result of the chi-square test and the Asymp. Sig. (2-sided) P value is.123 which is greater than.05. The hypothesis is rejected which shows that there is an association between gender and the satisfaction level of consumers.

2. H<sub>0</sub>– There is no association between age and the awareness level among consumers

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	51.682 <sup>a</sup>	40	.102
Likelihood Ratio	46.870	40	.211
Linear-by-Linear Association	.153	1	.696
N of Valid Cases	50		

The above table shows the result of the chi-square test and the Asymp. Sig. (2-sided) P value is.102 which is greater than.05. The hypothesis is rejected which shows that there is an association between age and the awareness level among consumers.

3. H<sub>0</sub>– There is no association between satisfaction and repurchase intention of consumers

Correlations			
		SATISFACTION TOWARDS ORGANIC	REPURCHASE INTENTION TOWARDS ORGANIC
SATISFACTION TOWARDS ORGANIC	Pearson Correlation	1	.707**
	Sig. (2-tailed)		.000
	N	50	50
REPURCHASE INTENTION TOWARDS ORGANIC	Pearson Correlation	.707**	1
	Sig. (2-tailed)	.000	
	N	50	50

\*\* . Correlation is significant at the 0.01 level (2-tailed).

The above table shows the correlation between satisfaction and purchase intention towards organic food products are significant. Both are positively correlated and tends to increase in the same direction.

**9. FINDINGS**

The study reveals the following results which includes both problems as well as positive points about the organic food products.

- Nearly 90% of the respondents accepted that the organic food products are healthier safer and contains nutritional values
- The purchase of organic food products is maximum preferred by females but the knowledge about organic food product is possessed more by male.
- The problem which the consumers feels was the price and short supply of organic food products.
- 80% of the respondents are not aware of organic certification in India.
- The various statistical tools show that customer satisfaction and repurchase intention are positively correlated.

**10. RECOMMENDATIONS**

- The Government and Marketers should take some effective steps regarding the awareness and promotions for organic food products.
- The short supply is also a big head ache and this also makes the consumers to switch over to conventional food products.
- Pricing method can analysed deeply to reduce.
- Government has to make some measure or can provide any subsidy for farmers who puts effort in convert inorganic land into organic land

**11. CONCLUSION**

Organic food product is been accepted as a nutritional food and keeps human healthy in spite of busy work schedule, stress and pollution. The short supply and premium price disturbs the growth of consumption rate. The farmers also show dis-interest towards converting the inorganic into organic farms, because it takes

nearly 3 years to convert and the government is not providing any subsidy or any type of motivation. In spite of few problems the organic food product market is gradually increasing.

## 12. LIMITATION

The study area is restricted to Chennai city. The number of respondents also fixed as 50. The study is based on the views of ultimate consumers of organic food products

## 13. SCOPE FOR FURTHER RESEARCH REFERENCES

The further research can be done with larger section of people. The farmer's problems can be analysed in a separate study as they are facing problems in converting the farm land from inorganic to organic.

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## SMALL AND MEDIUM ENTERPRISES: PROBLEMS OF ENTREPRENEURS

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**ABSTRACT**

*Small & Medium Enterprises (SMEs) play a major role in global economic growth in terms of their contribution to industrial employment, output and exports. SMEs occupy a place of strategic importance in the Indian economy as well. These firms often face a variety of problems while operating. SME in India is encountered with several problems like lack of adequate and timely finance, non-availability of suitable and efficient technology, ineffective marketing practices due to limited resources and lack of skilled manpower. The purpose of this paper is to explore the problems faced by SMEs during operating. Both primary and secondary data are used in the study. The study is empirical in nature as it is based on data collected with the help of schedule. The study focused the collection of data from one City in Uttar Pradesh i.e. Noida The sample size was 50. Though SME is encountered with several problems but this paper will focus on only five of their major problems i.e. problem of finance, lack of Raw material, Problems related to marketing, Underutilization of Capacity & Lack of skilled manpower.*

**KEYWORDS**

SME, entrepreneurs, problems, government.

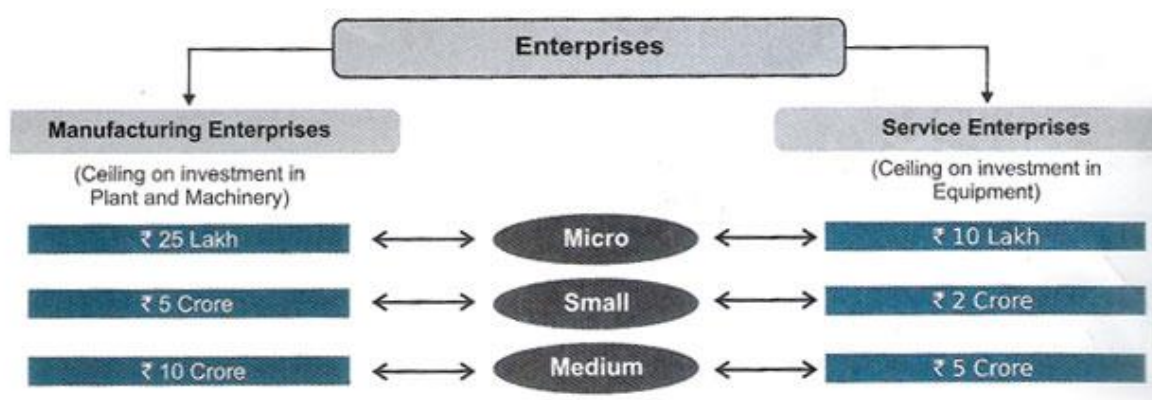
**INTRODUCTION**

**S**MEs are officially defined and exclusively identified for promotion in the manufacturing sector of most national economies. The most important justification for the exclusive promotion of SMEs is their potential for employment intensity. In general, a SME generates more jobs per unit of capital investment than a large enterprise. A SME has many other benefits: it can be started with relatively less capital; it facilitates nurturing of entrepreneurship, which could emerge from within; it can be used as an instrument for alleviating regional disparities in development etc. Further, a SME is flexible in production, has the potential to be a training ground for managerial skills, promotes individual initiatives, and encourages rich personal relations. Therefore, it is often promoted as a source of technological innovations in industrialised economies.

In India SME is defined in accordance with the prerequisite of Micro, Small & Medium Enterprises Development (MSMED) Act, 2006 the Micro, Small and Medium Enterprises (SME) are classified in two classes:

- **Manufacturing Enterprises:** The enterprises engaged in the manufacture or production of goods pertaining to any industry specified in the first schedule to the industries (Development and regulation Act, 1951). The Manufacturing Enterprise is **defined in terms of investment in Plant & Machinery.**
- **Service Enterprises:** The enterprises engaged in providing or rendering of services and are **defined in terms of investment in equipment**

FIG. 1



Source: Ministry of Micro, Small & Medium Enterprises

Small and Medium Enterprises play a vital role for the growth of Indian economy by contributing 45% of the industrial output, 40% of exports, 42 million in employment, create one million jobs every year and produces more than 8000 quality products for the Indian and international markets. (source: **SME Chamber of India**). As a result, SMEs are today exposed to greater opportunities for expansion and diversification across the sectors.

The Indian market is growing rapidly and Indian industry is making remarkable progress in various Industries like Manufacturing, Precision Engineering, Food Processing, Pharmaceuticals, Textile & Garments, Retail, IT, Agro and Service sectors. SMEs are finding increasing opportunities to enhance their business activities in core sectors.

However, in spite of their remarkable contribution in Indian GDP SME face a lot of problems like Problem of skilled manpower, Inadequate credit assistance, Irregular supply of raw material, Absence of organized marketing, Lack of Machinery & equipment and Absence of adequate infrastructure, competition from large-scale units and imported articles. (Sangitha G Patel, Dr. P.T. Chadudhari, 2014).

**REVIEW OF LITERATURE**

**N. Aruna (2015), Problems Faced by Micro, Small and Medium Enterprises – A Special Reference to Small Entrepreneurs in Visakhapatnam:** The study focused on one region in Andhra Pradesh i.e. Visakhapatnam with the sample size was 50. Five problems like Problem of Raw material, Power Cut, Marketing Problem, Problem of Import and Export of Goods & Production Problem faced by Small Entrepreneurs were discussed in brief. It was said that Simple and clear policies and acts are to be made so that these enterprises can understand them and utilize as well as implement them in the business for compliance and secure benefits. There are many government schemes but from the study it was observed that most of these enterprises are not aware and do not understand how they can benefit out of them.

**Dr. A.S. Shiralashetti (2014), prospects & Problems of SMEs in India:** This paper secured development, execution and commitment of SMEs to GDP and furthermore specified about the issues confronted by SMEs situated in Dharwad locale of Karnataka State.

**Dr. Neeru Garg (2014), Micro, Small and Medium Enterprises in India: Current Scenario and Challenges:** This paper made an endeavour to highlight the development of this segment and investigate different issues and difficulties confronted by SME area in India by and large.

**Dr. M.S. Vasu, Dr. K. Jayachandra (2014), Growth and Development of SMEs in India; Prospects & Problems.:** The review examined the development and execution of SMEs with rattling off the few issues confronted by SMEs in India amid working, Problems all in all were additionally drilled down, however not to a specific State or Region.

**Dr. Padmasani, S. Karthika (2013), A study on Problems and Prospects of Micro, Small and Medium Scale Enterprise in Textile Exports with special reference to Tirupur and Coimbatore District:** This paper has inspected the issues of SMEs in the time of worldwide economy and furthermore has distinguished the components influencing SMEs. A review was likewise made on the financial states of SMEs. The study uncovered that the issues can be overcome if SMEs get included in institutionalization of the business procedure, and can likewise receive most recent innovation to enhance the efficiency. It was said that banks can bolster the business by giving the credit offices at low loan cost and Government and Institutions identifying with Small and Medium Scale enterprises ought to take successful measures to enhance the fare execution of SMEs keeping in mind the end goal to create economy. The review secured the regions of Tirupur and Coimbatore region.

**Rajib Lahiri (2011), Problems and Prospects of Micro, Small and Medium enterprises (SMEs) in India in the era of Globalization:** The review made an endeavor to fundamentally dissect the definition part of SMEs and investigate the open doors appreciated and the imperatives confronted by them in the time of globalization subsequent to breaking down the execution of SMEs in India amid the pre and post liberalization period. The review uncovered that aside from negligible increment in development rate in work era, the development rate in different parameters is not empowering amid the liberalization time frame.

**RESEARCH METHODOLOGY**

**Research Design:** Exploratory and descriptive Study.

**Sampling Frame:** In this research paper 50 Units are includes which are falls in to the category of SME's.

**Sampling Technique:** Convenience sampling.

**DATA COLLECTION****Primary Data:**

- Survey by questionnaire
- Individual Interviews
- Personal interview of concerned persons at different level.

**Secondary Data:** Various research papers on the problem related to industry, reports and documents from different magazines, journals, newspaper, Central & State Government agencies as well from different associations was considered.

**ANALYSIS & INTERPRETATION****PROBLEM OF FINANCE****TABLE 1**

Responses	No. of Respondents
Yes	48
No	2
Cannot Say	0
Total	50

Out of 50 respondents 48 said that they faced problems in getting finance and only 2 of them said that there were no problems. Simplicity of credit gets to and brisk back is the most basic development driver for any SME. Most Indian SMEs begin with insignificant capital, which in the long run slows down their development after a specific point. Simple credit access for SMEs consequently turns into a critical element for national development also. The absence of simple credit has a tendency to stagnate the development of SMEs, which thus influencing non-specific development regarding GDP, import, fare and business. Inaccessibility of credit at the ideal time can likewise influence business development at many seals prompting to a ton of independent companies closing shop because of insufficient edges. Some real issues that around 80% SME Entrepreneurs confront on an everyday premise while attempting to get credit help for their business operations: i. Complex insurances required to get term advances ii. High exchange costs in imports/trades iii. Private Equity Funding is hard to get iv. Banks offer high rates for term credits v. Private value (PE) weakens control in the organization vi. Un-institutionalized venture examination framework for term credits vii. Unwieldy methodology and postponement in reserve payment.

**PROBLEM OF RAW MATERIAL****TABLE 2**

Responses	No. of Respondents
Yes	35
No	10
Cannot Say	5
Total	50

(Table 2) shows the interpretation of the results of the 50 respondents firms. 10 firms said that they did not face problems in getting raw material and 35 of them said that they face problems in this respect. These respondents don't know about appropriation plans given by the Government and however some of them know they have no information of how to use them. The amount, quality and consistency of the supply of raw materials are not attractive. There are no amount rebates, since they are acquired in little amounts and thus charged higher costs by merchants. They likewise encounter trouble in obtaining semi-made materials. Because of money related issues these endeavours can't secure raw material in mass in a focused market.

The significant issue that the SME's need to content with is procuring Raw material. The issue of raw material has accepted the state of (i) a flat out shortage, (ii) a low quality of raw materials, and (iii) a high cost. Prior, the greater part of SME's generally delivered things reliant on neighbourhood raw material. Be that as it may, as far back as the development of present day SME's enterprises fabricating a great deal of modern things, the issue of raw material has risen as a difficult issue on their creation endeavours. The SME units that utilization imported raw material face raw material issue either because of outside money or traditions obligation or whatever other reasons. Indeed, even the SME's those rely on upon nearby assets for raw material necessities confronting different issues. Keeping in view the issue of raw material the Government made arrangements for making raw material accessible to these units. Yet, these units are not in a position to liaise with the official organizations and are left with deficient supplies of raw material. Subsequently, they need to depend on open market buys at high costs.

This, thus, builds their cost of creation, and, accordingly, places them in an antagonistic position contrasted with huge units. The amount, quality and consistency of the supply of raw materials are not palatable. There are no amount rebates, since they are bought in little amounts and consequently charged higher costs by merchants. They additionally encounter trouble in getting semi-made materials. Because of money related issues these undertakings can't secure raw material in mass in a focused market.

#### PROBLEM OF MARKETING

TABLE 3

Responses	No. of Respondents
Yes	41
No	7
Cannot Say	2
Total	50

Out of 50 respondents 41 said that they faced problems in marketing and only 7 of them said that there were no problems and 2 of them said they cannot say. These SME's need to confront the rivalries from huge scale units in promoting their items. These ventures don't go through dated innovation so the merchandise delivered by them can't fulfil the cutting edge tastes. Consequently, the potential interest for their products stays immature. Because of fund imperatives and creation little in size, it is impractical for them to advertise their items. They depend and depend helpless before middle men.

One of the fundamental issues confronted by the SME's is in the field of promoting. These units often don't have any showcasing association. In result, their items contrast negatively and the nature of the results of the substantial scale enterprises. Therefore, they experience the ill effects of focused hindrances opposite vast scale units keeping in mind the end goal to shield SME's from this aggressive burden; the Government of India has held certain things for the little scale segment. The rundown of held things has ceaselessly expanded over the period and at present stands at 824 things. In addition, the Trade Fair Authority of India and the State Trading Corporation help the little scale enterprises in sorting out their deals. The National Small Industries Corporation set up in 1955 is likewise helping the little units in getting the administration requests and finding send out business sectors. Auxiliary units confront the issues of their own sorts like deferred instalment by parent units, deficiency of innovative bolster reached out by parent units, non-adherence to quality and conveyance plans, aggravating the projects of the parent units and non-attendance of a very much characterized estimating framework and administrative laws.

#### PROBLEM OF UNDER-UTILIZATION OF CAPACITY

TABLE 4

Responses	No. of Respondents
Yes	32
No	9
Cannot Say	9
Total	50

Out of 50 respondents 32 said that they faced problems of underutilization of capacity and 9 of them said that there were no problems and 9 of them said they cannot say. There are studies that unmistakably draw out the gross under-usage of introduced limits in SME's. As per Arun (Ghosh 1988: 315-316), on the premise of All India Census of Small-Scale Industries, 1972, the rate use of limit was just 47 in mechanical designing businesses, 50 in electrical gear, 58 in car subordinate enterprises, 55 in leather items and just 29 in plastic items. On a normal, we can securely say that 50 to 40 percent of limit were not used in SME's. The extremely indispensable to the issues of under-usage of limit is power issue confronted by SME's. To put it plainly, there are two viewpoints to the issues: one, control supply is not generally accessible to these units, and at whatever point it is accessible, it proportioned out, restricted to a couple of hours in a day. Second, dissimilar to huge scale enterprises, the SME's can't stand to go in for choices, such as introducing own thermal units, on the grounds that these include overwhelming expenses, since these units are feeble in financial front, they need to oversee as well as can be expected inside their accessible pitiful means.

#### PROBLEM OF SKILLED MANPOWER

TABLE 5

Responses	No. of Respondents
Yes	46
No	4
Cannot Say	-
Total	50

Out of 50 respondents 46 said that they faced problems of skilled manpower and only 4 of them said that there were no problems.

Indian SMEs utilize 40% of the nation's workforce, making them the business powerhouse of the nation. Nonetheless, India today confronts the enormous test of out-dated work laws that are still being used. A work law change upgrade is required to manage vast convergence of workforce which will enter the working landscape. The accompanying focuses highlight a portion of the key issues that undertakings confront identified with workforce like Holding ability due absence of capacity to pay, Low efficiency of workers, Regular the lowest pay permitted by law arrangements, Absence of talented specialists Nonetheless, the suppositions towards SMEs is developing positive, returning them in the spotlight. There is a desire that their development would be much quicker throughout the following couple of years. In any case, the organizations which would rise would need to discover a path around to influence their qualities and stay competitive.

#### RECOMMENDATIONS

**Building up of Strong Financial Foundation:** Establishing a strong money related framework (reviewing and bookkeeping standards, credit registries/departments, insurance, and bankruptcy administrations) ought to be a need in monetary improvement. The point ought to be to build up a thorough credit detailing framework that spreads both individual and business credit data, and help loan specialists better oversee credit chance and stretch out access to credit. A few nations, for example, India, have presented SME rating offices as an extra foundation intended to give more data to planned banks. Additionally, a well-working insurance administration portrayed by an extensive variety of admissible pledges (enduring and movables), the foundation of clear need rankings of cases over guarantee, proficient security registries making need interests openly known, and compelling implementation of insurance on account of default can further improve hazard adequacy of SME clients for monetary establishments. Preparing Institutions for financiers' particular preparing in little credit and SMEs financing prerequisite ought to be set up by each PSBs.

**Expansion of Marketing base:** The requirement for ventures to expand advertises scope, enhance operational efficiencies and improve client engagement is basic. Notwithstanding, this requires availability on two records – the organization and government direction and approaches including SME unique projects, activities and assets.

**Easy availability of Technology:** SMEs have a remarkable issue to unravel – while they are required to hold fast to worldwide standards and guarantee consistence to directions, they for the most part have constrained understanding (and spending plans) for innovation. This without a doubt needs to change and Indian SMEs need to advance as forceful clients of innovation. From being an empowering agent of profitability and quality, innovation must be utilized for change and as a key influencer of upper hand. SMEs anticipate that the Government will find a way to give present day innovation at less expensive and financed cost, empower community to encourage innovation exchange, make a stage for innovation suppliers and innovation searchers. The Government needs to make and order open data and frameworks towards mechanical base.

**Amendment in Workforce Policies:** The most recent couple of years have seen an exponential development in the inflow of specialists into the SME division; this says a considerable measure in regards to the potential SMEs hold for national improvement. The nearness of adaptable work laws therefore turns out to be progressively basic in today's surroundings. Work laws arrangements, for example, standardized wages, government disability, and occupation security guarantee

that the workforce is ensured and conveys its most noteworthy yield. The SMEs require government-drove activities and plans for competency and ability improvement to guarantee SMEs don't have unskilled laborers.

**Government Support systems:** In all cases, government mediations ought to be deliberately composed and better assessed with a view to precisely quantify their accomplishments regarding effort and influence. Fractional credit ensures plans ought to remain a critical type of mediation. Key managing standards on such plans ought to contain rules on qualification criteria, scope proportions, adaptable credit endorsement instrument, expenses, instalment rules, utilization of guarantee/initial instalment, and value proportions, among other parameters.

## CONCLUSION

The principle motivation behind information gathering was to study how the business people dealt with the miniaturized scale, Small and Medium Business. What are the different issues confronted by these ventures? It likewise indicated how the part of SMEs aided in monetary rebuilding and advancement of India. Exact information uncovered that obstacle like money related oblige and issues related to marketing, problem of outdated technology, raw material acquisition, problem of skilled workforce ought to be all the more adequately managed by the legislature. Further, the information gathered uncovered that general globalized business environment of India has been normal great for the development of SMEs. The stub of the information is that the SMEs have assumed part in work era in India. Government need to investigate this matter. It needs to alter the work laws which are contemporary and important to the present globalized situation. Basic and clear approaches and acts are to be made so that these endeavours can understand them and use and additionally actualize them in the business for consistence and secure advantages. There are numerous administration conspires however from the review it was watched that the majority of these ventures don't know and don't understand how they can profit out of them.

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# GLOBALIZATION OF FINANCE AND HUMAN DEVELOPMENT: A COMPARATIVE STUDY OF INDIA, BANGLADESH AND CHILE

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CUTTACK**

## ABSTRACT

*Globalization has never been so rapid and systematic like it is today and the credit for this goes to the intervention of International Monetary Fund (IMF) in the third world economy. In the last few decades only, IMF could impose Structural Adjustment Programmes (SAP) in more than 70 countries across the globe and one of the most important components of SAP is to promote globalization of finance. Globalization of finance basically is based on the doctrine of capital account liberalization for inviting investible foreign funds. But whether it is trade liberalization or capital account liberalization the objective remains the same, it is to accelerate human development. In order to measure the impact of financial globalization on human development, the present study has taken into account three countries i.e. India, Bangladesh and Chile which have similar stylized features and have gone through the IMF SAP in recent past.*

## KEYWORDS

financial globalization, human development, regression analysis, t test.

## JEL CLASSIFICATION

E3, H1, H3, I3, J82, J88, O5.

## 1. INTRODUCTION

Globalization simply refers to the expansion of economic transactions across national boundaries and globalization of finance happens when in expectations of increased level of investments, foreign capital is allowed in a country. Any country liberalizes its capital account in order to promote inflow of foreign investments while the foreigners tend to invest in a particular country expecting a better rate of return. Financial globalization became a phenomenon around the developing world only in the late nineties. It was either as a precautionary measure for achieving consistency in economic development or as a cure to financial crisis that the liberalization process got adopted by the developing and emerging economies of the world. Financial globalization was much of a prescription for India from leading international financial institutions like World Bank and International Monetary Fund (IMF) for surviving through the 1991 crisis in the country. And like India many other countries including Bangladesh, Chile, Morocco, Mexico etc. also became beneficiaries of IMF funds in order to recover from financial crisis. Financial globalization brought investible funds from the surplus to deficit regions of the world promoting cross country integration. Through the movement of capital, goods and technology the countries could develop in a holistic manner. Several socio-cultural human development indicators like urban population, rural population, household final consumption expenditure, fertility rate, mortality rate, literacy rate and eradication of poverty etc. got upgraded because of financial globalization. This enhanced the quality of human resources and it is extremely vital since the human resources constitute the ultimate basis for the wealth of nations. Capital and natural resources are passive factors of production whereas human beings are the active agents. They accumulate capital, exploit natural resources, build social, economic and political organization, and carry forward national development. In a nutshell, the country which is unable to develop the skills and knowledge of its people and utilize them effectively in the national economy will not be able to develop anything (Harbison, 1973, p.3). The present study has been conducted with the broad objective to measure the impact of financial globalization on human development and consequently human resources. For this purpose, India, Bangladesh and Chile have been taken as the sampled countries. Results from tests of hypothesis and regression analysis using dummy variables suggest that after globalization of finance most of the selected human development indicators in these countries have upgraded significantly.

## 2. RATIONALE OF THE STUDY

It is believed that the world could see growth of globalization in actual sense only since the mid-1980s under the leadership of developed countries like UK and USA. It has helped cross country flow of finance, trade and production for sustainable development of the different economic indicators of the participating countries. In this connection, there are studies that give necessary information that human-capital growth has positive impact on national output and economic growth. Various indicators of human development i.e. gross total capital formation, total stock of human capital and total government expenditure on education significantly determine the economy's output (Eigbiremolen, O.G., & Anaduaka. U. S., 2014). Ohlin-Heckscher also emphasized that the US economy became developed by putting more force in the human capital rather than physical capital. Development of human capital helps to increase export and upgrade different economic indicators in the country (Gary S Becker, 1962). Globalization however has many dimensions like social, political and economic. It can bring long-run equilibrium relationship between variables like Gross Domestic Product (GDP), financial integration, human resource development and trade openness (Nwak-anma, P.C. & Ibe.E.R.C.,2014). The components of globalization are GDP, industrialization and the Human Development Index (HDI). The GDP is the market value of all finished goods and services produced within a country's borders in a year and serves as a measure of a country's overall economic output. Industrialization is a process that is driven by technological innovation; effectuate social change and economic development by transforming a country into a modernized industrial



or developed nation. And the Human Development Indicators (HDI) is the normalized measure of life expectancy, education, literacy, standard of living, physician & GDP per capita for countries worldwide. HDI is unquestionably an improved standard of measuring well being. Although this index puts a lot of efforts to simplify human development, it's much more complex than any index or set of indicators. Hence, economic development being the main agenda behind financial globalization in any country, HDI becomes ideally the best way of representing it. That is why in the present study some of the human development indicators has been taken into account to assess the success of financial globalization in the sampled countries.

### 3. REVIEW OF LITERATURE

Qaisar, A., (2000) reiterated the theory of Adam Smith that country growth is related to division of labor, but he did not link them clearly. After it Thomas Malthus developed a formal model of a dynamic economic growth process in which he argued that each country converges towards its stationary per capita income. As per this model, death rates fall and fertility rate rises when income exceeds the equilibrium, and opposite occur when incomes are less than that level. In this context, it has been explained that human capital is paid more attention in the workplace. In the same line, Lucas (1988) defined that a microeconomic model shows that investment on education for workers significantly affect his/her productivity in the workplace. Along with the belief of education for improving workers' productivity, many researchers brought forward the importance of education and training in the field of human capital (Griliches & Regev, 1995; Rosen, 1999). Also it has been defined by the Amartya Sen (1977) in his paper "Human capital and Human capability" that the conceptual meanings of Human Capital relate to skill, knowledge and productivity and human capability helps the individuals to live the lives they choose and increases the choices they have. He has also linked it to productivity and the ability to lead better lives by putting emphasis on human capital instead of physical capital. Apart from these we have also reviewed the extant literature to know the real impact of the globalisation on the economy of developing countries. Through this, we found that a few Asian economies like Singapore, Hong Kong have faced financial crises due to a big difference between the real sector and finance sector. These countries gave much more importance to development of human capital for a sustainable growth of the finance sector instead of emphasized on the real sector growth. As a result, if any problem/ crisis occurred in the financial sector across the world, its impact directly affected the real sector economy that negatively influences the human development indicators of the country (dash, Sisir, 2016).

NIRD (1999) conducted a study to find out the relationship between the performance in the economy of the state and human development in the major states of India for the years 1961, 1971, 1981 and 1987-88. As per the results of this study, it was found that Human Development scores in all the states had positive correlation to turn up the state economy. States like Bihar and UP were at the bottom level in human development while the state of Gujarat did considerable strides of development. It implies that the growth rates in human development indices across the states are propositionally linked to the state economy performance (Nayak, p., 2010). In this context, Biswajit, Guha., (2003) conducted a study and titled it "Human Development in India – A Study of Interstate Disparities". In this study he has taken 41 Human Development Indices i.e. safe drinking water, electricity connections two meals a day throughout the year, permanent houses and availability of beds in public hospitals etc. in 15 major states of India. Quality of life Index for rural and urban population was worked out here. He stated that the Central Government should play an active role in removing inter-state disparities in Human Development. In his recommendation, he suggested that a Nation cannot develop without adequate provision for public health, education, food, clothing, shelter and decent standard of living. There are glaring disparities in Human Development among the states in India as analyzed by him in his article. Also, Osman-Gani, A. M., & Tan, W. L. 1998, has discussed a lot to the importance of human capital investment in the context of Singapore and found that Singapore has developed remarkably due to large scale investment in human capital, especially in education. In 19970 it had a GDP per capita US\$ 3021, but in 2009 it rose to US\$ 37293. Pedro Flores-Crespo, (2007) studied and found that in Mexico, education could precipitate economic growth and development in the country. He has shown how an educational institution contributes to expanding its graduates' basic functioning's e.g. being able to acquire knowledge, being able to get a job in a short time, being able to change jobs and thus to improve earnings, being able to search for better opportunities etc. In this connection, Dr. Shashi Tharoor, (Former Education Minister, Govt of India and Member of parliament) views that there are two types of power generally used by the country for empowering the economy i.e. hard power and soft power. He cited example of the countries like Switzerland and Singapore whose economic development became possible due to the soft power that means spending money for the further development of intellectual and human capital as per the requirements of the global markets. Hence, a country can focus on the development of education, hospitals, skill enhancement, global university, GDP, per capital income of the people and also the higher education. Consequently, it can help the up gradation in human development indicators. On the other hand, hard power is one that always put importance on the defence and rigid domestic policies that also prevent inflow of the capital inside the country development. Here, we may take the example for North Korea; the hard power has deteriorated the country's economy backed by restrictions imposed by the United Nations. Because of this the country is not able to import necessary and essential commodities basis requirement of its people and the human development indicators are getting severely affected. In the same line of thought, A.K. Akabar, (Member of Parliament and journalist) says that for there are four important principles of a modern economy i.e. democracy, equality of faith, equality of gender and economic equality. These four pillars can only push overall development of an economy in modern times. At this juncture, Nirvikar, S., & T. N. Srinivasan., 2002 stated that financial sector reforms, infrastructure development, privatization, Tax reforms, Reform of center-state fiscal transfer mechanisms, Local government reforms and Patterns of change in regional inequality has become the real parameters of development in India. Additionally, the study conducted by Daniel C. & William W. Olney, 2010 has conducted a case study in USA on Globalization and Investment in Human Capital. The study found that the low-skilled labor force faced severe competition due to immigration, off shoring, co-sourcing caused by globalisation. As a consequence, to increase the efficiency of human capital in the country, USA govt. sanctioned huge investments for enhancing the workers efficiency through training programs.

Alamsiddik, Md, et al, 2015 also stated in his study on Bangladesh that rural population is negatively associated with financial inclusion and socio-geographic variables, households and literacy rate are significant determinants of financial inclusion. The study also found that road networks, banking services and internet affect positively the state of financial inclusion caused by financial globalization. In the India scenarios, it has been found that human barriers, institutional barriers and telecom barriers are the real challenges on the path of financial inclusion (Verma, Y., & Garg, 2015). Authors suggest redesigning of financial literacy program in the country for increasing the understanding about financial globalization and its impact. Hence, from the review of these literatures it is evident that there exists an impact of financial globalization on human development.

### 4. RESEARCH DESIGN

Financial and industrial globalizations help the developing countries to create new opportunities for development of their essential HD indicators. As part of it many of the countries open their economy for foreign investments so that their basic infrastructure can be developed. Consequently, it can help to the development of different indicators like increased standard of living, literacy rate, poverty eradication and mortality rate of the (Angie Mohr, Demand Media, 2016). Today, a majority of world's population lives in cities and by the 2050 two-third of world population will reside in urban area expecting to get better facilities and amenities. Because of it the developing countries like India, Pakistan and Bangladesh are creating a hub of urban poverty who resides in slum conditions (Journalists resource, 2014). Additionally, we can also consider the view given by S.K. Mishra and P. Nayak that post-globalization period exhibits a comfortable position of India in terms of Gold reserves that jumped from US \$ 300 million to around US \$ 4000 million. There has been steep growth in foreign currency assets and foreign currency reserves well near around 1000 times. Globalization also positively affected the macro-economic balances, foreign sector, some Macro-Economic Indicators in the domestic sector, agriculture, rural economy. Now, after observing the views of the world leaders and countries' ongoing economic policy for development vis-a-vis HD indicators, we have determined the following objectives for the present study:

- To find out whether there is any impact of financial globalization on human development indicators or not.
- To find out whether financial globalization has brought significant change in human development indicators.

#### 4.1 SAMPLE DESIGN

As discussed earlier, financial globalization in India has happened largely due to the prescriptions of IMF and World Bank through the IMF structural adjustment programmes. That is why in order to facilitate a cross country comparison of the analysis, it became necessary to take countries with similar characteristics and the countries chosen for the present study are India, Bangladesh and Chile. It is because these countries are similar in the sense that in all of these countries the

IMF structural adjustment programmes was implemented. It has been discovered from the review of extant literature that one of the main objectives of financial globalization is to allow free flow of capital so that it will well establish economic equality for further development of the countries' HD indicators. The human development of any economy is ideally assessed through the following important indicators i.e. population in the largest city (% of urban population), number of infant deaths, household final consumption expenditure, etc. (current US\$), fertility rate, total (births per woman), number of under-five deaths, mortality rate under-5 (per 1,000 live births), age dependency ratio, old (% of working-age population), age dependency ratio, young (% of working-age population), rural population (% of total population), urban population (% of total). The data on these indicators has been taken from www.worldbank.org.

**4.2 PERIOD OF STUDY**

Financial globalization in a real sense has started around the beginning of 1990s in India, Bangladesh and Chile. On the basis of this fact we have taken 1991 as the year of demarcating a pre globalization and a post globalization period. We have taken 1969 to 1991, the pre-globalization period and 1991 to 2014, the post-globalization period.

**4.3 TECHNIQUES OF DATA ANALYSIS**

The first objective of this study is to find out whether there is an impact of financial globalization on human development indicators or not and in order to fulfill this objective, we have made a regression analysis. Secondly, the other objective of this study is to find out whether financial globalization has brought significant change in human development indicators and in order to fulfill this objective, we have conducted hypothesis testing by using students' t test.

**4.3.1 REGRESSION ANALYSIS**

A statistical measure that attempts to determine the strength of relationship between a dependent variable (usually denoted by Y) & a series of other changing variables (known as independent variables) is known as regression analysis. The two basic types of regressions are linear regression which is confined to two variables & multiple regressions which studies more than two variables at a time. The equation for this forecast is: Y= Dependent variable whereas X= Independent variable which is calculated by determining coefficient of intercept & coefficient of x variable through regression analysis. Here we have taken financial globalization represented by dummy variables as the independent variable and the values of selected human development indicators as the dependent variable. The dummy zero (0) represents that there is no financial globalization which is applicable for the period from 1969 to1991, whereas dummy one (1) represents that there is financial globalization which is applicable for the period from 1992-2014 in the selected three countries. After denoting the periods by appropriate dummy values the regression model has been run. For the regression analysis using dummy variables, MS Excel has been used.

**4.3.2 STUDENT'S t TEST**

We have used the famous student's t test of paired two samples for means in order to compare the pre-globalization and post-globalization periods. In simple terms, the t-test compares the actual difference between two means in relation to variation in the data. The test statistic in the t-test is known as the t-statistic. The t-test looks at the t-statistic, t-distribution & degrees of freedom to determine a p value that can be used to determine whether the population means differ. Here the mandate is to identify whether the mean values of selected human development indicators in post globalization period are different from that in the pre globalization period. The hypotheses so formed for the analysis are as follows:

H0: There is no significant difference in the mean values of human development indicators in the pre and post globalization periods

H1: There is significant difference in the mean values of human development indicators in the pre and post globalization periods

We have used MS Excel to conduct the student's t test.

**5. ANALYSIS AND FINDINGS**

Here, we have taken dummy variables to capture the effect of financial globalization on the selected HD indicators. The two dummies that has been taken here are '0' that denotes the zero effect of financial globalization and '1' that denotes the full effect of financial globalization. The regression model has been assessed following the prescribed guidelines i.e.

- R square value is desired to be greater than 60%.
- Referring the F Statistic and corresponding p value, the p value should be less than 0.05 (5%) so that the significance of the model is revealed.
- Sign of the coefficient should follow either the economic theory or expectation or induction, only then we can say that it is a best fit model.

And for interpreting the results of student's t test, the p value should be less than 0.05(5%), so that we can reject the null hypothesis and accept the alternative hypothesis that reflects that there is significant difference in the mean values of selected human development indicators between pre and post globalization period.

**5.1 INDIA: A LONG WAY AHEAD**

First let us analyze the regression results for India. We found that the R square value for the indicators "Population in the largest city (% of urban population)" and "Number of under-five deaths" is less than 60%. Hence, the regressions models for these two HD indicators are not nicely fitted. Additionally, F- statistics' corresponding p-values are not significant that means since they are more than 5% (See Table-1). It implies that the regression results for these two indicators are not worthy to explain the impact of financial globalization. But, for the rest of the indicators since the R square values and p-values are as per the guidelines, we can conclude that regression model is nicely fitted. In this juncture, we can say that in a country like India, financial globalization is the boon for most of the HD Indicators and consequently for the overall growth of the country.

**TABLE 1: REGRESSION RESULTS FOR INDIA**

Indicators	Multiple R	R Square	Adjusted Square	R	Coefficients	F-Statistic	Significance-F	X
Population in the largest city (% of urban population)	0.046579	0.002170	-0.020508	-0.02206	0.095670	0.758548592		-0.02205586
Number of infant deaths	0.883238	0.780109	0.775112	-1125488	156.09926	0.00		-25487.739
Household final consumption expenditure, etc. (current US\$)	0.243341	0.059215	0.037833	1.533465	2.769439	0.103186753		1.53346475
Fertility rate, total (births per woman)	0.875576	0.766634	0.761330	-1.69122	144.54481	0.00		-1.69121739
Number of under-five deaths	0.877677	0.770316	0.765096	-1789149	147.56787	0.00		-1789149.304
Mortality rate, under-5 (per 1,000 live births)	0.858364	0.736789	0.730807	-86.3043	123.16600	0.00		-86.30434783
Age dependency ratio, old (% of working-age population)	0.821567	0.674972	0.667585	1.006715	91.372971	0.00		1.006714868
Age dependency ratio, young (% of working-age population)	0.856988	0.734429	0.728393	-15.8484	121.68056	0.00		-15.84835103
Rural population (% of total population)	0.838785	0.703559	0.696822	-5.97217	104.42774	0.00		-5.972173913
Urban population (% of total)	0.838785	0.703559	0.696822	5.972174	104.42774	0.00		5.972173913

Source: Researchers' Calculation using MS Excel

After the regression analysis, the tests of hypothesis using students' t test has been conducted and the results of t test are supporting the results of regression for India. The null hypothesis that there is no significant difference in mean values of HD indicators is getting accepted for the same indicators which were found to be not affected by financial globalization i.e. Population in the largest city (% of urban population) and Household final consumption expenditure, etc. (current

US\$). It implies that even if the rural and urban population has changed significantly in the post globalization period, still the population in the largest city has not been changed significantly. Secondly, the household consumption expenditure has not changed significantly in the post globalization period. Since these two indicators have considerable importance, we can say that there is a long way ahead for India to go in order to achieve the true fruits of financial globalization.

TABLE 2: t TEST FOR INDIA

Indicators	Pre Globalization	Post Globalization	t-Stat	t- Critical Value: Two Tailed	P(T<=t) Two-Tail	Level of significance	Hypothesis
1. Population in the largest city (% of urban population)	5.75678906	5.734733205	0.263426	2.07387306	0.7946739	0.05	Accepted
2. Number of infant deaths	2652823.87	1527336.13	33.41686	2.07387306	0.00	0.05	Rejected
3. Household final consumption expenditure, etc. (current US\$)	3.84953209	5.382996846	-1.3222	2.07387306	0.199685	0.05	Accepted
4. Fertility rate, total (births per woman)	4.68121739	2.99	50.27491	2.07387306	0.00	0.05	Rejected
5. Number of under-five deaths	3946522.57	2157373.261	38.21287	2.07387306	0.00	0.05	Rejected
6. Mortality rate, under-5 (per 1,000 live births)	168.982609	82.67826087	45.54757	2.07387306	0.00	0.05	Rejected
7. Age dependency ratio, old (% of working-age population)	6.33593882	7.342488758	-21.128	2.07387306	0.00	0.05	Rejected
8. Age dependency ratio, young (% of working-age population)	68.8661636	53.01781252	29.0911	2.07387306	0.00	0.05	Rejected
9. Rural population (% of total population)	77.1725652	71.2003913	84.38929	2.07387306	0.00	0.05	Rejected
10. Urban population (% of total)	22.8274348	28.7996087	-84.3893	2.07387306	0.00	0.05	Rejected

Source: Researchers' Calculation using MS Excel

5. 2 BANGLADESH: MARCHING TOWARDS SUCCESS

In case of Bangladesh, the regression results show that except one indicator i.e. Household final consumption expenditure, etc. (current US\$) in all other cases the R square value is either more than 0.6 or near to it. Additionally, the F statistic p values for all the indicators are significant (See Table 3). Hence, we can interpret here that financial globalization in Bangladesh has actually impacted the selected HD indicators.

TABLE 3: REGRESSION RESULTS FOR BANGLADESH

Indicators	Multiple R	R Square	Adjusted Square	R	Coefficients	F-Statistic	Significance- F	X
Population in the largest city (% of urban population)	0.760982	0.579094	0.569944	28.961588	63.288026	0.00	3.362409	
Number of infant deaths	0.889332	0.790911	0.786366	429190.833333	174.002013	0.00	-21064.875000	
Household final consumption expenditure, etc. (current US\$)	0.659159	0.434491	0.422197	14.216434	35.342660	0.00	14.216434	
Fertility rate, total (births per woman)	0.909873	0.827868	0.824126	6.20404166	221.2372981	0.00	-3.182875	
Number of under-five deaths	0.895496	0.801912	0.797606	637099.541667	186.220268	0.00	-351563.333333	
Mortality rate, under-5 (per 1,000 live births)	0.899540	0.809172	0.805023	197.604167	195.054473	0.00	116.483333	
Age dependency ratio, old (% of working-age population)	0.742238	0.550917	0.541154	5.657036	56.430854	0.00	1.055022	
Age dependency ratio, young (% of working-age population)	0.872283	0.760878	0.755680	84.497269	146.370456	0.00	1.055022	
Rural population (% of total population)	0.830488	0.689710	0.682965	86.949000	102.248419	0.00	-12.805125	
Urban population (% of total)	0.830488	0.689710	0.682965	13.051000	102.248419	0.00	12.805125	

Source: Researchers Calculation using MS Excel

The regression results in Bangladesh has been further verified through testing of hypothesis using student's t test and the test results revealed that for all the HD indicators the null hypothesis that there is no significant difference in mean values of selected HD indicators in pre and post globalization period is rejected (See Table 4). On the basis of these results we can say that Bangladesh is marching towards success of financial globalization in its economy.

TABLE 4: t TEST FOR BANGLADESH

Indicators	Pre Globalization	Post Globalization	t-Stat	t- Critical Value: Two Tailed	P(T<=t) Two-Tail	Level of significance	Hypothesis
Population in the largest city (% of urban population)	28.9616	32.3240	-8.645498	2.068658	0.00	.05	Rejected
Number of infant deaths	429190.8333	208125.9583	14.969876	2.068658	0.00	0.05	Rejected
Household final consumption expenditure, etc. (current US\$)	14.2164	45.9578	-6.403586	2.068658	0.00	0.05	Rejected
Fertility rate, total (births per woman)	6.2040	3.0212	2.068658	2.068658	0.00	0.05	Rejected
Number of under-five deaths	637099.5417	285536.2083	16.052957	2.068658	0.00	0.05	Rejected
Mortality rate, under-5 (per 1,000 live births)	197.6042	81.1208	50.822649	2.068658	0.00	0.05	Rejected
Age dependency ratio, old (% of working-age population)	5.6570	6.7121	-9.783135	2.068658	0.00	0.05	Rejected
Age dependency ratio, young (% of working-age population)	84.4973	60.3250	15.043428	2.068658	0.00	0.05	Rejected
Rural population (% of total population)	86.9490	74.1439	65.925686	2.068658	0.00	0.05	Rejected
Urban population (% of total)	13.0510	25.8561	-65.925686	2.068658	0.00	0.05	Rejected

Source: Researchers' Calculation using MS Excel

5.3 CHILE: AN OPTIMISTIC VIEW

Chile is the only country which shown the most optimistic results among the three sampled countries of the study to find out whether there is an impact of financial globalization on human development indicators or not. It is because if we will follow the guidelines for interpreting the regression results, here it has been found that the dummy variables denoted for financial globalization has shown significant impact on human development indicators of Chile. Hence, we can have an optimistic view for Chile and say that the impact of financial globalization has been well realized in Chile in connection with the human development indicators.

TABLE 5: REGRESSION RESULTS FOR CHILE

Indicators	Indicators	Indicators	Indicators	Indicators	Indicators	Indicators
Population in the largest city (% of urban population)	0.599196	0.359036	0.344468	40.1102618	24.646579	0.00
Number of infant deaths	0.696940	0.485726	0.474038	9856.391304	41.557465	0.00
Household final consumption expenditure, etc. (current US\$)	0.115320	0.013299	0.009126	3.535394	0.593030	0.00
Fertility rate, total (births per woman)	0.782647	0.612536	0.603730	2.991783	69.559024	0.00
Number of under-five deaths	0.695634	0.483907	0.472177	11609.956522	41.255870	0.00
Mortality rate, under-5 (per 1,000 live births)	0.701516	0.492124	0.480581	43.217391	42.635325	0.00
Age dependency ratio, old (% of working-age population)	0.788249	0.621336	0.612730	9.845364	72.198037	0.00
Age dependency ratio, young (% of working-age population)	0.809504	0.655297	0.647463	55.727567	81.683347	0.00
Rural population (% of total population)	0.809504	0.655297	0.647463	19.735913	83.646197	0.00
Urban population (% of total)	0.809504	0.655297	0.647463	80.264087	83.646197	0.00

Source: Researchers' Calculation using MS Excel

The t test results for Chile is synonymous with the regression results for the country. For all the human development indicators, the null hypothesis is rejected which means alternative hypothesis is accepted. It implies that the human development indicators of Chile in the post globalization period are significantly different from that of pre globalization period.

TABLE-6: t TEST FOR CHILE

Indicators	Pre Globalization	Post Globalization	t-Stat	t- Critical Value: Two Tailed	P(T<=t) Two-Tail	Level of significance	Hypothesis
Population in the largest city (% of urban population)	40.1102618	42.4121017	-4.356791	2.073873	0.00	0.05	Rejected
Number of infant deaths	9856.3913	2269.47826	7.22475	2.073873	0.00	0.05	Rejected
Household final consumption expenditure, etc. (current US\$)	3.53539414	4.14061565	7.22475	2.073873	0.00	0.05	Rejected
Fertility rate, total (births per woman)	2.99178261	2.0206087	13.954666	2.073873	0.00	0.05	Rejected
Number of under-five deaths	9856.3913	2269.47826	7.22475	2.073873	0.00	0.05	Rejected
Mortality rate, under-5 (per 1,000 live births)	43.2173913	10.6130435	7.2357885	2.073873	0.00	0.05	Rejected
Age dependency ratio, old (% of working-age population)	9.84536365	12.5612415	-9.201702	2.073873	0.00	0.05	Rejected
Age dependency ratio, young (% of working-age population)	55.7275668	37.5488613	6.665E-19	2.073873	0.00	0.05	Rejected
Rural population (% of total population)	19.735913	13.2526087	26.739168	2.073873	0.00	0.05	Rejected
Urban population (% of total)	80.264087	86.7473913	-26.73917	2.073873	0.00	0.05	Rejected

Source: Researchers' Calculation using MS Excel

6. CONCLUSION

On the basis of above findings, it is concluded that any country that adopts the process of financial globalization is likely be able to impact its human development indicators. The regression results and the results from testing of hypothesis has empirically proved this fact that globalization of finance has definitely an impact on human development. It is true that financial globalization may not work uniformly in all the countries since the stylized features of the economies differ from country to country. In the present study three countries has been considered and the results are different for each of the country. India has been found as a country with financial globalization least affecting the human development indicators of the economy. Bangladesh is in a better position in this connection because in Bangladesh financial globalization has been found to be more effective than in India. Chile is however the country out of the three sampled countries that has been found to have implemented financial globalization most properly so that human development will happen. Therefore, a country like India needs to have better participation in the financial globalization to benefit the development of human development indicators.

7. LIMITATIONS OF THE STUDY AND SCOPE FOR FURTHER RESEARCH

One of the major limitations of the present study is that it has considered only three countries for facilitating cross comparison. Secondly, there are many other sophisticated statistical tools except regression analysis and student's test for measuring the impact financial globalization on human development indicators. Lastly, there are only a few human development indicators only that have been selected for analysis in the present study. Hence, in this connection there remains scope for further research by taking more countries in to consideration, more human development indicators selected and robust techniques for analysis.

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## SOCIO ECONOMIC STATUS OF SCHEDULED CASTE WOMEN SELF HELP GROUP MEMBERS IN ERODE DISTRICT

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### ABSTRACT

*Women empowerment has become a catchword today and has got a significant place in socio economic development programme of the Government. Women constitute half of the world population and contribute substantially to the all-round development of the world. In recent years, women self-help groups have emerged as an effective means of entrepreneurship development among women. The study is based on data collected from 250 respondents. Erode District has been selected by the researcher purposely as it is one among the leading districts in promoting women Self Help groups. It is found that 85 (34%) respondents have completed only primary education. It is suggested that the NGOs can encourage the scheduled caste women in SHGs to take up secondary education and higher education if possible. It is found that 140(56%) respondent's monthly income is between Rs. 10,001 and Rs. 15,000. Hence, it is suggested that informal groups can be constituted by themselves to create a reliable and potential source of income to enhance the earning capacity of scheduled caste women in SHGs. It is found that 200(80%) respondents are landless. It is also found that 180(72%) respondents live in rented house and 10(4%) live in the leased house. So, it is suggested that the Government should pay more attention to create employment opportunities through which they can enhance their asset building capacity to become economically independent. It is suggested that financial education need to be promoted.*

### KEYWORDS

Erode district, socio economic status, scheduled caste women, self help group members.

### 1.1 INTRODUCTION

**W**omen empowerment has become a catchword today and has got a significant place in socio economic development programme of the Government. Women constitute half of the world population and contribute substantially to the all-round development of the world. In recent years, women self-help groups have emerged as an effective means of entrepreneurship development among women. Entrepreneurship has a strong potential for socio-economic empowerment of women.

### 1.2 REVIEW OF LITERATURE

Puhazhendi and Satyasai (2000) examined the socio-economic impact of Self Help Groups and found that the overall impact of such groups was significant both on social and economic spheres of the household. They found that economically weaker sections accounted for 84 per cent of the membership. About 58.6 per cent of the sample households registered an increase in assets due to SHG membership. Only 23 per cent of households were saving before forming Self Help Groups and 100 per cent of households were able to save after joining Self Help Groups. It is concluded that the impact of micro finance was relatively more pronounced on social aspects than economic aspects.

Nedumaran et al. (2001) analysed the performance and the socio economic impact of Self Help Groups in Tamil Nadu and found that there was an increase of 23 percent in the net income in the post SHG situation. Social conditions of the members had also considerably improved after joining the Self Help Group.

Krishnaiah (2003) examined Self Help Groups in Andhra Pradesh and observed that as a result of group formation, women were able to diversify their activities by undertaking non-farm and animal husbandry related activities. He concluded that repayment of loans by the groups is appreciable because of peer pressure, members are known to each other and they are aware of the credit worthiness of members and the good performance of repayment from members to groups and groups to banks helped to get higher loans subsequently.

Purushotham (2004) examined Self Help Group members in Pamidi (Anantapur district) in A.P. and concluded that 90 per cent of the micro credit borrowers utilized micro credit to graduate from wage work into self-employment and concluded that micro credit intervention has benefited the group members in the acquisition of productive assets, repayment of old debts, increase of income and savings, construction of toilets, sending girl children to schools, purchase of jewels and enhancement of employment ratio.

Lalitha and Nagarajan (2004) studied Self Help Groups in Dindigul, Madurai and Theni Districts in Tamil Nadu and concluded that organization of women in the form of Self Help Groups has laid the seeds for economic and social empowerment of women.

Bali Swain et al., (2013) evaluated the impact of economic and non-economic factors on women's empowerment of Self-Help Group (SHG) members. The researchers estimated a structural equation model (SEM) and corrected for originality in the data to account for the impact of the latent factors on women's empowerment. Their SEM results reveal that for the SHG members, the economic factor is the most effective in empowering women. Greater autonomy and social attitudes also have a significant women empowerment impact.

Geetamma Bulla (2013) studied that the Micro finance through Self Help Group (SHG) has been recognized internationally as the modern tool to combat poverty and for rural development. Micro finance and SHGs are effective in reducing poverty, creating awareness which finally results in sustainable development of the nation.

Rajasekaran and Sindhu (2013) made a study on entrepreneurship and small business with reference to Women SHGs in Coimbatore City. Their analysis clearly shows that the role of women entrepreneurs' contribution to the society is commendable.

### 1.3 IMPORTANCE OF STUDY

Women have been regarded as the nuclei of nation and the builder of its destiny. It is an accepted fact "when women move forward, the family moves, the city moves and the nation moves". Days are gone when women in India remained confined to four walls of their homes and their immense potential remained unrecognized and unaccounted, now women entrepreneurs are an important input of economic development.

Entrepreneurs are considered as a life moving force behind any economy. It is also believed that without entrepreneurial activities the process of industrialization is not possible. Self Help Group is a path toward empowerment of rural people and the ultimate goal is the improvement of social and economic status of rural women. The result of this study may be helpful to the NGOs or Government and other related people while deciding on matters concerning their areas of interest.

### 1.4 STATEMENT OF THE PROBLEM

Development alone cannot bring peace, prosperity and progress unless social justice and gender equality are ensured. It has been resulted that development programmes have by-passed women who constitute about half of the population of the country. The women who are engaged in unorganized sector of the economy are still living below the poverty line and suffer due to their overall backwardness. Goals of the XII five-year plan were creating greater freedom and

choice for women by generating awareness and creating institutional mechanism to help women question, improving employability of women, work participation rates especially in the organized sector and increased ownership of assets and control over resources.

SHGs enhance the equality of status of women as participation, decision making and beneficiaries in the democratic, economic, social and cultural spheres of life. The basic principles of the SHGs are group approach mutual trust, organization of small and manageable groups, group cohesiveness, spirit of thrift, demand based lending, collateral free lending, peer group pressure, skill training, capacity building and empowerment. In Tamil Nadu, SGHs were started in 1989 at Dharmapuri district for the first time. At present 1.40 lakh groups are functioning with 23.83 lakh members. It is observed that more number of SGHs are suffering due to lack of managerial skill, training, marketing, financial and Government support. Against this background, the present study is an attempt to answer the following questions:

1. What is the socio economic impact of women SHGs?
2. To what extent, the SHG members are satisfied?
3. What are the problems faced by SHG members?

### 1.5 OBJECTIVES OF THE STUDY

1. To analyse the socio economic characteristics of the members of SHGs in Erode district comprising of scheduled caste members.
2. To offer suitable suggestions based on findings.

### 1.6 PERIOD OF STUDY

This study is totally based on primary data. Hence the data collection period i.e., July 2014 to February 2015, is presumed as the period of study.

### 1.7 SAMPLING DESIGN AND METHODOLOGY

The study is confined to scheduled caste women belonging to self-help groups in Erode district. The study is based on primary data collected by the researcher. Interview schedule has been used to collect data from the sample respondents using random sampling. The study is based on data collected from 250 respondents. Erode District has been selected by the researcher purposely as it is one among the leading districts in promoting women Self Help groups. The total population of Erode District is 22,51,744 which comprises of 1,85,075 scheduled caste women<sup>1</sup>. There are six taluks in Erode district.

### 1.8 LIMITATIONS OF THE STUDY

Though the researcher has taken all possible efforts to make the study complete, there lies certain limitations which are presented below:

1. The study is confined to Erode District only.
2. The size of the sample size is restricted to 250 only.

### 1.9 SOCIO-ECONOMIC STATUS OF THE SELF HELP GROUP MEMBERS

In order to understand the socio-economic status of the self-help group members, the data regarding age, education, marital status, occupation, annual income and other important details were collected and analyzed.

#### 1.9.1 PROFILE OF THE RESPONDENTS BASED ON AGE

Profile of the respondents based on age is shown in Table 1

TABLE 1: PROFILE OF THE RESPONDENTS BASED ON AGE

AGE	NO. OF RESPONDENTS	PERCENTAGE
20-40 years	128	51.2
41- 60 years	102	40.8
Above 60 years	20	08.0
Total	250	100

Source: Primary Data

Table 1 shows that Majority of the respondents (51%) belong to the age group of 20-40 years. This depicts youngster's preference towards self-help groups.

#### 1.9.2 PROFILE OF THE RESPONDENTS BASED ON EDUCATIONAL QUALIFICATIONS

Profile of the respondents based on educational qualification is shown in Table 2.

TABLE 2: PROFILE OF THE RESPONDENTS BASED ON EDUCATIONAL QUALIFICATION

EDUCATIONAL QUALIFICATION	NO. OF RESPONDENTS	PERCENTAGE
Illiterate	15	6
Primary	85	34
Secondary	75	30
Higher secondary	75	30
Total	250	100

Source: Primary Data

Literacy level of the sample population is not appreciable as 6% of them are illiterates. 34% of them had primary education only. Respondents with secondary and higher secondary education constitute 30% each.

#### 1.9.3 PROFILE OF THE RESPONDENTS BASED ON MARITAL STATUS

Profile of the respondents based on marital status is shown in Table 3.

TABLE 3: PROFILE OF THE RESPONDENTS BASED ON MARITAL STATUS

MARITAL STATUS	NO. OF RESPONDENTS	PERCENTAGE
Married	200	80
Unmarried	50	20
Total	250	100

Source: Primary Data

Table 3 shows that majority (80%) of the respondents are married. This exhibits the attitude of married women to shoulder responsibilities to have a source of income.

<sup>1</sup> www.Erode.tn.nic.in/dh1112/dh1112-1.pdf.

**1.9.4 PROFILE OF THE RESPONDENTS BASED ON TYPE OF FAMILY**

Profile of the respondents based on type of family is shown in Table 4.

**TABLE 4: PROFILE OF THE RESPONDENTS BASED ON TYPE OF FAMILY**

TYPE OF FAMILY	NO. OF RESPONDENTS	PERCENTAGE
Joint	70	28
Nuclear	180	72
Total	250	100

Source: Primary Data

Table 4 shows majority (72%) of the respondents belong to nuclear family. This reflects the favourable attitude of women towards 'independence' and 'self help'.

**1.9.5 PROFILE OF THE RESPONDENTS BASED ON NUMBER OF FAMILY MEMBERS**

Profile of the respondents based on number of family members is shown in Table 5.

**TABLE 5: PROFILE OF THE RESPONDENTS BASED ON NUMBER OF MEMBERS IN FAMILY**

NUMBER OF MEMBERS IN THE FAMILY INCLUSIVE OF MEMBER RESPONDENT	NO. OF RESPONDENTS	PERCENTAGE
2 members only	50	20
3-5 members	120	48
Above 5 members	80	32
Total	250	100

Source: Primary Data

Table 5 shows that 120 (48%) respondents have 3-5 members in their family, 80 (32%) respondents have above 5 family members and only 50 (20%) respondents have below 3 members. This Table has to be read with 2.3 where one can understand majority of the members (80%) are married. As majority of them are married, their family size is also upto 5 members.

**1.9.6 PROFILE OF THE RESPONDENTS BASED ON MONTHLY INCOME**

Profile of the respondents based on monthly income is shown in Table 6.

**TABLE 6: PROFILE OF THE RESPONDENTS BASED ON MONTHLY INCOME**

MONTHLY INCOME	NO. OF RESPONDENTS	PERCENTAGE
Below Rs5000	10	4
Rs.5001 – 10,000	95	38
10001- 15,000	140	56
Above Rs.15,000	5	2
Total	250	100

Source: Primary Data

Table 6 reveals that 56% of the respondents have an average monthly income in the range of Rs.10,001 – Rs.15,000.

**1.9.7 PROFILE OF THE RESPONDENTS BASED ON HUSBAND'S EDUCATION**

Profile of the respondents based on husband's education is shown in Table 7.

**TABLE 7: PROFILE OF THE RESPONDENTS BASED ON HUSBAND'S EDUCATION**

EDUCATION	NO. OF RESPONDENTS	PERCENTAGE
Illiterate	145	72.5
Primary	30	15.0
Secondary	23	11.5
Higher education	2	1.0
Total	200	100

Source: Primary Data

Table 7 shows that 145(72.5%) respondents' husbands are illiterates, 30 (15%) had only primary education, 23 of them have completed secondary education and only 2 (1.0) have had their higher education. Majority of them are illiterates.

**1.9.8 PROFILE OF THE RESPONDENTS BASED ON OCCUPATION**

Profile of the respondents based on occupation is shown in Table 8.

**TABLE 8: PROFILE OF THE RESPONDENTS BASED ON OCCUPATION**

EMPLOYMENT STATUS	NO. OF RESPONDENTS	PERCENTAGE
Employed	25	10
Self employed	85	34
Home makers	140	56
Total	250	100

Source: Primary Data

Table 8 shows that 140(56%) respondents are home makers, 85(34%) are self-employed and 25 (10%) are employed.

**1.9.9 SIZE OF LAND HOLDING OF RESPONDENTS**

Profile of the respondents based on land size holding is shown in Table 9.

**TABLE 9: LAND SIZE HOLDING OF RESPONDENTS**

LAND SIZE HOLDING OF MEMBER'S FAMILY	NO. OF RESPONDENTS	PERCENTAGE
Below 1 acre	47	19
1-5 acre	3	1
Landless	200	80
Total	250	100

Source: Primary Data

Majority of the members i.e., 80%(200 in number) belongs to landless category. Even among the rest of 50 members, majority of them i.e., 47 members own less than an acre of land. This state of affairs pushes them towards an economic activity by becoming a member of the SHG.



**FINDINGS**

While analyzing the profile of the respondents:

- It is found that 128(51%) respondents are in the age group 20-40 years.
- 85 (34%) respondents have completed only primary education.
- 200(80%) respondents are married.
- 180(72%) respondents belong to nuclear family.
- 120(48%) respondents have 3-5 members in their family.
- 140(56%) respondents' monthly income is between Rs. 10,001 and Rs. 15,000.
- 145(72.5%) respondents' husbands are illiterates.
- 140(56%) respondents are home makers.
- 47(19%) respondents hold below 1 acre of land.

**SUGGESTIONS**

Based on findings of the present study, the following suggestions are offered:

- In the present study, it is found that 170(68%) respondents' husbands are illiterates. Hence, it is suggested that Government can take efforts to create awareness about adult education.
- It is found that 85 (34%) respondents have completed only primary education. Hence, it is suggested that the NGOs can encourage the scheduled caste women in SHGs to take up secondary education and higher education if possible.
- It is found that 140(56%) respondents monthly income is between Rs. 10,001 and Rs. 15,000. Hence, it is suggested that informal groups can be constituted by themselves to create a reliable and potential source of income to enhance the earning capacity of scheduled caste women in SHGs.
- It is found that 200(80%) respondents are landless. It is also found that 180(72%) respondents live in rented house and 10(4%) live in the leased house. So, it is suggested that the Government should pay more attention to create employment opportunities through which they can enhance their asset building capacity to become economically independent.
- It is suggested that financial education need to be promoted.

**CONCLUSION**

Self-help groups play an important role in the empowerment of women. In our rapidly growing economy, women's status should be widened not only in terms of social empowerment but also more emphasis need to be given for economic empowerment because both are complementary. By realizing this, the present study was undertaken to examine socio economic status of scheduled caste women self-help groups with special reference to scheduled caste women in Erode District. Based on the findings, various suggestions have been offered. If suggestions are seriously considered by concerned people and agencies, the women self-help groups will flourish to nourish women in general and scheduled caste women in particular.

**SCOPE FOR FURTHER RESEARCH**

Comparison of performance and satisfaction of members of women SHGs with men SHGs can be undertaken.

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**A STUDY ON RELATIONSHIP BETWEEN BANKEX AND STOCK MARKET INDICES**

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**ABSTRACT**

*The study examines the relationship between BANKEX and Stock Market Indices over a sampling period from 1<sup>st</sup> January 2006 to 31<sup>st</sup> December 2015. Statistical tools i.e. Person's correlation, Regression, Augmented Dickey Fuller (ADF) Unit Root test Hypothesis and Pair-Wise Granger Causality Test were used to test the relationship. The finding from the study reveals that sectoral indices have influence over each other and there exists unidirectional causality between the selected sectoral indices.*

**KEYWORDS**

BANKEX, SENSEX, NIFTY, performance of sectoral indices.

**INTRODUCTION**

Indian financial market has been going through a fascinating change and it opened up investment opportunities in the financial sector. The stock market is an avenue for every investor in India. Therefore, the investors have to forecast the market price in order to maximize their investment worth. Initially, the stock market index was formed and later on sectoral indices were developed and these are collectively providing the information to the investors to invest their funds. Identifying the importance of stock market indices, a study has been undertaken to examine a relationship between the leading stock market index of the country (NIFTY & SENSEX) and BANKEX which are most important to the overall performance of the economy. This study concentrates on the particular aspect of Bank Indices (BANKEX), as without a sound and effective banking system in India, it cannot have a healthy economy. It was felt that the efficiency of financial system of the banking sector was not only measured by quantitative growth in the terms of branch expansion but also in the growth of deposits/advances. The system of BANKEX was brought into effect since 2002 in BSE and 2003 in NSE for the efficient evaluation of banking operations in the stock market.

**STATEMENT OF THE PROBLEM**

Indian Stock market indices are influenced by both macro & micro factors and also by other sectoral indices. The world economy faces volatility due to various businesses, political, social and globalized economic environments which is reflected in the market capitalization. Indian economy also faces the same kind of problems. Indian Capital market consists of various sectoral indices in which the Performance of bank indices is an important indicator of the functioning of an economic system. Taking into consideration that volatility of banking stocks that has hogged the limelight. An important issue centers on the pattern of bank stock returns and their impact on the stock market indices. Because of high volatility in banking stock returns and stock market indices, investors are in a dilemma whether their investment will be safe or not. Even though situations have stabilized, still there is an imprecision among the investors about the performance of the sectoral indices. Hence, an attempt is made to study about the relationship between the sectoral indices and stock market indices (SENSEX & NIFTY) with special reference to BANKEX.

**OBJECTIVES**

1. To examine the correlation between S&P Bankex, CNX Bankex, SENSEX and NIFTY.
2. To investigate the impact of S&P Bankex on SENSEX and CNX Bankex on NIFTY
3. To analyze whether the Bankex of NSE and BSE, SENSEX and NIFTY are stationary.

**METHODOLOGY****SOURCE AND COLLECTION OF DATA**

The study has used mainly secondary data. Information relating to the values of BANKEX and stock market indices have been obtained from [www.bseindia.com](http://www.bseindia.com), [www.nseindia.com](http://www.nseindia.com) and money control.

**PERIOD OF THE STUDY**

The present study is an attempt to test the relationship and impact of BANKEX on stock market indices during the period from 1<sup>st</sup> January 2006 to 31<sup>st</sup> December 2015.

**TOOLS USED FOR ANALYSIS**

- Person's correlation
- Regression
- Augmented Dickey Fuller (ADF) Unit Root test.
- Pair-Wise Granger Causality Test

**LITERATURE REVIEW**

**Dr. R. Radhika (2015)** analyzed “BSE and Sectoral Indices: A Comparative Study”. This paper examines the performance of sectoral indices such as BSE IT, BSE FMCG, BSE Oil and Gas, BSE BANKEX, BSE Metal, BSE Realty in comparison with SENSEX. The study has incorporated the last financial year and studied the correlation coefficients to establish the relationship between selected sectoral indices and SENSEX. The Study declares that there is a high range of positive correlation between the selected indices and SENSEX. It suggests that the investors can follow the leading index for their investment in various sectors.

**Ramkumar Rajesh (2012)** conducted a study on “Market efficiency in Sectoral Indices: A study with special reference to Bombay Stock Exchange in India”. This paper proposes to test the sectoral indices of BSE and to examine the market efficiency using the run test and auto correlation test. The study found that the return of BSE Automobile Index, BSE Bankex, BSE Capital goods Index, BSE Health Care Index, BSE Metal Index, BSE PSU Index and BSE Realty Index were significant at 5% level during 1<sup>st</sup> January 2005 to 31<sup>st</sup> December 2010.

**ANALYSIS**

**PERSON’S CORRELATION**

**H<sub>0</sub>: There is no significant relationship between S&P BANKEX and S&P SENSEX.**

**TABLE 1: MOVEMENT OF CNX BANKEX AND CNX NIFTY**

Correlations			
Variables	Particulars	S&P Bankex	Sensex
S&P Bankex	Pearson Correlation	1	.967**
	Sig. (2-tailed)		.000
	N	10	10
Sensex	Pearson Correlation	.967**	1
	Sig. (2-tailed)	.000	
	N	10	10

\*\* Correlation is significant at the 0.01 level (2-tailed).

The table no.1 exhibits the movement of CNX BANKEX and CNX NIFTY to identify the relationship among both the indices. The Pearson’s correlation results reveal that there exists a positive relationship (0.967) between CNX BANKEX and CNX NIFTY. The significant value (0.00) is less than 0.01. Hence null hypothesis (H<sub>0</sub>) is rejected. It confirms that the share price movement in CNX BANKEX has a significant relationship with CNX NIFTY.

**H<sub>0</sub>: There is no significant relationship between CNX BANKEX and CNX NIFTY.**

**TABLE 2: MOVEMENTS OF S&P BANKEX AND S&P SENSEX**

Correlations			
Variables	Particulars	CNX Bankex	NIFTY
CNX Bankex	Pearson Correlation	1	.970**
	Sig. (2-tailed)		.000
	N	10	10
NIFTY	Pearson Correlation	.970**	1
	Sig. (2-tailed)	.000	
	N	10	10

\*\* Correlation is significant at the 0.01 level (2-tailed).

The table no. 2 exhibits the movement of S&P BANKEX and S&P SENSEX to identify the relationship between both the indices. The Pearson’s correlation results reveal that there exists a positive relationship (0.970) between S&P BANKEX and S&P SENSEX. The significant value (.000) is less than 0.01. Hence the null hypothesis (H<sub>0</sub>) is rejected. It confirms that the share price movements in S&P BANKEX have significant relationship with S&P SENSEX.

**Regression Analysis**

**H<sub>0</sub>: There is no significant cause and effect relationship between CNX Bankex and NIFTY.**

**TABLE 3: CAUSE AND EFFECT RELATIONSHIP BETWEEN CNX BANKEX AND NIFTY**

Model Summary <sup>b</sup>				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.970 <sup>a</sup>	.941	.933	424.832

a. Predictors: (Constant), CNX Bankex

b. Dependent Variable: NIFTY

ANOVA <sup>b</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2.296E7	1	2.296E7	127.231	.000 <sup>a</sup>
	Residual	1443856.573	8	180482.072		
	Total	2.441E7	9			

a. Predictors: (Constant), CNX Bankex

b. Dependent Variable: NIFTY

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients			T	Sig.
		B	Std. Error	Beta		
1	(Constant)	1769.207	377.309		4.689	.002
	CNX Bankex	.364	.032	.970	11.280	.000

a. Dependent Variable: NIFTY

The impact of CNX Bankex affecting NIFTY has been captured statistically by the Regression model. The r value is (.970). This shows that predictors have 97% influence on the output. CNX Bankex (b=0.364), this value indicates that as the CNX Bankex increases by 1 unit the average NIFTY value increases by 0.364 units. The p-value, 0.000 is less than 0.01 at 1% level of significance. Hence the null hypothesis (H<sub>0</sub>) is rejected. It is inferred that the variance in CNX Bankex contributes to the change in NIFTY.

H<sub>0</sub>: There is no significant cause and effect relationship between S&P BANKEX and SENSEX.

TABLE 4: CAUSE AND EFFECT RELATIONSHIP BETWEEN S&P BANKEX AND SENSEX

Model Summary <sup>b</sup>				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.967 <sup>a</sup>	.936	.928	1.4502385E3

a. Predictors: (Constant), S&P Bankex

b. Dependent Variable: SENSEX

ANOVA <sup>b</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2.443E8	1	2.443E8	116.152	.000 <sup>a</sup>
	Residual	1.683E7	8	2103191.702		
	Total	2.611E8	9			
a. Predictors: (Constant), S&P Bankex						
b. Dependent Variable: SENSEX						

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	6253.495	1280.324		4.884	.001
	S&P Bankex	1.033	.096	.967	10.777	.000
a. Dependent Variable: SENSEX						

The impact of S&P Bankex affecting SENSEX has been captured statistically by the Regression model. The r value is (.967). This shows that predictors have 96.7% influence on the output. S&P Bankex (b=1.033), this value indicates that as the S&P Bankex increases by 1 unit the average SENSEX value increases by 1.033 units. The p-value, 0.000 is less than 0.01 at 1% level of significance. Hence the null hypothesis (H<sub>0</sub>) is rejected. It is inferred that the variance in S&P Bankex contributes to the change in SENSEX.

**STATISTICAL DESCRIPTION OF VARIABLES**

The statistical description of variables which are used in this study is represented in Table no.3. It indicates Mean, Standard deviation, Skewness and Kurtosis of variables used in this study.

TABLE 5: STATISTICAL DESCRIPTION OF VARIABLES

INDICES	MEAN	STD. DEVIATION	SKEWNESS	KURTOSIS
S&P BANKEX	0.218976514	0.486502079	-0.279541858	-1.585143815
S&P SENSEX	0.142295985	0.391925765	-0.062105061	0.350116212
CNX BANKEX	0.218065004	0.455850412	-0.263948481	-1.698260417
CNX NIFTY	0.14871215	0.370779551	-0.187581129	-0.095284983

As table no.5 shows, S&P BANKEX has the highest mean amongst variables with the value of 0.218976514 and S&P SENSEX has the lowest mean amongst variables with the value of 0.142295985. S&P BANKEX also has the highest standard deviation amongst variables with the value of 0.486502079 and CNX NIFTY has the lowest standard deviation amongst variables with the value of 0.370779551.

The table no.5 exhibits the values of S&P BANKEX, S&P SENSEX, CNX BANKEX and CNX NIFTY are negative and ranges between 0 and -0.3, which represents that the distributions are negatively skewed and the frequency curves are negatively skewed with a long tail towards left.

The table no.5 shows the negative kurtosis and the coefficient of Kurtosis are less than 3 and the curves are said to be flat, as their frequencies are less concentrated around the mean. The flatness of frequency curve is described as Platykurtic.

**Augmented Dickey Fuller (ADF) Unit Root test.**

H<sub>0</sub>: The series are non-stationary. The unit root exists

TABLE 6: UNIT ROOT TEST RESULTS AT LEVEL WITH CONSTANT

2007-2016	VARIABLE	No. of. Observations	ADF Test Statistics	Critical Value @ 5%	p- Value	H <sub>0</sub> Accept/ Reject
Level	CNXBankex	2454	-2.756983	-3.411	0.2137	Accept
Level	NIFTY	2465	-2.563946	-3.411	0.2972	Accept
Level	S&PBankex	2454	-2.511894	-3.411	0.3223	Accept
Level	SENSEX	2465	-2.463014	-3.411	0.3467	Accept

It is clear from the Table that calculated value of the test statistics |t| is less than its critical value (-3.411) in all the selected Indices and all the probability values are greater than 0.05. Therefore, the null hypothesis is accepted, which means that for the series CNXBankex, NIFTY, S&P Bankex and SENSEX, unit root exists, and they are non-stationary at its levels.

**Pair-Wise Granger Causality Tests**

H<sub>0</sub>: There is no causal relationship between selected Indices.

TABLE 7: PAIR-WISE GRANGER CAUSALITY TEST

Null Hypothesis	F Stat	P-Value	Hypothesis Accept/Reject	Causality
NIFTY does not Granger Cause S&P Bankex	2.76185	0.0634	Accepted	No Causality
S&PBankex does not Granger Cause NIFTY	2.79457	0.0613	Accepted	
SENSEX does not Granger cause S&P Bankex	2.45628	0.0860	Accepted	Unidirectional
S&PBankex does not Granger cause SENSEX	3.40215	0.0335	Rejected	
CNXBankex does not Granger cause NIFTY	434.297	2E-162	Rejected	Unidirectional
NIFTY does not Granger cause CNX Bankex	1.04324	0.3525	Accepted	
CNXBankex does not Granger cause SENSEX	427.968	3E-160	Rejected	Unidirectional
SENSEX does not Granger cause CNX Bankex	1.00070	0.3678	Accepted	
CNXBankex does not Granger cause S&PBankex	1.88834	0.1515	Accepted	Unidirectional
S&PBankex does not Granger cause CNXBankex	4.51825	0.0110	Rejected	

The results of pair-wise Granger causality test between selected Indices are presented in the table no.7. It has been found that there exists Unidirectional Causality (Granger Cause) between S&PBankex and SENSEX, CNXBankex and NIFTY, CNXBankex and SENSEX, S&PBankex and CNXBankex. It is concluded that there is causal relationship between the selected indices except NIFTY with S&P Bankex.

**CONCLUSION**

The study infers that sectoral indices have significant influence on each other. The Grangers causality test signifies that there exists unidirectional causality between the selected sectoral indices. It is clear from the ADF test statistics that each time series data is integrated. The factors studied are of immense use for investors to take appropriate decision by considering not only global economic and political environment but also the sectoral indices to mitigate investment risks in their investment portfolio.

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**WEB SOURCE**

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**WEBSITES**

6. [www.bseindia.com](http://www.bseindia.com)
7. [www.moneycontrol.com](http://www.moneycontrol.com)
8. [www.nseindia.com](http://www.nseindia.com)

## IMPACT OF ORGANISATIONAL CLIMATE ON EMPLOYEE PERFORMANCE: A STUDY WITH REFERENCE TO THE EDUCATIONAL SECTOR OF INDORE

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### ABSTRACT

*The study reveals that there is a positive significant relationship between performance of the Education providers and the working environment elements; Relationship, Belongingness and Connectedness. These results indicate that the physical component of the work environment have the strongest effect on the performance level of employees. There consequences of study stretched out new certainty prior to the researchers that variable like organizational climate twisted to be very important component in employee performance. The employer can use work environment to make it fit for employees to up their satisfaction and commitment.*

### KEYWORDS

organisational climate, employee performance, educational sector.

### INTRODUCTION

Teachers play an imperative and vibrant responsibility in the educational scheme. It is supposed that superior presentation of scholars depends upon effective teaching of their teachers. One of the most complicated exertions in educational investigation is that of recognizing the teacher effectiveness; i.e., discriminating between more effective and less effective teachers (Coleman, 1998). Teachers' performance is the way in which a teacher behaves in the process of teaching and it is known to be related to teachers' effectiveness. As professionals, college teachers need to be appropriate role models and exhibit to their students a commitment to scholarly values and to life-long learning (Medly and Shannon, 1994).

The conception of organizational climate of the organizations and other variables, including job satisfaction of the employees and their performance, began to emerge in the early 60's with the work of Halpin and Croft (1963) in this area. The employ of sophistication and amendment of the mechanism was conceded on by his followers in the field and took into version the association of organizational climate and other variables, as organizational effectiveness, administrative styles, teachers' morale, leadership behaviour, age, professional qualifications, job involvement, diffusion of innovations, quality of school life, social maturity of pupils and teacher effectiveness.

Organizational atmosphere is the quality of working environment. Individuals when valued and respected by the organization, contribute positively to business outcome. A vigorous organizational atmosphere is created by aspects influencing employee's perceptions, which include leadership quality, the decisions making process and recognition of employee's efforts. Every organization is uniquely diverse in its structural characteristics. Thereby each association deals with its member, influenced through policies as on allocations of resources, communication pattern, reward & penalty and leadership & decision making procedure

Cooper (2003) describes organizational climate as "people's perception of their working environment with regard to caring and friendliness." In other words, the interaction of workers and management should create a healthy organizational environment. It means that organizational climate is subjective to the perception of their working environment with regard to caring and friendliness." In other words, the interaction of workers and management should create a healthy organizational environment. It means that organizational climate is subjective to the perceptions of staff and students.

Janz & Prasarnphanich (2003) stated that when cooperative climate exists in companies, members of a group are more inclined to working together to share and develop tacit knowledge and try to promote each other's performance and learning. In other words, firms can enhance individuals' willingness to interact with others by nurturing a cooperative climate. When employees perceive a higher degree of cooperative atmosphere inside the organization, they will be more likely to build up the interactive relationship with other members.

The feelings, attitudes and behaviour of its members as influenced by the adopted organisational policy, results in the creation of a unique organizational climate. According to Hellreigel and Slocum (1974), organisational climate is a set of perceived attributes of the organisation (or its sub systems), induced from the way the organisation and its members deal with each other and with their environment. Furthermore, Schneider and Hall (1972) have defined organisation-al climate as a set of global perceptions held by organisational members about their organisational environment.

From the fire service perspective, Jensen (2000) notes an organization's climate, in general, refers to the overall work conditions, whether psychological, sociological, technological, political, or economic. He further states that organizational climate is by definition subjective.

Shadur et al. (1999) reported that organizations creating an atmosphere in which employees are involved in decision making create a positive innovative work environment.

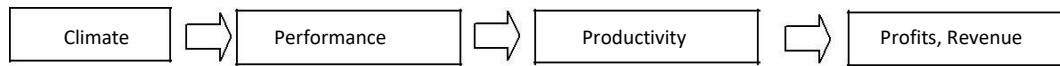
Schein, (2000) as well as Glisson & James, (2002) concur with the emotional aspect noting that organizational climate is a reflection of each employee's perception of and emotional responses to their work environment. Organizational climate can be defined as a feeling by the employees of how they perceive that something is being done or how it should be done or how it should be done

Hoegl et al., (2003) stated that the innovative organizational climate, when members encounter certain project dilemmas, they may participate aggressively in their work terms and interact with each other to find out appropriate solutions.

Janz & Prasarnphanich (2003) stated that when cooperative climate exists in companies, members of a group are more inclined to working together to share and develop tacit knowledge and try to promote each other's performance and learning. In other words, firms can enhance individuals' willingness to interact with others by nurturing a cooperative climate. When employees perceive a higher degree of cooperative atmosphere inside the organization, they will be more likely to build up the interactive relationship with other members.

Organizational climate is deemed to be important: it is perceived, as motivated employee will result in higher productivity, greater passion for the business, and a deeper engagement with customers. A positive climate encourages employees' productivity and decrease turnover. Figure 1 explains the impact of organizational climate on performance.

FIGURE 1: THE IMPACT OF ORGANIZATIONAL CLIMATE ON PERFORMANCE



**OBJECTIVES**

**PRIMARY OBJECTIVE**

- 1. To examine the impact of organizational climate on employee performance.

**SECONDARY OBJECTIVES**

- 1. To investigating the impact of work environment on employee performance.
- 2. To examine the impact of team commitment on employee performance.
- 3. To determine the impact of flexibility of on employee performance.

**HYPOTHESIS**

- H<sub>01</sub>: There is no significant impact of work environment on employee performance.
- H<sub>02</sub>: There is no significant impact of team commitment on employee performance.
- H<sub>03</sub>: There is no significant impact of flexibility of on employee performance

**RESEARCH METHODOLOGY**

When we choose the correct model from different options for arrangement and put into operation for our research this is called methodology. There are many activities involved in the research such as make suitable models, case study, and data collecting and data analysis methods. In this paragraph we define about the methodology which we use in the research activities and also the method which we adopt which is related to the research problem, such as how independent variables create impact on the dependent variable. The study aims to develop the impact of independent variable, organisational culture on the dependent variable, employee performance. The study was carried out with close ended questions from participants.

The research was conducted through questionnaire developed on five pointer likert scale, the questionnaire comprised of three parts: part A had 24 questions regarding the organisational culture prevailing in the education sector of Indore city. The organisation culture was measured on three points: work environment with the help of 8 questions, team commitment with 8 questions and flexibility with 8 questions.

Part B of the questionnaire comprised of questions related to the dependent variable: employee performance. 15 points were asked by the respondents which were answered on 5 pointer likert scale.

Part C consisted of demographic information about the respondents.

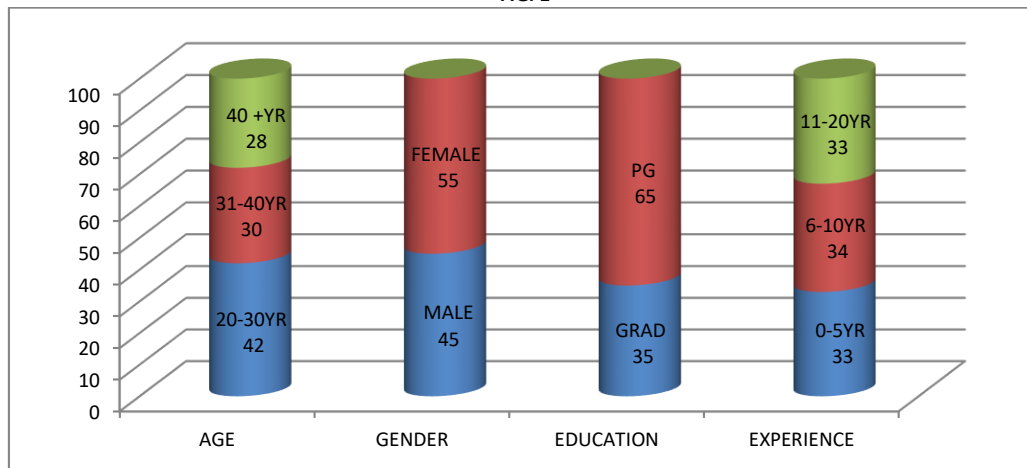
The questionnaire was answered by 100 respondents belonging to graduation and post-graduation teaching levels of Indore city.

The data gathered was analysed using graphs, tables, excel, SPSS and statistical tools as and when required.

**FINDINGS**

**DEMOGRAPHIC ANALYSIS**

FIG. 1



As the above graph shows, the Indore education sector is dominated by females with 55 respondents being females out of 100, 42% lie between 20-30 yrs of age, 30 % between 31-40 yrs and 28 % being above 40 yrs of age.

35 %respondents were graduates and a majority 65% post-graduates. The experience of teaching was almost equally divided with 33 having an experience of 0-5 yrs, 34 having an experience of 6-10 yrs and 33 having an experience of 31-20 yrs.

TABLE 1: DESCRIPTIVE STATISTICS

	Mean	Std. Deviation	N
EMPPERFOR	3.4858	.29075	100
WORKENV	3.6120	.46053	100
TEAMCOMM	3.5331	.33297	100
FLEXIBILITY	3.4889	.33894	100

The descriptive analysis for the data collected shows that the mean for employee performance is 3.45, for work environment is 3.61, team commitment is 3.53 and for flexibility are 3.48. The number of observation for all is 100.

TABLE 2: VARIABLES ENTERED/REMOVED <sup>a</sup>

Model	Variables Entered	Variables Removed	Method
1	FLEXIBILITY, TEAMCOMM, WORKENV <sup>b</sup>	.	Enter

a. Dependent Variable: EMPPERFOR

b. All requested variables entered.

All variable studied were entered for analyses, no variable was removed for the current regression also each independent variable was entered in the usual manner.

TABLE 3: MODEL SUMMARY

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.291 <sup>a</sup>	.085	.056	.28248

a. Predictors: (Constant), FLEXIBILITY, TEAMCOMM, WORKENV

b. Dependent Variable: EMPERFOR

R is the square root of R-Squared and is the correlation between the observed and predicted values of dependent variable. Here the value of R is .291.

R square is the promotion of variance in the dependent variable (employee performance) which can be explained by the independent variable (flexibility, team communication and work environment). This is an overall measure of the strength of associate and does not reflect the extent to which any particular independent variable is associated with the dependent variable. The value of R square is .085.

The above table shows that the multiple correlation coefficients (R), by means of organizational climate, are .291 and accustomed R<sup>2</sup> is .085 meaning that 5% of the variance in employee performance can be predicted by organizational climate.

Adjusted R square is an adjustment that paralyzes the addition of extraneous predictors to the model. The value of Adjusted R square is .056. Std. error of the estimate is also referred to as the root mean squared error. Its value here is .28.

TABLE 4: ANOVA <sup>a</sup>

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.709	3	.236	2.962	.036 <sup>b</sup>
	Residual	7.660	96	.080		
	Total	8.369	99			

a. Dependent Variable: EMPERFOR

b. Predictors: (Constant), FLEXIBILITY, TEAMCOMM, WORKENV

The above table illustrates that F=2.96 and is statistically not important. This argues that the forecaster does not forecast employee performance and organizational climate considerably.

TABLE 5: COEFFICIENTS <sup>a</sup>

Model		Un standardised Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	2.422	.405		5.973	.000	1.617	3.226
	WORKENV	.134	.065	.212	2.066	.042	.005	.263
	TEAMCOMM	.079	.087	.091	.911	.364	-.093	.252
	FLEXIBILITY	.086	.089	.100	.970	.335	-.090	.262

a. Dependent Variable: EMPERFOR

The first column represent the predictor variables (constant, workenv, teamcomm and flexibility)The first variable constant represents the constant also referred as the Y intercept, the height of the regression line when it crosses the Y axis.

The coefficient for work environment is .134, and Sig value is 0.042 so for every unit increase in work environment an increase of 0.134 units is predicted in employee performance, holding all other variables constant. There is a very weak positive correlation between work environment and employee performance. As the value of sig is <0.05 we reject the null hypothesis and conclude that work environment has an impact on employee performance. Good Work environment not only influences physical well being but also emotional and mental well being and has an impact on job performance of the staff. The research is investigated the dimensions of workplace environment in terms of physical as well as behavioural components. It has proved that Workplace environment plays a vital role in motivating employees to perform their assigned work. Since money is not a sufficient motivator in encouraging the workplace performance required in today's work environment. The ability to attract, keep and motivate high-performance is becoming increasingly important in today's competitive organizational environments. After the research, it was realized that the work environment employee's find themselves in affect their productivity greatly.

The coefficients for team Commitment is 0.79. So for every unit increase in team commitment an increase of 0.79 unit is predicted in employee performance, holding all other variables constant

There is a weak positive correlation between team commitment and employee performance, but we accept the null hypothesis that there is no significant impact of team commitment on employee performance as the Sig value is greater than 0.05.

The coefficient for flexibility is 0.86. So for every unit increase in flexibility an increase of 0.86 unit is predicted in employee performance, holding all other variables constant. There is a weak positive correlation between flexibility and employee performance. We accept the null hypothesis that there is no impact of flexibility on employee performance as the Sig value is greater than 0.05.

**CONCLUSION AND RECOMMENDATIONS**

Being a qualitative study it was complex to change the variable of organizational climate. Model of this study is limited to specific class with similar demographics e.g. teachers with high educational level in Indore City. Only one of the independent variables, work environment, has a positive impact on the dependent variable whereas team commitment and flexibility have no impact on the employee performance. Work environment has shown weak positive impact, so there is a need for finding more variables affecting work environment.

The result reveals that there is a positive significant relationship between performance of the Education providers and the working environment elements; Relationship, Belongingness and Connectedness. These results indicate that the physical component of the work environment have the strongest effect on the performance level of employees.

There consequences of study stretched out new certainty prior to the researchers that variable like organizational climate twisted to be very important component in employee performance. The employer can use work environment to make it fit for employees to up their satisfaction and commitment.

**SCOPE FOR FUTURE RESEARCH**

It is recommended that future study be supposed to take into description a broader vision of employees from different organizations rather than just focusing on teachers.

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## EFFECTS OF WOLAITA DICHA JUNIOR FOOTBALL CLUB PLAYER'S INTERVENTION PROGRAM ON MOTOR PERFORMANCE SKILLS IN SOUTH NATIONS AND NATIONALITY OF ETHIOPIA

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### ABSTRACT

*The purpose of this study was to distinguish the sound effects of one-month program on motor skill performance in Wolaita Dicha junior football players. The total number of 43 players was participated in the study by using purposive sampling. Twenty-one players with age of 13-15 years were participated as training group and 22 players were participated as experimental group. The experimental group followed a specific movement program in three basic tasks: dribbling, passing, and jumping. The training group carried out an ordinary normal training depending upon the training schedules. Results indicated that the experimental group significantly improved their performance compared to the training group. It seems that the performance of motor skills can be improved through task-specific organized practice in training program.*

### KEYWORDS

training program, motor learning, task-specific program.

### INTRODUCTION

Improvement of motor skills is associated with positive health-related outcomes and with increased physical activity engagement (Okely et al., 2001; Lubans et al., 2010; Livonen et al., 2013; Catuzzo et al., 2016). Research shows a positive relationship between physical activity and motor development (Fisher et al., 2005) and fitness (Stodden et al., 2007; Barnett et al., 2009; Lubans et al., 2010). Fundamental motor skills are the building blocks of more complex movements, which enable children to participate in sport and games that require more advanced movements (Logan et al., 2011). Therefore, it is important to promote physical activity and programs for the development of motor skills performance (Rietmuller et al., 2009). Motor skills can be described as object control, e.g. skills like over arm throw, or locomotor skills, e.g. skills like jumping or dribbling (Gallahue et al., 2012).

The task indicates how the subjects must behave to complete the movement successfully. Competence in the different motor skills is positively associated with increased physical activity engagement (Lubans et al., 2010; Livonen et al., 2013), and it appears that improved performance in motor skills among players is positively correlated with participation in organized sport (van Beurden et al., 2002). However, there is not much empirical evidence on the practical coaching effects situations in club players. Therefore, the aim of the current study was to assess the effectiveness of interventions designed to improve some fundamental movement skills in football players by using a specific task coaching approach based on a theoretical framework of the dynamic system approach. The purpose of the present study was to evaluate the effects of short-term training programs with dichu football junior players in Ethiopia. The effect of the intervention was hypothesized to be effective for the experimental group.

### OBJECTIVES OF THE STUDY

Research objective is the evidence of the researcher's clear sense of purpose and direction. The purpose of this study was to evaluate the effects of short-term training intervention programs on motor skill performance in dichu football club junior players (B&C) in South Nation and Nationality of Ethiopia.

### MATERIALS AND METHODS

#### *Selection of the Participants*

The participants of the study were selected from Wolaita Dicha junior football Club players from South Nations and Nationality of Ethiopia. The experimental group consisted of 21 male participants, from club members. The control group consisted of 22 players. Permission for the study was agreed from club coaches and managers.

#### *Instrument and Test procedure*

The intervention program consisted of two junior club players (B&C) during one month period, with one hour practice per day. The training session started with warm-up activities. A station-organization approach was carried out, by assigning each skill or activity to a separate location in football field. Each session lasted 60 minutes and consisted of a 15-minutes period of passing activities, 15 minutes of dribbling, and 15 minutes of jumping. Warm-up activities lasted about 10 minutes, and about two minutes were allowed for transition between each activity station. A task-specific approach was used, in which the coach provided the task presentation.

#### *Statistical analysis*

A two-way analysis of variance with repeated measures was used to determine the pair wise differences between the intervention group and the control group. When a significant 'F' value was achieved, appropriate post hoc tests procedures were used to locate the difference between the means. Data are presented as mean  $\pm$  SD, and statistical significance was set at  $p < 0.05$ . Test-retest reliabilities for the experimental test have shown high interclass correlation (Fjørtoft et al., 2011).

#### *Result*

The training group followed a normal training program with the same number of lessons with, one hour practice per day. All session took place in football field. After a month of training, the group average dribbling skill improved significantly by 16.1 % from 4.55 ( $\pm 0.41$ ) seconds to 3.56 ( $\pm 0.41$ ) seconds, passing skills improved significantly by 17.2 % from 17.6 ( $\pm 2.56$ ) seconds to 14.07 ( $\pm 2.64$ ), and jumping skills increased significantly by 28 % from 8.07 ( $\pm 2.73$ ) meter to 10.33 ( $\pm 3.05$ ) meters.

TABLE I: PRE- AND POST-TEST RESULTS FOR MOTOR SKILL PERFORMANCE (MEAN  $\pm$ SD) FOR TRAINING GROUP (TG) AND CONTROL GROUP (CG)

Test	Training Group (n=21)		Control Group (n=22)	
	Pre	Post	Pre	post
Dribbling task (sec)	4.55 (0.89)	3.56 (0.41) #	4.55 (0.76)	4.33 (0.74)
Passing task (sec)	17.6 (2.56)	14.07 (2.64) #	16.64 (3.13)	16.65 (2.87)
Jumping task (sec)	8.07 (2.73)	10.33 (3.05) #	9.45 (3.26)	9.22 (3.30)

Pre- and post-tests between-groups, significant #  $p < 0.05$

#### *Discussion*

The results of the current study showed an improvement of players' performance in dribbling, passing and jumping for the Experimental Group, while the Control/Training Group did not improve in the motor skill tasks (Table I). This is in line with previous reports, which have shown improvements in motor skills in the

first four to six weeks of training (Beck et al., 2007). Thus, the hypothesis, that players who followed the task-specific program would improve their performance more than those who were engaged in Normal training session's activities was verified for the above skills.

It is claimed that the key variable in determining skill improvement is the number of correct practice trials players accumulates (Silverman et al., 1991; Siedentop et al., 2002). In the current study, the Control Group were probably not so focused on each of the specific motor skills, and they did not spend enough time practicing each skill to significantly improve their performance in this short-term program. Although the Experimental Group's results were very positive in this study, individual differences were apparent. The task-specific approach has the advantage of dealing directly with the issues of motor skill performance, and general motor skill interventions have not clearly demonstrated gains in performance in gross motor skills (Revie & Larkin, 1993; Beck et al., 2007).

It has been suggested that learning basic motor skills does need not much instruction and other feedback from coaches; the individual will find the optimal solution based on inner feedback, and that having enough time to practice many repetitions is essential (Siedentop, 2002). It is important to understand the factors influencing motor skill development and how to accommodate motor skill performance by manipulating the instructional environment and equipment, and modifying the task, so that effective instruction can be provided (Newell, 1984; Davis & Burton, 1991).

Several factors can influence motor skill performance, such as the time spent in practice, intensity of exercise, quality of instructions and coaching method, and it is difficult to identify specific intervention components that may contribute to success (Rietmuller et al., 2009). Due to the small sample size and because only three motor skills were assessed, the results from the study should be interpreted with caution. There is a need for future research to investigate the effectiveness of motor skill interventions in football players. It is important to study the components of the interventions such as approach, amount of instruction time, and the content of the curriculum.

## SUMMARY AND CONCLUSION

In summary, the result from this study suggests that a four-week specific training program can contribute to improved performance in gross motor skills like passing, dribbling and throwing. The coaching approach used here, with specific training in the motor skills, would probably have contributed to the gain made by the groups given intensive coaching of jumping, dribbling and throwing. This is in accordance with previous research showing task-specific motor training programs to have a positive effect on motor skill performances.

## RECOMMENDATIONS

This study was assessing the effects of short-term training intervention programs to cop up the problems and to fill the gaps of training effect. So that coaches should:

- Understand the factors influencing motor skill development and how to accommodate motor skill performance by manipulating the instructional environment and equipment, and modifying the task, so that effective instruction can be provided.
- Several factors can influence motor skill performance, such as the time spent in practice, intensity of exercise, quality of instructions and learning method, and it is difficult to identify specific intervention components that may contribute to success, so that coaches should evaluate the factors and build immediate solution.

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**IMPLICATIONS OF MARKETING STRATEGIES ON TELECOM SERVICES: A STUDY IN BANGALORE**

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**ABSTRACT**

*An important contribution of this study is how marketing strategy is developed and sustained over different target market in telecommunication sector. The beneficiaries of the competition are the consumers, who are given a wide variety of services. In the years to come the country is predicted to witness a communication revolution, which would increase the subscriber base to match that of the developed world. The future commitment of the customers to organization depends on perceived marketing element. The issue and challenges is therefore increasingly recognized as a critical success factor in the emerging scenario.*


**KEYWORDS**

telecom service, networking, marketing strategies, technology.

**ABBREVIATIONS**

IT	Information Technology
PCO	public call office
ISDN	Integrated Services Digital Network,
GSM	Global System for Mobile communications
CDMA	Code Division Multiple Access
GPSS	Gateway Packet Switched Data Services
CPS	Concert Packet Service
DoT	Department of Telecom

**INTRODUCTION**

lobalization, liberalization and privatization are the three most spoken words in today's world. These initiatives paved way for all-round reforms, especially in developing economies, like India. These countries realized that development of effective and efficient means of communications and information technology is important to push them onto the path of development. The growth of the telecom sector in India during post-liberalization has been phenomenal. This research aims to throw light on the factors that contributed to growth in the segment and presents an insight on the present status of the industry.

**NATIONAL TELECOM POLICY - OBJECTIVES**

The objectives of the NTP 1999 are as under:

- Access to telecommunications is of most importance for achievement of the country's social and economic goals. Availability of affordable and effective communication for the citizens is at the core of the vision and goal of the telecom policy.
- Strive to provide a balance between the provision of universal service to all uncovered areas, including the rural areas, and the provision of high-level services capable of meeting the needs of the country's economy.
- Encourage development of telecommunications facilities in remote, hilly and tribal areas of the country.
- Create a modern and efficient telecommunications infrastructure taking into account the convergence of IT, media, and telecom and consumer electronics and thereby propel India emerging as IT superpower.
- Convert PCOs, wherever justified, into Public Tele information centers having multimedia capability like ISDN services, remote database access, government and community information systems, etc.
- Transform in a time bound manner, the telecommunications sector to a greater competitive environment in both urban and rural areas providing equal opportunities and level playing field for all players.
- Strengthen research and development efforts in the country and to provide an importance to build world-class manufacturing capabilities.
- Achieve efficiency and transparency in spectrum management.
- Protect defense and security interests of the country.
- Enable Indian telecom companies to become truly global players.

**TELECOMMUNICATION SERVICES**

Today tariff for telecommunication services in India is one of the lowest in the world. The Indian consumer has immensely benefited from such lower tariffs which has also been a major factor for explosive growth in the sector.

The list of services offered by both GSM and CDMA operators are telephone services, NSD/ISD services, computerized trunk services, pay phones, national & international leased lines circuits, telex, X-25 based Packer Switched Data Network (NET), Gateway Packet Switched Data Services (GPSS), Gateway Electronic Data Interchange Service (GEDIS), Gateway E-Mail and Store & Forward FAX Service (GEMS-400), Concert Packet Service (CPS), Satellite based remote area business message network, Electronic Mail, Voice, Audio-text, Radio paging, cellular mobile telephone, public mobile radio trunked service, video-text, video conferencing, V-SAT, internet, ISDN, INMARSAT mobile service, INMARSAT data service, Home country direct service, Intelligent Network (IN) services.

**STATEMENT OF THE PROBLEM**

Telecom in India is one of the fastest growing sectors. It has undergone both evolutionary and revolutionary changes. Latter is faster, farther and deeper than the former. Telecom has completely shaken the way of communicating among the masses and corporate sector. The process of globalization is facilitated by communication through interconnectivity, networking and the speed with which information is flooding. The concepts of globalization, liberalization, marketisation and privatization are more pronounced in the telecom sector of our country. Instantaneous connectivity, access, interception is made feasible by high-end cutting edge technology. The speed with which changes are taking place in the sector is inexplicable. The advancement in technology made so many products and services

obsolete and brought in the new sophisticated communication media. The rate of obsolescence is very high owing to the Research and Development (R&D) in telecom and Information Technology (IT) sector. The life cycle of the products and services are very low. The environment of telecom sector is highly turbulent making existing functional practices to fall out within a short period of time and the service providers have to continuously scan the internal and external environments for strategic and beneficial practices.

On the economic front, the telecom players are shattered with cut-throat competition and every player is facing the challenges and threats in the complex environment. The position of the service provider will be jeopardized unless the company rises to the occasion to be proactive, pragmatic and positive. Among all challenges confronting the players, the major challenges such as investment of capital, controlling customer churn, increasing customer base, devising strategic methodologies and practices for increasing the Average Revenue Per User (ARPU), keeping in pace with technological advancements, revenue sharing by transparent interconnection agreements with different players and meeting regulatory requirements are more important. The service providers in the telecom industry must judiciously manage resources and technology with effective marketing for organizational effectiveness.

The telecom industry is highly technology sensitive. This entails innovation and creativity through Research and Development (R&D) through committed and talented workforce. The challenges and opportunities and threats are coexisting. On one hand, there exists a vast scope for expansion by penetrating to rural India and on the other, the organizational structures are revamped and revitalized in view of global competition to become mean and lean endangering the positions hitherto enjoyed by the labor force. The recent paradigm shifts in the telecom industry, more particularly in the telecom services sector, calls for undertaking a micro level research study to unearth the new challenges, opportunities to be tapped and strategies to be framed in a holistic way to sustain in the telecom sector. Hence the present study.

## OBJECTIVES OF THE STUDY

The main objectives of the study are as follows:

1. To study the telecom industry of India in general;
2. To ascertain the challenges, opportunities and threats for telecom players;
3. To make a critical study about the strategies framed, implemented and evaluated from time to time by the service providers;
4. To analyze the implications of the paradigm shifts in the sector vis-à-vis stakeholders; and
5. To validate the data on the topic, arrive at findings and to offer constructive suggestions to the players and stakeholders for addressing various challenges.

## SCOPE OF THE STUDY

The scope of the study encompasses the telecom scenario, telecom policy, telecom regulatory authorities, appellate tribunal, private players participation, growth of tele density, opportunities, challenges and strategies for telecom players, benefits to the customers, globalization trends and growth of Business Process Outsourcing (BPO) and corporate sectors with increased and reliable telecom infrastructure, digital divide, quality of services, Foreign Direct Investment (FDI) in telecom sectors, spectrum management, revenues sharing among different service providers, network growth, employment generation, telecom revolution, new vistas, organizational policies, philosophies, values, culture, code of ethics and the like practiced by Government and private players, fair competition, tariff structure, pricing, ease of getting a telecom service and a host of others.

## REVIEW OF LITERATURE

Literature survey is the bedrock for carrying out any purposeful and objective research programme. The essence of review of literature lies in ascertaining the research gap. What has already been covered on the topic 'Telecom Services Challenges and Strategies - An Empirical Study' by the earlier researchers and what needs to be covered speaks about the chasm. Accordingly, a sincere and honest attempt has been made to identify the research gap. For this purpose, books, articles, reports, news bulletins, dissertations, theses, journals, magazines, international institutional reports, CD ROMs, microfilms and the like have been thoroughly and comprehensively reviewed.

**Anthony M. Townsend and Mitchell L. Moss** (2005) in their research article, coherently describe the breakdown of essential communications, which is one of the most widely shared characteristics of all disasters. Despite the increasing reliability and resiliency of modern telecommunications networks to physical damage, the risk associated with communications failures remains serious because of growing dependence upon these tools in emergency operations. The Indian Ocean tsunami of December 2004 highlighted the human cost of Communications breakdowns during disasters. Communications failures in New York City on September 11 contributed directly to the loss of at least 300 firefighters. In the 1995 earthquake that struck Kobe, Japan, communications failures prevented outsiders from receiving timely information about the severity of damage. This report establishes a framework for understanding the interaction between large urban disasters and telecommunications infrastructure, drawing upon the experiences of the 1990s and 2000s.

**Ashok Jhunjunwala, et al.** (2004) in their paper, in an astute manner with great concern for the rural masses, outlines that for a very long time now, the developing world has carried the burden of colonization and slavery. This has resulted in a lack of confidence among developing economies and the belief that they are not at par with the rest of the world. The lack of 'access' has curtailed their ability to compete. In fact, ingenuity and hard work has not been adequate for one to enjoy economic and social benefit. In order to acquire these benefits, access to resources like education, health, employment and rural connectivity become critical. This paper concentrates on how ICT can affect the lives of rural people in the developing world. The total rural population of the developing world is about 3.5 billion, with their average per capita income being no more than \$ 200 per year. India, with 700 million rural people located in 600,000 villages, is a reflection of the developing world. Over the last 15 years, the state owned incumbent telecom operator, BSNL, has taken fiber to almost every taluka (county town) in India. These fiber lines are infinite bandwidth pipes.

**Joseph E. Stiglitz** (2005) highlights telecom as driver of change. Major changes in global economy have been brought about by telecom. Boom in 1990s led to over investment and excess capacity leading to low costs of connectivity. Telecom revolution will facilitate trade in services, not just in goods. Education, research issues may be of even more relevance for competition in Information Technology (IT), telecom, and related sectors. He concludes that telecom sector is a driver of change and it is driven by change leading to new market opportunities because it is at the forefront of innovation.

**Vittal N** (2001) judiciously identifies four engines, which are driving the telecom reform not only in India but also in the world. These four engines are technology, political will, regulatory activism, and market dynamics. The basic point to be remembered in the context of convergence is that whatever decisions the regulatory authorities take should be able to encourage competition. When it comes to competition, the critical word is pluralism. Pluralism would mean that when it comes to service providers, there could be a multiplicity of service providers. Further, pluralism should also be encouraged when it comes to the quality of service. The author raises the basic question of Wireless in Local Loop (WLL) service vis-à-vis cellular service. He opines that even fixed telephony using Multi Access Relay Radio (MARR) technology has a tinge of mobility.

**Rekha Jain et al.**, (2002) in their paper attempted to address the issues by examining the budgetary process of the Department of Telecommunications (DOT) in the Ministry of Communications and Information Technology (IT), with respect to the Government of India. The issues covered are transfer of funds, dividends, pensions, license fees, privatization, tax, social obligations and the USO, spectrum, security and Human Resource Development (HRD). The paper then looks at the relation of the DOT with its Public Sector Units (PSU) with an emphasis on the Bharat Sanchar Nigam Limited (BSNL) Corporatization and the Videsh Sanchar Nigam Limited (VSNL) privatization. Eventually, the paper focuses on the broader policy aspects of public expenditure in the telecom sector, with a perspective on the future.

## RESEARCH GAP

Considerable research has gone into the topics of the telecom sector. Professionals, academicians, consultants and players have contributed their mite on the drastic metamorphosis of various aspects in the industry. However, none of them have covered comprehensively the parameters involving challenges, opportunities and strategies through an empirical study prevailing in the sector. Only handful of people covered certain topics hither thither. There exists a large chunk of research gap on the topic. The present study is aimed at narrowing down the research gap meaningfully incorporating all the vital parameters.

**HYPOTHESES**

Hypotheses are the milestones, guideposts, beacon lights that show the path for the researcher to carry out his/her research programme effectively. Hypothesis indicates the independent and dependent variables based on which, only relevant data are mustered eliminating the unrelated ones. Thereby it saves researcher's time, money, time and energy.

Hypotheses are the conjectures or tentative statements. Their validations are to be tested by gathering the primary data and analyzing them with appropriate statistical tools and techniques. Thereafter, they may be either accepted or rejected on the basis of the level of significance of Chi-Square test results. The present study invariably revolves around four well-constructed hypotheses. They are enumerated as below-

1. The entry of private firms has brought in a deluge of formidable challenges, opportunities and threats in the telecom industry.
2. There is a strong relationship between high customer satisfaction and quality of services in the telecom industry.
3. The strategy formulation, implementation and its evaluation is owing to rapid paradigm shifts in the telecom sector; and
4. The infallibility exists neither with telecom players nor with the telecom service users.

**METHODOLOGY****(I) TYPE OF RESEARCH**

The study used survey, descriptive and analytical method of research

**(II) SAMPLING**

The sample respondents under the study mainly constitute service providers and customers. The service providers are the core respondents in as much as they have been encountering challenges, opportunities and threats arising out of changes in the environmental forces such as Government policy, competition, economic reforms, technology, value added services, socio cultural effects and globalization. From the prospective of service providers, the telecom sector revolution has gained high velocity with transcendental effects and ramifications.

The list of service providers in Karnataka constitute sample frame. In order to have a comprehensive study, all the six important players have been considered for the study and that forms census survey.

Entire Karnataka is divided in to four zones and in each zone 250 respondents have been picked up on the basis of random sampling technique. In addition, 50 corporate consumers have been identified to answer the questionnaire specifically meant for them, which comprehensively covers the essentials of telecom services as per the needs of corporate consumers. The zones are A, B, C and D. Zone A comprises of Mysore, Chamarjanagar, Mandya, Tumkur and Kolar. Zone B consists of Hubli, Davanagere, Belgaum, Bijapur, Gulbarga and Bidar Zone C is in Mangalore cluster comprising of Mangalore, Udupi, Karwar, Sakaleshpur and Hassan. Zone D comprises of Bangalore city. In all the zones, about 10 percent of the respondents have been picked up from the rural population.

As far as the study is concerned, DOT, TRAI and TDSAT are considered as supplier of secondary data in the form of policies, procedures, Interconnect Usage Charges (IUC) revenue sharing structure, guidelines for tariffs, Quality of Services (QOS) and the like. Therefore, the primary data providers are service providers and consumers.

**(III) DATA COLLECTION****PRIMARY DATA**

The methodology adopted for this research programme is survey cum descriptive cum empirical one. Well-structured questionnaires for service providers and customers were prepared and administered to gather the primary data on the topic. To elicit further information personal interview of the respondents were undertaken. At times, to study the behavior of the customers, observations were resorted to.

**SECONDARY DATA**

For the purpose of gathering secondary data, mainly for reviewing the literature and identifying research gap, books, articles, survey reports, journals, annual reports of DOT, TRAI news bulletins and notices, TDSAT publications, reports of service providers, SEBI publications were utilized.

**(IV) PLAN OF ANALYSIS**

For the purpose of analyzing data, the statistical tools and techniques such as averages, percentages, dispersions, and chi square test have been used. To make the data presentable, in a meaningful way, wherever necessary tables, charts, diagrams, graphs have been made use of.

**LIMITATIONS OF THE STUDY**

The study encountered certain shortcomings. They are:

1. The volatile and dynamic changes in the telecom sector really made the study to catch the speed and update the information.
2. The findings of the study may not be useful in the long run owing to changes and strides in the sector.
3. Fear of the players to divulge core information
4. The Presence of subjective bias to certain extent.
5. Only mobile and /or basic service providers are chosen as respondents for the study excluding National Long Distance, International Long Distance and other players like Internet Service Providers.

**REFERENCE PERIOD**

The study commenced from September 2011 and completed in month of May 2013

**PROFILE OF THE SAMPLE COMPANIES**

This chapter covers the vision, mission, goal and objectives, values, corporate philosophy and other details of

1. Bharat Sanchar Nigam Limited
2. Reliance Communications
3. Bharti Tele Ventures
4. Hutchisson Essar
5. Tata Teleservices Limited
6. Spice Communications Limited

**MARKETING STRATEGIES OF TELECOM SERVICES – ANALYSIS AND INTERPRETATION OF DATA**

Under this chapter, the socio-economic analysis of telecom services by the service providers incorporating their challenges, opportunities and threats are comprehensively analyzed. Going further, the appropriate strategy formulation and implementation are critically examined vis-à-vis telecom policy proposals. Subsequently the obvious paradigm shifts in the telecom industry considering typical parameters are lucidly analyzed. Eventually, the hypotheses are tested to know their veracity. The entire chapter is divided into four parts. Part A discusses challenges, opportunities and threats. Part B depicts the strategy formulated and implemented by the service providers in accordance with the ever-changing climate in the industry. Part C speaks of the quality of services and paradigm shifts realities and part D robustly portrays the spectrum of hypotheses testing results. The details are –

**TELECOM CHALLENGES, OPPORTUNITIES AND THREATS**

The opening up of telecom sector to the private players and liberating the sector from the clutches of the monopoly paved way for the emergence of infinite challenges, opportunities and at the same time the demonic threats. What are the real challenges, opportunities and threats that are ruling the telecom industry? How the players and other stakeholders effectively utilize these opportunities? What are the new telecom pursuits in the opened up regime? What are these new telecom policy proposals? These and other factors necessitate a re-look into the sector. Hence, the primary data have been gathered and analyzed sequentially and logically in the following sub-heads.

**AWARENESS OF TELECOM POLICY PROPOSALS BY THE SERVICE PROVIDERS**

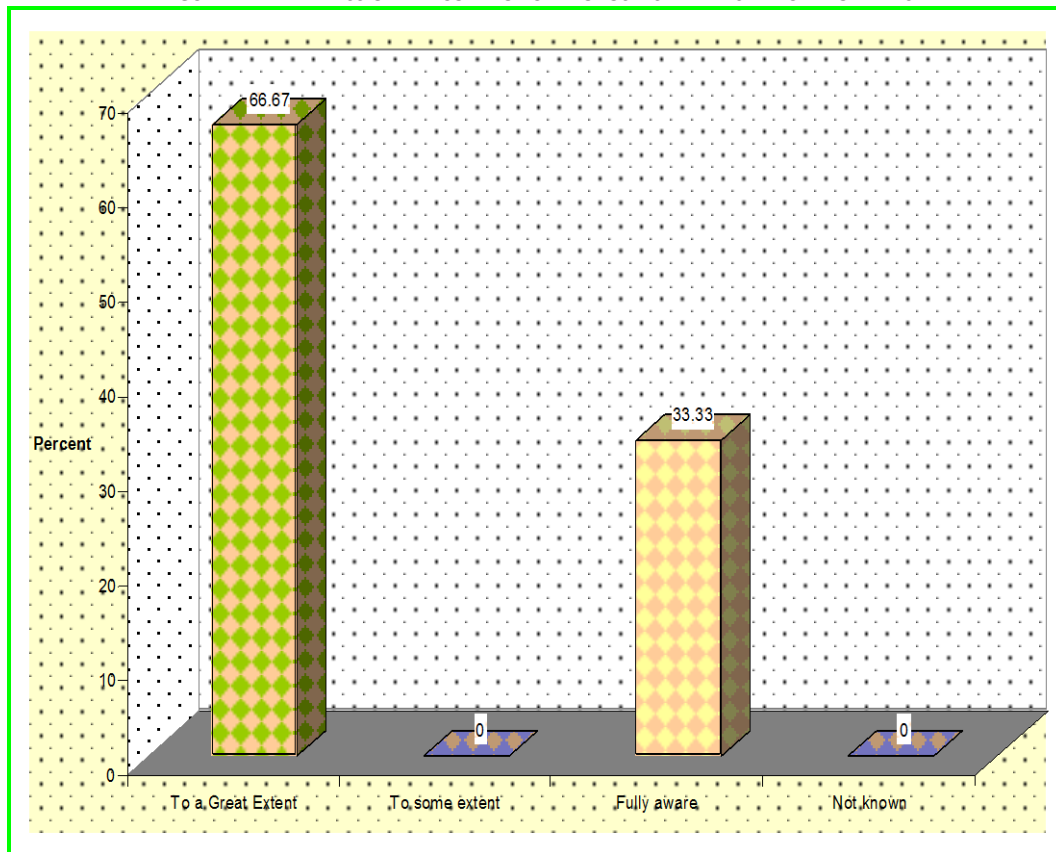
Telecom service providers to render effective services by evolving appropriate strategy, in the first place, should know and diagnose the policy proposals of the policy makers. How far they are aware of the policy proposals propagated from time to time? To elicit this information from the service providers, a question was asked to them on a four-point scale. The responses are analyzed in table 1 and figure 1 respectively.

**TABLE 1: AWARENESS OF TELECOM POLICY PROPOSALS BY THE SERVICE PROVIDERS (N=6)**

Sl No	Scale	Number	Percent
1	To a Great extent	04	66.67
2	To some extent	0	0
3	Fully aware	02	33.33
4	Not known	0	0
<b>Total</b>		<b>06</b>	<b>100</b>

Source: Primary Data

**FIGURE 1: AWARENESS OF TELECOM POLICY PROPOSALS BY THE SERVICE PROVIDERS**



Sixty six percent of the service provider respondents know telecom policy proposals to a great extent while the remaining 33.33 percent of the respondents all the policy proposals. Interestingly, there is none who does not know the telecom policy proposals. It can be concluded that awareness of policy proposals is the initial step to evolve strategies for offering quality services to the users. In this connection, the responses are satisfactory.

**STRATEGY FORMULATION AND IMPLEMENTATION BY TELECOM FIRMS**

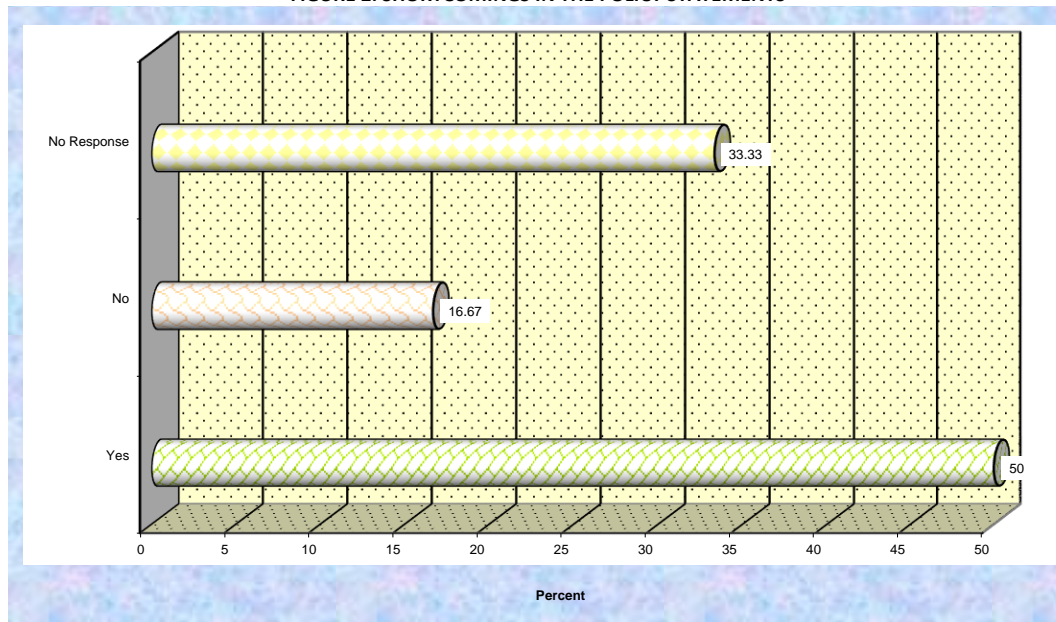
**SHORTCOMINGS IN THE POLICY STATEMENTS**

**TABLE 2: SHORTCOMINGS IN THE POLICY STATEMENTS**

Statement	Yes	No	No Response	Total
Do You find any shortcomings in the Telecom Policy Statements?	3 (16.67%)	1 (50%)	2 (33.33%)	6 (100%)

Source: Primary Data

FIGURE 2: SHORTCOMINGS IN THE POLICY STATEMENTS



Lack of clarity in respect of spectrum policy, CDMA and GSM Convergence strategies towards further technological advancement s and encasing the same for increasing teledensity, policy formulation for the budding technologies like WiMax. There should be unambiguous guiding principles for IUC agreements especially with state owned operators so that free and fair two-way agreements for traffic flow and revenue sharing is ensured. Presently, the IUC agreements with State owned operators are favorable for the government operators and private operators do not have much say in the case of disputes. Bureaucratic processes like clearances from TEC and the like must be simplified.

**HYPOTHESES TESTING**

This sub-section forms the DNA of the research problem and its solution. The tentative statements which constitute the hypotheses need to be tested in order to prove or disprove the conjectures of the study. The veracity of any statement formed at the beginning of a research programme can be known only after gathering the relevant primary data and analysing them with appropriate statistical treatment. The study harps up on four vital and focal hypotheses. In the following pages, these are morefully expounded.

**Hypothesis 1**

The entry of private firms has brought in a deluge of formidable challenges, opportunities and threats in the telecom industry.

TABLE 3: CONDUCIVE ENVIRONMENT ARISING OUT OF OPENING UP OF THE SECTOR FOR PRIVATE PARTICIPATION (SERVICE PROVIDERS' DATA ANALYSIS)

SI No	Parameter	Table No	Chi-Square Value at 0.5 percent level of significance	Remarks
1	Technology	4.8	0.655	Insignificant
2	Competition	4.8	0.624	Insignificant
3	Liberalization	4.8	0.636	Insignificant
4	Privatization	4.8	0.649	Insignificant
5	Flow of FDI	4.8	0.499	significant
6	Inflation and deflation	4.8	0.382	significant
7	Cultural change	4.8	0.552	Insignificant
8	Regulatory Mechanisms	4.8	0.611	Insignificant
9	Globalization	4.8	0.614	Insignificant
10	Amendments to the telegraphic acts	4.8	0.699	Insignificant
11	Population	4.8	0.545	Insignificant
12	Emergence of infotech society	4.8	0.632	Insignificant
13	Surging purchasing power	4.8	0.599	Insignificant

From the above Chi-square analysis results, it shows that, the hypothesis "The entry of private firms has brought in a deluge of formidable challenges, opportunities and threats in the telecom industry" is proved beyond doubt. The figures indicate that at 0.5 percent level of significance, the Chi-Square values for majority of the parameters show more than 0.05 values. It can, therefore, be inferred that the statistical relationship between conducive environment and the entry of private service providers- their consequential ramifications, that is, an innumerable opportunities, challenges and threats has arisen for the telecom players in our country. The tentative statement received insignificant opinions from the service provider respondents. Hence, the stated hypothesis hold good.

**SUMMARY OF FINDINGS, CONCLUSION AND SUGGESTIONS**

**A. FINDINGS**

**GROWTH OF INDIAN TELECOM SECTOR**

Indian mobile telephony may be called as "the sun-rise industry" of the Indian economy because of outstanding performance on various parameters.

- Rate of growth in mobile subscriber base has been substantially higher than growth in population, indicating a rapid proliferation of telecom services and adoption by nonusers/ first-time users.
- Teledensity has also gone up which is a reflection of the above discussion.
- From 2002 to 2008, traffic or usage of mobile phones increased, but the increase was not uniform during the period. Till 2003, mobile usage went up gradually but year 2004 onwards saw an era of speedy increase in mobile traffic. It was probably because of the reasons that in initial day of mobile telephony, call rates were high and the number of services offered by cellular operators was limited. However, 2003 onwards, because of the slashed prices and add-on-services resulted in sudden increase in traffic.
- Private operators have also shown remarkable growth in a highly competitive environment. The mobile subscriber base has grown by a factor of over a hundred and thirty, from 5 million subscribers in 2001 to over 680 million subscribers as of Sep 2010 (a period of less than 9 years). Private operators have



contributed very largely to post 1998 growth primarily in mobile services due to the obvious cost and fast deployment advantages. Competition, foreign direct investment and privatization have following implications for Indian Telecom Industry.

#### B. CONCLUSION

- As a result of the liberalization, privatization, and demonopolization initiatives taken by the government of India, the telecom sector is experiencing a historical growth. The trend is expected to continue in the segment, as prices are falling as a result of competition in the segment. The beneficiaries of the competition are the consumers, who are given a wide variety of services. In the years to come the country is predicted to witness a communication revolution, which would increase the subscriber base to match that of the developed world. The need of the time is a new revolution in telecom services and it is imperative that service providers work towards the same and make it a reality.

#### C. SUGGESTIONS

- Awareness of policy proposals is the initial step to evolve strategies for offering quality services to the users, the telecom service providers should take note of this.
- The telecom service users find it difficult to get proper rural area service network and therefore the telecom service providers suggested to cover an early as possible the rural area network coverage
- Majority of the players are grumbling over the absence of perfect level playing ground. The Government of India should help telecom firms with necessary funds to create infrastructure and compete with global network.
- There is telecom billing errors and customers are finding it very difficult to come out of the problem. It is suggested to the telecom firms to tender the correct bills as continuous error in the bills will make customer to shift their loyalty from one firm to another.
- It is also evident from the analysis that there exists ample scope for service providers to improve on accessibility and personalised services to the telecom users.
- The innovative experiences of respondents have shown that the telecom services are highly influential in the society and beneficial to the consumers. This can be capitalized further by strengthening the value added services at reasonable prices.
- A large chunk of 66.67 percent agreed to the emergence of Info-Tech society owing to the telecom revolution. It should reach every common in the rural area as inclusive telecom growth for development of the country in the near future.

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21. [www.rcom.co.in](http://www.rcom.co.in)
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**A STUDY ON EFFECTIVE ORGANIZATIONAL LEARNING THROUGH KNOWLEDGE MANAGEMENT MODEL**

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**ABSTRACT**

*Organizations are realizing that knowledge management (KM) is essential for them to remain agile in a dynamic business environment and are increasingly investing in various KM initiatives. Knowledge Management is an environment, a culture and a business ethic that enabled with an application of technology, people and business processes. The initiatives taken by organization on knowledge management should foot forth the quality of knowledge to create, acquire, share, utilize and retain their valuable resources for successful functioning of organization at all levels. By using knowledge management practices, organizations can increase the effectiveness and importance of Intellectual capital among top management and employees to sustain and enhance their potentials and organizational capability as a strategic advantage. This study discusses an integrated knowledge management framework for building major components of organizational learning such as individual and group learning, leadership, organizational culture, environment and structure. The purpose of this paper is to identify the interconnections between above components with knowledge management process to improve organizational learning. The development of integrated model should facilitate learning organization to achieve its management goals, activities, and relevant characteristics for improving their overall organizational performance.*

**KEYWORDS**

knowledge management, organizational learning, leadership, structure, culture & environment, individual learning.

**INTRODUCTION**

The accelerating pace of changes in operational environments of business organizations has created increasing need to find adequate ways to adapt with continuously changing situations. Ability to learn is seen as a major source to stay competitive in changing environment. Learning and knowledge are two phase which enrich the capability of an organizational resource to excel in business environment. In learning-centric organization, knowledge management is the core to capture and share the knowledge among individuals and teams to build innovation, mission and objectives to improve organizational performance. Each individual is important to this process, for continuous flow of knowledge and learning among people that generates organizational learning. Knowledge management is a successful processes and practices that have its own value to respond for threats and opportunities rising from a turbulent environment.

**FUNDAMENTALS OF KNOWLEDGE MANAGEMENT AND ORGANIZATIONAL LEARNING**

Knowledge management is the systematic process of creating, maintaining and nurturing an organization to make the best use of its individual and collective knowledge to achieve the corporate mission, broadly viewed as sustainable competitive advantage or achieving high performance. The goal is for an organization to become aware of its knowledge, individually and collectively, and to shape itself so that it makes the most effective and efficient use of its knowledge. Knowledge management elevates a culture and environment that stimulates workers to create, utilize and share their knowledge and that also empowers them to improve the qualities of leadership for organizational excellence.

Knowledge management process is the planning, organizing, motivating, and controlling of people, processes and systems in the organization to ensure that its knowledge-related assets are improved and effectively utilized. Knowledge-related assets include knowledge in the form of organizational knowledge such as patents, manuals and best practices, information related technologies such as internet / intranet, ERP, CRM, HRIS, database mining etc., knowledge about every jobs procedure, organizational product, processes and focused problems. The processes of knowledge management involve knowledge acquisition, creation, refinement, storage, transfer, sharing, and utilization. The knowledge management function in the organization operates these processes, develops methodologies and systems to support them, and motivates people to participate in them.

The term organizational learning may refer to individual learning within the organization, the entire organization learning as a collective body, or anywhere in between these extremes. However, most organizational learning refers to team or organizational level learning. Of course, individual learning, or learning in small or large groups or as an entire organization may be needed for the firm to possess the requisite knowledge to take effective action. From a knowledge management perspective, all levels of learning are important and all must be nurtured and made a natural part of culture. Today, most of the knowledge management emphasis has been put on locating, creating and sharing knowledge. For this reason, we consider organizational learning is the capacity of an organization to acquire the knowledge necessary to survive, sustain and compete in its environment. However, there is an important distinction between individual learning and team/organizational level learning.

Organizational learning requires a sharing of language, meaning, objectives and standards that are significantly different from individual learning. When the organization learns, it generates a social synergy that creates knowledge culture, adding value to the firm's knowledge workers and to its overall performance. When this knowledge culture followed, the organization may have better leadership, structure and environment which are called as an organizational core competency. These are usually unique to each organization and can rarely be replicated by other firms. The knowledge behind a core competency is built up over time through experiences and expertise in competitive and changing environment.

In today's rapidly changing, erratic and increasingly complex environment, knowledge creation, acquisition and application through continuous learning are likely to be the only solution to survival and excellence. Organizational learning is contingent upon a number of factors such as leadership, structure, strategy, environment, technology, and culture. Knowledge management hopes to create and nurture these same factors to make optimum use of the organization's knowledge for development of organizational performance and excellence.

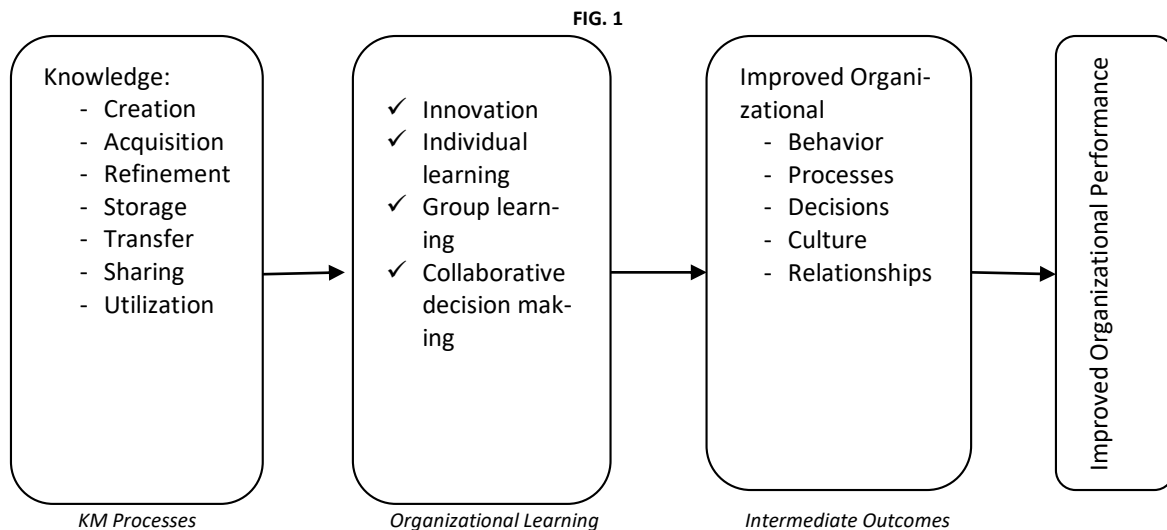
**KNOWLEDGE MANAGEMENT PROCESS**

The introduction of information systems flattens the structure of knowledge management process and promote greater dissemination of information to organizational learning process and all individuals through internet, intranet. The information technology opted for knowledge management should be low-cost, high speed, high storage capacity and support for knowledge transfer, sharing and utilization must be flexible and friendly. Technology is moving beyond expert systems (which make logical inferences based on a fixed set of rules) that combine the use of embedded textual information with human cognition and inference

to maximize the decision-making and interpretation processes needed to understand and act according to changing situations. Information system should refine the necessary information needed for knowledge sharing to be stored in the form formal documents such as training manuals, employee handbooks, training material, etc., and informal experience such as tacit knowledge, expertise, education, stories, etc., often used as knowledge source in organizational learning process. The use of such information systems will support and enhance organizational learning by improving the precision, recall, completeness, accuracy, feedback and review of informal knowledge complements, and human contribution to decision making—creativity, rational thinking, intuition, emotion and social synergy. Organizational knowledge can be made of both hard data (such as numbers, facts, figures, rules, reports and other documents and rules) and soft information and knowledge (such as expertise, experiences, critical incidents, context information, details about strategic decisions, and tacit knowledge). Most organization have information systems such as CRM, ERP, HRIS, inventory control, budgetary, and administrative systems that store and retrieve hard data or facts to take future decisions. Knowledge management process provides a best practice of using a common platform for storing, sharing and transferring of organizational knowledge to all levels of learning organization.

**KNOWLEDGE MANAGEMENT PROCESS IN ORGANIZATIONAL LEARNING**

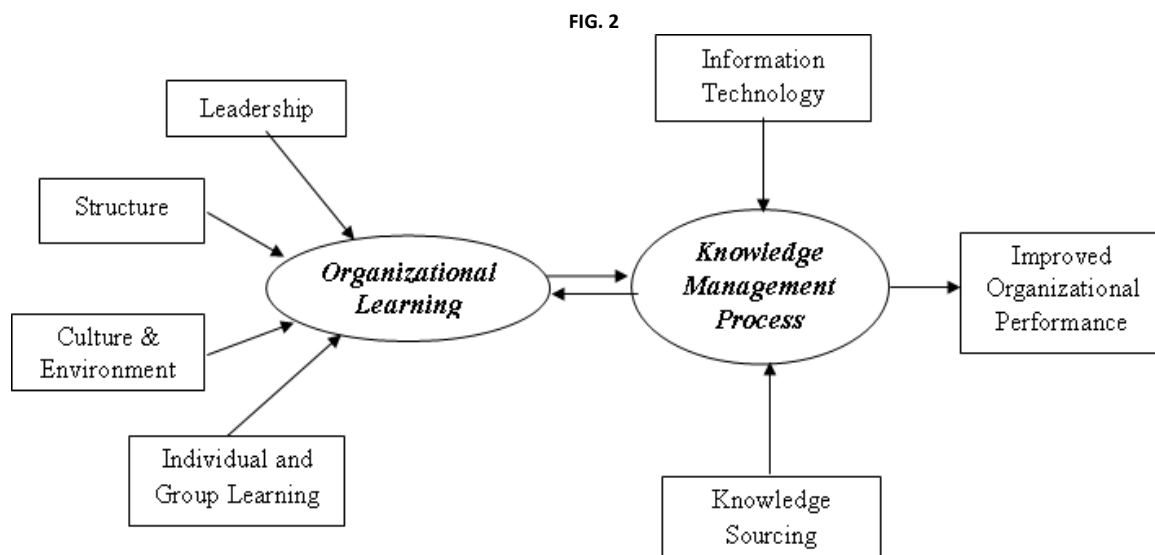
Firms are increasingly focusing on the concept of organizational learning to increase their competitive advantage, innovation, and effectiveness. Organizational learning is accelerated through knowledge management by creating a common knowledge repository, identifies and codifies competencies and routines, including acquiring, storing, interpreting, and manipulating information from within and external to the organization. Knowledge management, through knowledge sharing processes, leverages both individual and organizational learning. Organizational learning and knowledge management jointly increase the quality of decisions of the organization and the effectiveness of their implementation.



**INTEGRATED MODEL OF KNOWLEDGE MANAGEMENT AND ORGANIZATIONAL LEARNING**

In an organization where understanding and ability to take effective actions are major challenges because of the organization’s environment or the nature of its work, both knowledge management and organizational learning become critical factors in its long-term survival. In fact, these two fields are so important that they must become embedded within the organizational environment and culture, so that they are found in the behavior, norms, policies and expectations of the workforce, managers and leaders of the organization. To understand this relationship, we explore a number of characteristics of organizational learning and knowledge management and see how they naturally complement and reinforce each other.

Organizations learn to increase their adaptability and efficiency during times of change. Learning is a dynamic process that manifests itself in the continually changing nature of organizations, as represent by innovation, collaboration, culture shifts and high morale, especially during times of uncertainty and external challenge. Both knowledge management and organizational learning use knowledge generation and knowledge sharing as foundation elements. To be successful, these capabilities require a high level of attention to human factors: roles and responsibilities, experience, motivation, self-image, respect and trust, honesty and integrity and the quality of interpersonal relationships throughout the firm. Since much of our knowledge is tacit, existing within our memories and unconscious mind and not easily articulated, its development and sharing is very much a social process.



**Leadership:** The essential function of leadership is to provide direction, build an organization's culture and shape its evolution. Leaders must shape the design of the organization's structure and policies to best fulfill its organizational mission and objectives. To do this, they must reproduce desired behavior, communicate the organization's vision and strategy and insist on effective implementation of requisite policies and procedures. Organizational learning also requires commitment from executives for a long-term process with adequate resources. Organizational culture (beliefs, ideologies, values and norms) and the amount of resources (money, facilities, people and ideas) heavily influence the quality and quantity of learning.

**Structure:** Structure represents the set of arrangements among the resources of the organization. The resources may be people, facilities, technological, financial, and how these resources are related to each other, and especially their influence on human culture and human relationships, influences organizational self-image, its beliefs about the external world and its ability to learn and change. Hierarchical, controlling structures by their very nature tend to prefer stability and minimize the learning and close collaboration needed to meet significant change or paradigm shifts. Flexible structures (even hierarchical) that have a culture of sharing and collaboration can often facilitate learning and allow the freedom to change. Organizational learning can occur for all the wrong reasons, but it may be incapable of providing value to the organization whereas knowledge management effort that creates and manages a structure to correlate the learning and focus the application of that learning to improve the performance.

KM can do this by integrating organizational strategy, vision and structure, using knowledge strategies as the common denominator and individual vision as the guidelines. However, too much limitation on knowledge focus can create an inability to respond to surprises and major environmental paradigm shifts. Unless deliberately provoked, most organizational structures tend to become rigid over time. To prevent this rigidity, organizational learning and knowledge management are needed to encourage and make use of flexible and changing structures, at the same time retaining the capacity to focus and correlate knowledge and activities for their personal and professional changes. Policies such as moving people around to broaden their experience and revitalize their challenges, continuously bringing new people into the organization at all levels and deliberately changing organizational relationships will catalyze and complete both individual and organizational learning. This will require a line of sight from the organization's policies, decisions and actions to its organizational learning and knowledge management efforts to its overall performance.

**Culture & Environment:** Learning organizations treat competition as a means of learning, since competition enables organizations to compare their own performance with others in the industry and learn from that culture. Through knowledge sharing, learning results as the organization culture interacts with its environment for effective performance. Knowledge management looks at the external environment as a source of knowledge and training ground for its understanding and interpretation of itself and the outside world. As part of a major feedback loop, the culture and environment changes present in an organization as a standard for measuring the organizations learning process; unfortunately, it acts as knowledge transfer tool for understanding the effectiveness of overall organizational performance with continuous growth and enhancement.

Strategic applications of information systems for knowledge acquisition from environment can take two forms: Capabilities for assimilating knowledge from the outside (such as competitive intelligence systems acquiring information about other companies in the same industry) and capabilities for creating new knowledge from the reinterpretation and reformulation of existing and newly acquired information (such as executive information systems or decision-support systems). Learning culture is stimulated by both environmental changes and complex internal factors for their survival, sustainability, maintain and develop the valuable resources in a competitive market. The organizational culture influences learning by providing a limit, or focus to decision-making and a framework for perceiving and interpreting the environment as knowledge source. The multiple changes throughout an environment is possible, but certain culture such as employee behavior, relationship, policy, job nature and technology utilization has to be retained properly through learning and knowledge management for sustainable organizational development.

**Individual and Group Learning:** Organizational learning is greatly dependent upon individual learning and the competency of the workforce. If the organization has a systematic culture, environment and leadership contribute to organization learning so that there was a definite chance to support individual and group learning. Individual learning is a cognitive or behavioral activity between an individual and their environment, whereas in teams and organizations learning is a collective process dependent upon relationships and interactions among individuals. While individual learning is achieved by study, observation, cognition, experience, practice and developing effective mental models in the mind. Organizational learning, being primarily a social versus a cognitive activity, occurs when groups learn to interact, share their knowledge and act collectively in a manner that maximizes their combined capacity and ability to understand and take effective action.

Individual style of learning will depend on demographic, education, experience and psychological aspects, but a group trait includes individual characteristics, relationship, structure, skills and role played in the group. From these individual and group learning characteristics, it seems that a successful knowledge management process could provide knowledge workers, better teamwork, good work culture and effective learning environment throughout the organization. Knowledge management is to support individual and group learning through the enhancement of leadership, structure, culture, environment and technology.

## CONCLUSION

Knowledge management is a set of relatively new organizational activities that are aimed at improving knowledge, knowledge-related practices, organizational learning and decisions and organizational performance. Knowledge management focuses on knowledge processes – knowledge creation, acquisition, refinement, storage, transfer, sharing and utilization. These processes support organizational processes involving innovation, individual learning, collective learning and collaborative decisions. The intermediate outcomes of Knowledge management are improved organizational behaviors, decisions, processes and relationships that enable the organization to improve its overall performance. By combining the strengths of organizational learning and knowledge management, learning organizations will create cultures, structures, environment and leadership styles that enable them to scan, perceive, evaluate, anticipate and take effective action on uncertain, unexpected and complex threats and opportunities.

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## CONSUMER PREFERENCES AND SATISFACTION TOWARDS VARIOUS MOBILE PHONE SERVICE PROVIDERS WITH SPECIAL REFERENCE TO VODAFONE AT THIRUTHURAIPONDI TOWN

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### ABSTRACT

*In the era of information explosion, people are to be provided with quick and timely access to information. Indian Telecom industry is one of the fastest growing telecom markets in the world. In telecom industry, service providers are the main drivers; whereas equipment manufacturers are witnessing growth. In this light, the present study deals with consumer preferences and their satisfaction level towards the mobile phone service providers available in Thiruthuraipoondi town. The present study conducted on 150 mobile phone users of various mobile phone service providers such as Vodafone, Airtel, BSNL, Reliance, Idea, Tata Indicom and few other players. The results derived from the study indicate that the factor that induces the consumers to buy a particular mobile phone operator is call tariffs followed by network coverage and brand image. The study also highlights that majority of respondents are satisfied with the value added services offered by their mobile phone service providers. The findings derived from the study will be helpful for mobile phone service providers in deciding and implementing their sales strategy for the promotion of mobile phone services.*

### KEYWORDS

vodafone, telecom, satisfaction, mobile phone.

### 1. INTRODUCTION

Exchange of information becomes the necessity of life to a common man. In the modern world an individual tends to communicate anything to everything right from the place where he/she stands. Even while riding vehicle he / she wants communicate within a fraction of second at quick speed with clear voice, without any disturbance. Like line crossing, out of order, etc. most of which lack in the connection given by the department of telecommunication. Mobile phones emerge as a boon quench such a thirst, by providing facilities, which a common man cannot imagine. Though cell phone industry has its origin in the recent past and the growth has been excellent. Consumer feedback is providing the market reflections to the marketer. This enables them to gain awareness about their market performance, consumer preference and their satisfaction level towards the services offered by them. The study at hand will throw light on the customer satisfaction status on various service offerings offered by different mobile phone service providers.

### 2. CONSUMER PREFERENCES

Consumer preferences is used primarily to mean to select an option that has the greatest anticipated value among a number of options by the consumer in order to satisfy his/her needs or desires. Preferences indicate choices among neutral or more valued options available. The preference of the consumer is the result of their behaviour they show during searching, purchasing and disposing the products.

#### 2.1 CONSUMER SATISFACTION

Every human being is a consumer of different produces. If there is no consumer, there is no business. Therefore, consumer satisfaction is very important to every business person. The consumer satisfaction after purchase depends on the product performance in relation to his/her expectations.

Philip Kotler (2008) observed that satisfaction is a person's feelings of pressure or disappointment resulting from product's perceived performance (outcome) in relation to his or her expectations. Consumer satisfaction is the level of a person's felt state resulting from comparing a product's perceived performance (outcome) in relation to the person's difference between perceived performance and expectations. If the product's performance exceeds expectation, the customer is highly satisfied or delighted. If the performance matches the expectations, the customer is satisfied. If the products performance falls short of expectations, the customer is dissatisfied.

Consumer satisfaction or dissatisfaction is the feeling derived by the consumer when he compares the product's actual performance with the performance that he expects out of it. Consumers make their expectations from the service quality, service, delivery, communications, past experiences and references. These all are to be judged correctly by the management so that their perceptions match with consumer expectations. If any of these factors are wrongly interpreted, then the expected level of consumer satisfaction cannot be reached.

### 3. REVIEW OF LITERATURE

The references for the literature review used for the problem in hand are as follows:

**Seth et al (2008)** analyzed that there is relative importance of service quality attributes and showed that responsiveness is the most importance dimension followed by reliability, customer perceived network quality, assurance, convenience, empathy and tangibles.

**Liu (2002)** found that the choice of a cellular phone is characterized by two attitudes: attitude towards the mobile phone brand on one hand and attitude towards the network on the other.

**Samuel (2002)** observed that most of the respondents consider size, quality, price, instrument servicing is an important factor for selecting the handset while majority of the respondents are satisfied over the payment system, quality of services, coverage area and the process of attending the complaints regarding their mobile service provider.

**Nandhini (2001)** examined that attitude of the respondents using cell phones was not influenced by either education or occupation and income.

**Kalpna and Chinnadurai (2006)** found that advertisement play a dominant role in influencing the customers but most of the customers are of opinion that promotional strategies of cellular companies are more sale oriented rather than customer oriented.

**Haque et al (2007)** suggested that price, service quality, product quality & availability, and promotional offer play a main role during the time to choose telecommunication service provider.

**4. OBJECTIVES OF THE STUDY**

The objectives for the research problem in hand are as follows:

1. To know about the awareness level of consumers regarding their mobile phone service provider.
2. To ascertain the attributes that consumer prefers in selecting a particular mobile phone service provider.
3. To study the consumers' satisfaction level towards various services offered by mobile phone service providers.
4. To assess the problems faced by the mobile phone users regarding their respective mobile phone service providers.

**5. RESEARCH METHODOLOGY**

The present research work is limited to study the consumer preferences and satisfaction towards various mobile phone service providers in Thiruthuraiipoondi town. The research design used for the research problem in hand is exploratory research which is also termed as formulative research. The major emphasis in exploratory research is given on the discovery of ideas and insights of the research problem. The sample design adopted for the research problem in hand is convenience random sampling. The sample size for the study is 250. The sample unit of the study included different occupation, age, income and educational background.

For the study in hand, both the primary and secondary data is collected. The primary data for the study is collected directly from target respondents through structured questionnaire and personal interviews. The secondary data for the study is collected from different sources such as technical and trade journals, articles, newspapers, magazines, internet, periodicals, books, reports, publications of associations related to mobile phone service providers.

**6. ANALYSIS**

**TABLE 1: CLASSIFICATION OF RESPONDENTS ON THE BASIS OF AGE**

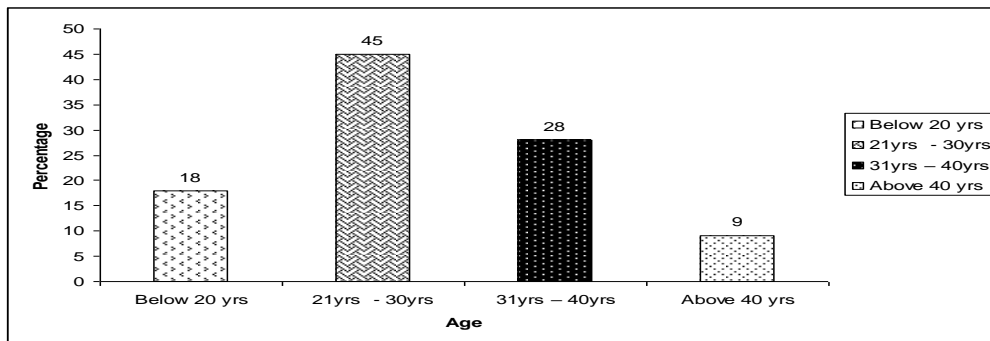
S.No	Age	Number of Respondents	Percentage
1.	Below 20 yrs	13	18
2.	21yrs - 30yrs	34	45
3.	31yrs - 40yrs	21	28
4.	Above 40 yrs	07	09
	Total	75	100

Source: primary data

**Inference**

The above table 1 shows that 45% of the cell phones users are in the age group of 21-30 years, 28% of the respondents are in the age group of 31-40 years, 18% of the respondents are in the age group of below 20 years and only 9% of the respondents are in the age group of above 40 years. This indicate that the maximum of the cellphone users belongs to middle and old age people.

**FIGURE 1: CLASSIFICATION OF RESPONDENTS ON THE BASIS OF AGE**



**TABLE 2: GENERAL NETWORK COVERAGE IN VODAFONE**

S. No	Network coverage	No. of Respondents	Percentage
1.	Very Good	25	33
2.	Fair	24	32
3.	Bad	20	27
4.	Very Bad	06	08
	Total	75	100

Source: primary data

**Inference**

The above table (3.6) indicates 33% of the respondents feel that the general network coverage in Vodafone is very good, whereas 32% of the respondents feel that it is fair, 27% of the respondents feel that the coverage is bad and 8% feel very bad about net work connection. As a whole vodafone provides a good network connection with no hindrances.

**FIGURE 2: GENERAL NETWORK COVERAGE IN VODAFONE**

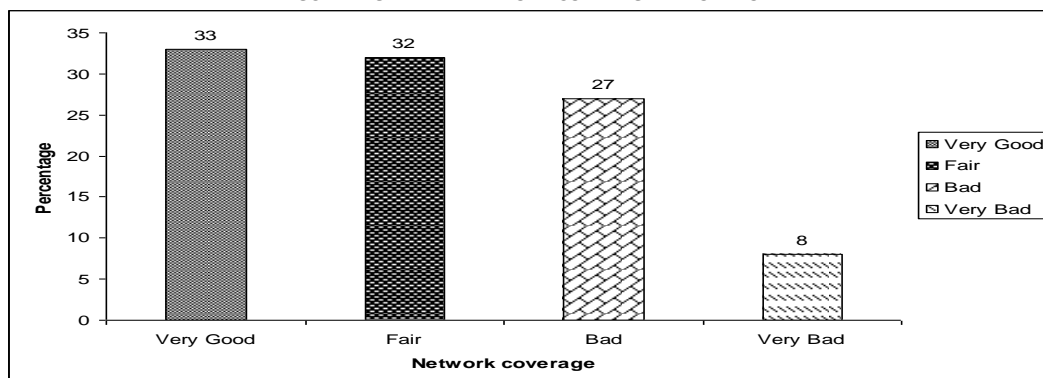


TABLE 3: INFORMATION REGARDING OFFERS IN VODAFONE

S. No	Information regarding offer in Vodafone	No. of Respondents	Percentage
1.	Through SMS from the company	35	47
2.	Through Phone Calls from the company	19	25
3.	Through Television Ads	16	21
4.	Friends and relatives	05	07
	<b>Total</b>	<b>75</b>	<b>100</b>

Source: Primary data

**Inference**

The above table indicates 47% of the respondents say that they receive information through SMS from the company, 25% of the respondents receive offer information through phone calls from the company, 21% of them receive from friends and relative and only 7% of them say that they receive information through television advertisements.

FIGURE 3: INFORMATION REGARDING OFFERS IN VODAFONE

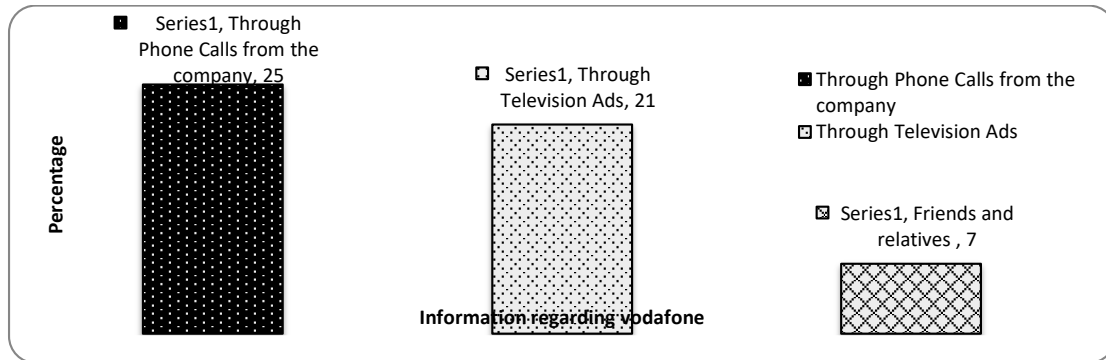


TABLE 4: SATISFACTION DERIVED FROM THE NETWORK

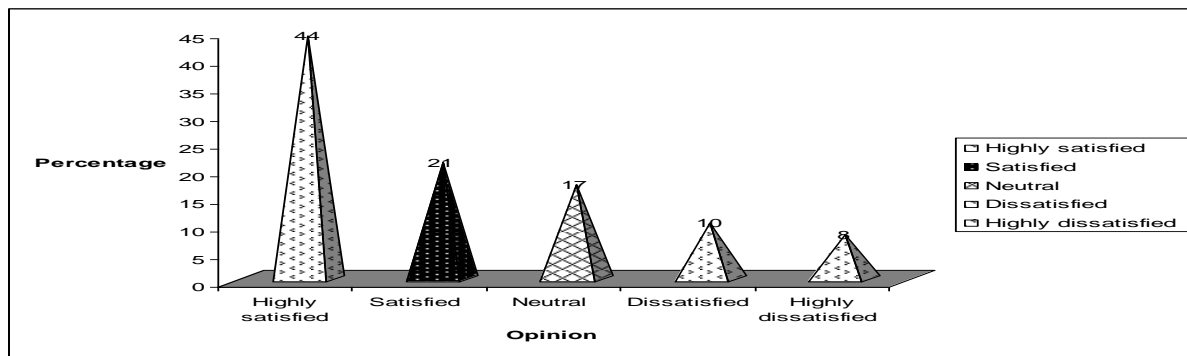
S. No	Opinion	No. of Respondents	Percentage
1.	Highly satisfied	33	44
2.	Satisfied	16	21
3.	Neutral	13	17
4.	Dissatisfied	07	10
5.	Highly dissatisfied	06	08
	<b>Total</b>	<b>75</b>	<b>100</b>

Source: primary data

**Inference**

The above (4) table shows that 44% of the respondents are highly satisfied with the network connection in the Vodafone, 21% are satisfied, 17% are neutral, 10% of the respondents are dissatisfied and only 8% of the respondents are highly dissatisfied.

FIGURE 4: SATISFACTION DERIVED FROM THE NETWORK



**7. FINDINGS, SUGGESTIONS AND CONCLUSION**

In this chapter the researcher presents his findings, suggestions and conclusion borne out to this study.

**7.1 FINDINGS**

The above data analysis is interpreted that majority of the respondents (45%) are in the age group of 21-30 years and only 9% of the people in the age group of 40 years use cell phone, 65% of the respondents are male, Maximum 21% of the respondents are private employees and students. All people of various category use the cell phone uniformly, 33% of the respondents are of good opinion about the general network coverage in Vodafone and only few are 9% of satisfied with network coverage. As a whole Vodafone provides a good network connection with no hindrance, 47% of the respondents received information from SMS and phone call from company for the offers it made, 32% of the respondents are of the opinion that the Vodafone call rates are low and affordable by all, 33% use booster pack and rate cutter services of the provider people use all the services offered by the provider then and there uniformly.

In further, 60% of the respondents use prepaid network in the Vodafone service due to its advantageous features, 44% of the respondents are highly satisfied with the network connection of the Vodafone. Nowadays Vodafone provides a good and satisfied network coverage.

**7.2 SUGGESTIONS**

Vodafone has to promote their facilities offered in a wide manner, the service provider must provide good basic training to their staff in-order to gain more customers and retain old customers, the company must maintain a good relationship with the customers and try to satisfy their needs of every individual at affordable cost and in time, Priority should be given by the service providers to those facilities that customers of various categories lack and desire with that of the competitors, the Vodafone should expand their network coverage in outer areas for non step connectivity and customer relationship.

**7.3 CONCLUSION**

Telecommunication is the assisted transmission over a distance for the purpose of communication. In earlier times, this may have involved the use of smoke signals, drums, semaphore, flags or heliograph. In this dynamic world, keeping in track with the environment changes and needs a number of techniques are being introduced and also likely to be introduced. One such improved technology is cellular services in the field of communication. The improved and added features being introduced frequently in mobile phones indicating the extent of demand felt by the people and the efforts taken by the service providers in fulfilling them. Based on the study undertaken it is clear that cell phones today have become a basic necessity of life especially for the business and official people. This project report shows that the Vodafone is good at providing the latest techniques and facilities to their customers. This is the study regarding customer satisfaction and customer relationship management towards Vodafone which concludes that Vodafone is rated very good by their customers.

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## THE PIVOTAL ROLE OF HRM IN ENHANCING ORGANIZATIONS COMPETITIVE ADVANTAGE THROUGH SOCIAL MEDIA USAGE

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### ABSTRACT

*Unlike few years ago where social media was only considered as a medium for networking, now a days it has become an important tool for the organizations to add value to its business, as well as for the employees to enhance their career development and professional growth. This paper focuses on exploring the advantages of social media usage at workplace, how professionals & organizations are gaining competitive advantage with its usage and why human resource professionals need to handle carefully its usage by the employees within and outside the organization set up.*


### KEYWORDS

social media, social networking, human resource, collaboration, communication.

### ACRONYMS

HRM Human resource management  
 HR Human resource

### INTRODUCTION

 Social media as per Merriam Webster is: "forms of electronic communication through which users create online communities to share information, ideas, personal messages, etc." (<https://www.merriam-webster.com/dictionary/>).

The personal and professional contacts that individual develop over the social media is one's social network. In one's social network unknowingly and at times knowingly individuals share information which are sensitive and privileged. Hence it becomes at-most important for human resource professionals (HR professionals) to gear up their department as well as train employees for channelizing the use of social media for enhancing their performance and educate them as to how sensitive information is to be handled over the social media.

### NEED/IMPORTANCE OF THE STUDY

Since the past decade use of social media for work related activities has grown substantially. This phenomenal increase in use of social media has affected the organizations work culture, and its impact on Human Resource Management (HRM) function cannot be ignored.

Regardless of our profession and location, social media allows us to expand our network and helps us to stay connected in this virtual world. Collaboration through social media has made it possible for employees to get real time solutions to their work related problem, sharing idea and remain updated with latest trends in the industry.

With this boom in usage of social media it's become all the more necessary for Human Resource Managers to make sure that information shared on social networks is not putting organization reputation and workplace secrets at risk.

Most of the social networking sites encourage sharing of personal information as a result of which employees may also put themselves in a trap.

Thus it's necessary for the HRM function to ensure that information shared by employees on these networks are regulated to mitigate the risk. Also the time spent on these sites affect the over efficiency of the employees. A proper policy framework & non – disclosure agreements can guide employees on what to share and not what not to disclose on use of social media within the organization and outside the workplace environment.

Effective use of social media, within the HR department can give it a competitive advantage. With effective policies & vigilant HR personnel its detrimental impact on the organization can be minimized.

### OBJECTIVES

The study aims as exploring the use of social media within HR department and challenges that HR department is facing with the advent use of social media by workforce.

### RESEARCH METHODOLOGY

In order to explore the potential use of social media within HR activities and the challenges faced by the HR department literature research was done.

### FINDINGS

#### WHY EMPLOYEES ARE USING SOCIAL MEDIA EXTENSIVELY?

- Most of the employees prefer to use social media to get real time work related information.
- It's also a platform to share knowledge and guide other colleagues on their assignments. New technological updates etc.
- Many employees do not feel comfortable bothering their bosses or the HR managers for frequent workplace policy related dilemmas. Instead they prefer to seek quick and prompt information from their colleagues over social media. Many a times such policy discussion over social media like WhatsApp turns into a debate ground, where employees engage into comparing work policies of other competitors which can be detrimental for company's image.
- At times employee prefer to hook on to social media to just take a break from their hectic work schedule & stress.
- It is also observed that due to work pressures and extended working hours the social life of the professionals has weekend. So employees use the most of social media space to catch up with family and friends over the virtual space provided by social media.

#### VARIOUS HRM ACTIVITIES DONE EFFECTIVE AND EFFICIENTLY OVER SOCIAL MEDIA

- Social media is widely used by HR professionals for recruitment. Almost all industries make use of social media for recruitments in one way or the other.
- The next important step after recruitments is to conduct reference check or background check of the selected candidate. HR managers check the online presence of the selected candidate over the social media. Any inappropriate communication over the social media by the selected candidate about his previous company, fellow colleagues, sharing of sensitive information to other etc. is a signal for the HR professionals that the selected employee is not fit for hiring.
- Social media facilitates onboarding process and induction of new employees across the globe. It ensures that the policies and guidelines are disseminated to the new joiner as per the regional requirements.

- Other dominant activities where the use of social media is advent is HR communications. HR professionals are increasingly using social media to leverage their employee connect, organization communication, task allocation and management etc.
- Organization policy communication, policy awareness, changes and implementation have become much easier & faster with the use of social media.
- HR can instantly get feedback and adjust its process, policies and communications swiftly as per the requirement of the organization.
- Social media has made it possible for the HR professionals to provide on time 24X7 support to the employee. Irrespective of the fact whether the employee is within the organization or at onsite project work station or at client’s site.
- Social media has supported training and development by providing real time information to both the trainers and the trainees. The training programs are more relevant information loaded.

The aforesaid usage of social media by the employees, HR department and the organization as a whole can be further bifurcated into usage within the organizational set up and outside. The bifurcation is shown in table 1.

**TABLE 1: THE REASONS WHY EMPLOYEES, ENTERPRISE AND HR DEPARTMENT USES SOCIAL MEDIA TO THEIR ADVANTAGE WITHIN AND OUTSIDE THE ORGANIZATION SETUP**

	Internally	Externally
Employees	<ul style="list-style-type: none"> <li>• Platform to share and collaborate with colleagues on work assignments.</li> <li>• Keeping the team member updated if posted on client location.</li> <li>• To remain updated with latest technological trends in the industry.</li> <li>• As a tool for work allocation on day to day basis or in absence of fellow co-worker.</li> </ul>	<ul style="list-style-type: none"> <li>• To get real time work related information from other professionals of the industry.</li> <li>• Checking out opportunities for career advancement.</li> <li>• Socializing with their online communities to break free from work stress.</li> <li>• To upgrade their technical knowledge and skill through various online forums.</li> <li>• Sharing of sensitive information to competitors.</li> </ul>
HR Department	<ul style="list-style-type: none"> <li>• Talent acquisition.</li> <li>• Reference check</li> <li>• Learning and development initiatives.</li> <li>• Employee engagement.</li> <li>• Employee communication.</li> <li>• Facilitating onboarding across the globe.</li> <li>• On time employee support.</li> <li>• Knowledge sharing and collaboration.</li> </ul>	<ul style="list-style-type: none"> <li>• Employment branding for attracting talent.</li> <li>• Communication with external customer of the HR department like legal advisors, bankers etc.</li> <li>• Getting real time information about the latest policy and law changes.</li> </ul>
Enterprise	<ul style="list-style-type: none"> <li>• Knowledge centers.</li> <li>• Policy communication.</li> <li>• Better employee connect.</li> <li>• Increase employee satisfaction.</li> <li>• Eliminate regional and global communication barriers.</li> <li>• Retain and recruit talent.</li> <li>• Training and development.</li> <li>• Increasing productivity.</li> </ul>	<ul style="list-style-type: none"> <li>• Customer relationship.</li> <li>• Customer service.</li> <li>• Branding &amp; advertisement.</li> <li>• Competitor watch.</li> <li>• Promoting the company’s products &amp; innovations.</li> <li>• Increasing the web traffic through SEO.</li> <li>• Recruitments and alumni.</li> <li>• Real time updates.</li> </ul>

**TABLE 2: HRM FUNCTION NEEDS TO BATTLE THESE TWO DIFFERENT SETS OF RISK THAT SOCIAL MEDIA PRESENTS TO THE ORGANIZATION**

	Internally	Externally
Employees	<ul style="list-style-type: none"> <li>• Workplace related negative conversation between cross functional teams on organizations intranet.</li> <li>• Sensitive personal information of employees available to many subordinates.</li> <li>• Inappropriate non-work related use of social media leading to wastage of time and decreasing overall performance.</li> <li>• Derogatory comments on fellow colleagues leading to issues pertaining to workplace harassment.</li> </ul>	<ul style="list-style-type: none"> <li>• Unintentional or deliberate leakage of information by employees over networking sites.</li> <li>• Employees getting engaged with customers over their social network in inappropriate business discussion.</li> <li>• Misrepresentation of organization’s policies, thus damaging the brand image.</li> <li>• Inappropriate or inaccurate comments on organizations financial positions.</li> <li>• Posting defamatory comments about the company, client or fellow colleagues.</li> </ul>

**HOW EFFECTIVELY POLICY FRAMEWORK CAN MITIGATE THE RISK OF SOCIAL MEDIA**

Taking into consideration the advantages these new technologies have to offer the flip side of using social media cannot be ignored. Organizations cannot ban social media usage completely and hence a vigilant HR department can overcome these dis-advantages by orienting and re-orienting their employees about the organization’s social media policy, organizations non-disclosure agreements binding the employees.

Points to be kept in mind by HR professionals while framing and implementing the social media policy:

- It should define what is “social media” & “social networking” as per the organization.
- It also should define scope of which “social media” and which “social networks” are permissible for specific departments and for the whole organizations.
- Defines proprietary and confidential information.
- Guides the employees as to the acceptable behavioral norms while using social networking.
- It should specify the circumstance under which staff uses social media, emails and internet will be monitored, so that the employees know that there is no expectation of privacy in their use of work computers and accounts.
- Social media policy should be positively framed, i.e. it should detail out how effectively social media can be used to enhance performance rather than detailing out what not is to be done.
- The policy creator’s panel should have cross functional member representatives from IT, legal, HR, marketing, risk management team etc., to ensure that policy creators are the users of the policy and know the scope of its usage within their departments.
- Once the policy is created appropriate feedback is to be taken from the users.
- At regular intervals employees should be given training, orientation and reinforce policy guidelines and updates.
- All employees should be provided with a copy of the policy or should be informed where the copy may be viewed.
- Employees should be made aware of the implications of policy breach and what would be disciplinary action and legal consequences.
- All employees should be bound by the policy through non-disclosure agreement undertaking.
- HRM function should update the organizations disciplinary, grievance, equal opportunity and harassment policies to include social media policy guidelines.

**CONCLUSIONS**

The use of social media in HR process has enormous advantages in comparison to the traditional HR process.

The EY 2016 Global Forensic Data Analytics Survey says that 40 per cent of its Indian respondents are concerned about cybercrime. In its article published in "The Economic Times" rising risk of cybercrime, fraud, bribery and corruption are the key concerns for the Indian organization.

- For most of the companies the primary concern is the security of information shared over the social media by their employees.
- The HR department needs to update their social media policy & non-disclosure policy / agreement regularly.
- A cautious HR department needs that the re-orientation and understanding of the policy is given to employees frequently to ensure that they are well aware of the policy and to avoid any misuse or information leak by the employees over social media.

Choosing to block social media access and banning smartphones at work will only result in drop in productivity. However; this will not prevent employees from using social media. Such a situation is more dangerous as use of social media by employees beyond work premises will become uncontrollable.

One of the preliminary function of HR professionals is to ensure that competitive, happy and efficient work force is there within the organization. HR professionals need to realize that in order to accomplish business goals individual needs to be encouraged to think out of the box and come up with real time solutions in this fast moving competitive business environment. Positive usage of these applications will improve both productivity and profitability. The social media revolution at workplace is just the beginning.

By embracing social media within the department and allowing monitored access of its usage to the employees across the organization, HRM function bring in competitive advantage not only to its department but the whole organization and stay ahead of ignorant competitors.

**SCOPE FOR FURTHER RESEARCH**

1. Advent use of social media by recruiters in Vadodara.
2. Social media and workplace harassment.
3. Role of social media in other organization functions like marketing, finance, quality control etc.

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**DIGITAL INDIAN ECONOMY: A DREAM FAR FROM REALITY**

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**ABSTRACT**

*Cashless and digital India is a big dream of our Honorable Prime Minister. Just after the demonetization of the high denominations currency notes, they advised the citizens to go cashless. But the cashless society has its own challenges. This research paper has tried to study some of the main factors constituting a challenge in the path of digital society. The data was collected regarding number of smart phone users, number of internet users, internet speed, literacy ratio and cyber security. After that is was compared with the similar data of two topmost cashless economies of the world i.e. Singapore and Netherlands which ranked first and second respectively. After going through the data analysis we found that the main challenges behind the cashless society are low number of smart phone users, low number of internet users, poor quality of internet, low literacy level and fear of cyber frauds. So that, if we want to promote the concept of cashless society then we should focus on increasing smart phone usage, increasing internet users, improving speed and quality of the internet, improving literacy ration and reducing cyber frauds. Further it is quoted that this reasons and study is not exhaustive and lot more is required to be done in order to promote a cashless India.*

**KEYWORDS**

cashless, demonetization, digital, society.

**1. INTRODUCTION**

In his address to nation on 8<sup>th</sup> November, 2016, prime minister of India Sh. Narendra Modi suddenly announced the demonetization of high denomination currency notes of Rs500 and Rs 1000. Whole economy got panicked on this sudden move of the government. Demonetization is a very crucial step in the working of an economy. Government of India demonetized the high denomination currency notes of Rs 500 and Rs 1000 by issuing a notification in the official gazette. The logic behind such move was to wash out the black money and reduce the terrorism. The government was of the view that black money was held mainly in cash consisting of high denomination currency notes. Further government also argued that terrorists were getting their funding using fake Indian high denomination currency. So that it was a smart move to stop the terrorism. But this step created the problem of cash shortage and most of the cash based businesses falling sharply. This gave a rise to demand for a cashless economy.

**2. IMPORTANCE OF THE STUDY**

India cash based economy and is largely dependent on cash. In India nearly 98% of transaction in value is done thorough cash consisting mainly of reality, small business sectors etc. Moreover, India is a traditional economy which follows traditional methods of trading. So that it will not be easy to introduce the cashless system of payment at large. This paper has tried to analyze the challenges in the path of cashless society and suggest some measures to promote it. Cashless society has some basic necessities which are:

- Accessing device (Computer or smart phone)
- Network connection(internet connection and use)
- High speed/ good speed internet connection
- Cyber security

**3. OBJECTIVES OF THE STUDY**

India is fifth largest economy of the word after USA, Germany, Japan and china. It has large population of 126 crores. It is not easy to shift a big and largely populous economy towards a cashless economy from old traditional cash based economy.

The objective of this study is to find out the:

- challenges in the path of cashless economy
- to suggest some measures to promote the target of cashless society

**4. RESEARCH METHODOLOGY**

A data based research was conducted using secondary and published data collected from newspapers, internet, websites etc. Then data of India was compared to the data of other cashless countries of the world i.e. Singapore and Netherlands. Various constraints were analyzed and compared with these two countries and it was tried to find out the deviation following simple average ratios and percentages.

**5. REVIEW OF LITERATURE****CASHLESS ECONOMY**

Cashless economy can be defined as a situation in which the flow of cash within a economy is non-existent and all the transactions have to be electronic channels such as debit card, credit card, electronic payment services (IMPS), National Electronic Funds Transfer etc.<sup>1</sup>A society or economy in which purchases of goods and services are made by credit card or electronic funds transfers rather than in cash.<sup>2</sup>

From above definitions, we draw meaning that cashless society has following features namely:

- Most of the transactions are not done in cash
- Use of debit, credit card, electronic means of transactions are prevalent
- Cash is used at minimum

**BASIC NEEDS OF CASHLESS SOCIETY**

The cashless economy has its basic requirements which are as following:

- Accessing device i.e. computer or smart phone
- Internet connection i.e. broadband, wifi or mobile internet
- Good internet speed
- Literate and aware people
- Cyber security
- Debit or credit cards etc.

These all requirements play a vital role in working of a cashless economy. Besides these there are many other requirements which are required to create a cashless economy.

## 6. DATA ANALYSIS, RESULTS AND DISCUSSIONS

India is a country where 98 per cent of total economic transactions by volume are done through cash as 39% in Singapore and 40% in Netherlands.<sup>3</sup> The data analysis and interpretation is as following:

### 6.1 NUMBER OF SMART PHONE USERS

Smart phone is very important essential apart from the computer. Thus, number of persons using the smart phone should be increased. The table below shows that out of total population of 1,31,10,50,527 in India, only 34,02,00,000 are the smart phone users which constitute 24% of the population, whereas in Netherland 74% population is smart phone user and in Singapore this percentage is 77% of the population. This shows that the number and percentage of smart phone users are very less in India. So that, the number of smart phone users is required to be raised in order to pave a way for cashless India.

TABLE 1: DATA ON POPULATION AND NUMBER OF SMART PHONE USERS

Country	Population <sup>4</sup>	No of smart phone in 2017 users (estimated)	Percentage of population
Singapore	55,35,000	43,00,000 <sup>5</sup>	77%
Netherlands	1,69,36,520	1,26,00,000 <sup>6</sup>	74%
India	1,31,10,50,527	34,02,00,000 <sup>7</sup>	26%

Source: databank.worldbank.org

### 6.2 NUMBER OF INTERNET USERS

Internet connection is also very essential part of cashless society. It can be of many types such as Broadband connection, Mobile internet, wifi etc. The number of internet users describes the activeness of the people of a country on the internet. The following data collected from World Bank, shows that there 26 users per 100 persons as against 93.1 in Netherlands and 82.1 in Singapore. People should know how to use the internet in order to promote the concept of cashless society.

TABLE 2: NUMBER OF INTERNET USERS<sup>8</sup>

Country	No of internet users/100 persons
Singapore	82.1
Netherlands	93.1
India	26

Source: databank.worldbank.org

### 6.3 AVERAGE INTERNET SPEED

A good internet speed is also required in order to make payment and many other activities on the internet such as processing of payment, receiving of confirmation from the merchant side etc. If the internet connection is slow then these activities cannot be performed and we will not be able to use the facility.

The table below shows that internet speed is much below as compared to two most cashless economies of the world. We can see that downloading speed in 5.91 MBPS in India as against 44.03 MBPS in Netherlands and 97.67 MBPS in Singapore. Similarly uploading speed is 3.81 MBPS in India as compared to 19.03 MBPS in Netherlands and 78.69 MBPS in Singapore. So that, it is required to improve the capacity of the network according to the population in order to promote the cashless society.

TABLE 3: AVERAGE INTERNET SPEED<sup>9</sup>

Country	Downloading speed	Uploading speed	Rank in world
Singapore	97.67 MBPS	78.69 MBPS	1
Netherlands	44.03 MBPS	19.03 MBPS	7
India	5.91 MBPS	3.81 MBPS	96

### 6.4 LITERACY RATIO

Literacy or you can say the ability to read and write is also an essential requirement of the cashless society. If a person is unable to read or write anything then he will not support the digital payments. As from the table we can see that literacy ratio is much below in India as compared to the top cashless economies of the world. Out of data collected of population above 15 years of age it is seen that, literacy ratio is 74.04% in India as compared to 99% in Netherlands and 96.8% in Singapore. So that, people should be made literate in order to make them conversant with the digital payment methods.

TABLE 4: LITERACY RATIO (15+ YEARS OF AGE)

Country	Total	Male	Female
Singapore	96.8% <sup>10</sup>	98.6%	95.2%
Netherlands	99% <sup>11</sup>	99%	99%
India	74.04% <sup>12</sup>	82.14%	65.46%

### 6.5 CYBER SECURITY

Cyber security is another important requirement for a cashless society. Most of the people even majority of educated people avoids cashless payment due to fear of cyber frauds. A total of 9,622 cases were reported in year 2014<sup>13</sup>. A study reveals that there has been six fold rise in the cyber crimes over the past three years. According to this report, such crime includes complaints regarding online banking related issues such as debit and credit card fraud, cyber stalking, cyber bullying, email hacking, mobile frauds etc. Further it is expected to rise the cyber crime by 65% in year 2017<sup>14</sup>. So that, we can see that there has been substantial rise in cyber frauds. If we want to promote the cashless society then we will have to secure the digital payment methods.

## 7. CONCLUSION

After analysis of data and going through the background of top cashless countries of the world, we draw following conclusions:

- Firstly, number of smart phone users are very less as compared to top cashless countries
- Secondly, number of internet users are very less as compared to top cashless countries
- Thirdly, internet speed in India is much below as compared to top cashless countries
- Fourthly, literacy ratio in India is much below as compared to top cashless countries
- At the last, cyber frauds and crimes has created the fear among the people of the country that stop them from adopting the digital payment methods.

Apart from these basis reasons, there are many other reasons we have not considered in our study which come across the path of cashless society such as number of traders adopting the cashless payment mechanism, number of bank accounts, number of payment cards i.e. debit and credit cards, lack of awareness and psychology of people.

## 8. SUGGESTIONS

After study about the challenges of the cashless society, we are able to suggest the following suggestions:

- The number of smart phone users are required to be raised in order to pave a way for cashless India

- Number and ratio of internet users should be raised
- Efforts should be done to improve the speed of the internet
- Literacy ratio of India should be increased
- At last important steps should be taken in order to improve the cyber security in the country.

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## A STUDY ON PRIORITY SECTOR LENDING BY BANKS

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**ABSTRACT**

Money is of utmost importance in our life, we need money to run our life, to satisfy all our basic needs, and for future emergency, we have banks which accept deposits from public and lend the same. A bank is a financial institution that accepts deposits from the public and creates credit. Lending activities can be performed either directly or indirectly through capital markets. Due to their importance in the financial stability of a country, banks are highly regulated in most countries. Most nations have institutionalized a system known as fractional reserve banking under which banks hold liquid assets equal to only a portion of their current liabilities. In addition to other regulations intended to ensure liquidity, banks are generally subject to minimum capital requirements based on an international set of capital standards, known as the Basel Accords.

**KEYWORDS**

lending by banks, financial stability of country.

**INTRODUCTION**

Priority Sector refers to those sectors of the economy which may not get timely and adequate credit in the absence of this special dispensation. Priority Sector Lending is an important role given by the Reserve Bank of India (RBI) to the banks for providing a specified portion of the bank lending to few specific sectors like agriculture and allied activities, micro and small enterprises, poor people for housing, students for education and other low income groups and weaker sections. This is essentially meant for an all-round development of the economy as opposed to focusing only on the financial sector.

**OBJECTIVES OF THE STUDY**

1. To understand the various priority sector loans given by commercial banks
2. To know the lending facilities and various categories included in priority sector

**RESEARCH METHODOLOGY**

It is a conceptual paper and based on secondary data.

**ANALYSIS**

Priority sector loans to the following borrowers are eligible to be considered under Weaker Sections category:

**TABLE 1**

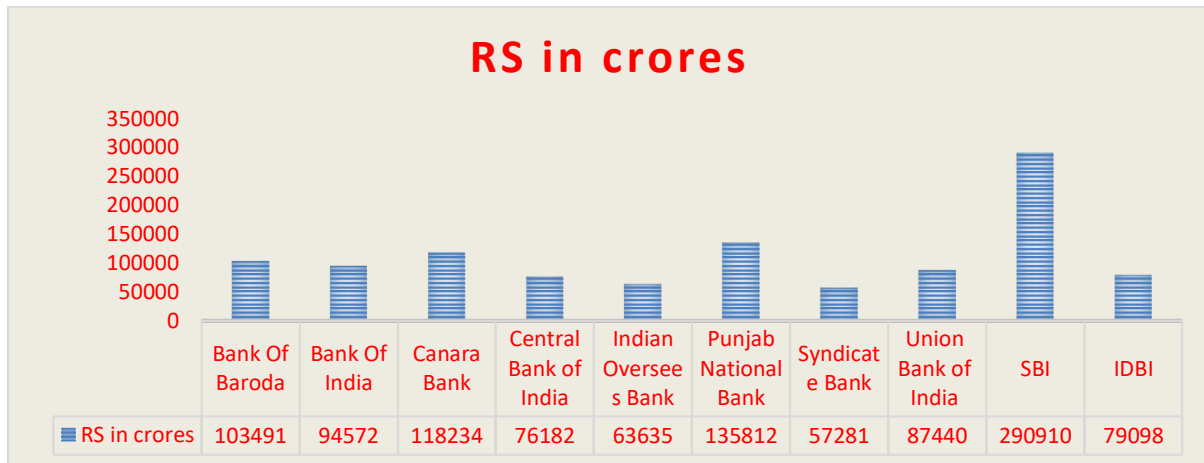
1.	Small and Marginal Farmers
2.	Artisans, village and cottage industries where individual credit limits do not exceed ₹ 1 lakh
3.	Beneficiaries under Government Sponsored Schemes such as National Rural Livelihoods Mission (NRLM), National Urban Livelihood Mission (NULM) and Self Employment Scheme for Rehabilitation of Manual Scavengers (SRMS)
4.	Scheduled Castes and Scheduled Tribes
5.	Beneficiaries of Differential Rate of Interest (DRI) scheme
6.	Self Help Groups
7.	Distressed farmers indebted to non-institutional lenders
8.	Distressed persons other than farmers, with loan amount not exceeding ₹ 1 lakh per borrower to prepay their debt to non-institutional lenders
9.	Individual women beneficiaries up to ₹ 1 lakh per borrower
10.	Persons with disabilities
11.	Overdrafts upto ₹ 5,000/- under Pradhan Mantri Jan-DhanYojana (PMJDY) accounts, provided the borrowers' household annual income does not exceed ₹ 100,000/- for rural areas and ₹ 1,60,000/- for non-rural areas
12.	Minority communities as may be notified by Government of India from time to time

Banks have been contributing to the growth of the Priority Sector of India by extending credit to them on favourable terms, in accordance with the policies of the Government of India. This has enabled many entrepreneurs establish enterprises creating employment for many, helped farmers, infrastructure development and other disadvantaged sections. The total amount of Priority Sector Lending (PSL) by all the Public Sector Banks in India was Rs. 1701806.78 crores as on 31-03-2015. Top 10 banks in Priority Sector Lending as on 31st March, 2015 were: State Bank of India, Punjab National Bank, Canara Bank, Bank of Baroda, Bank of India, Union Bank of India, IDBI BK Ltd, Central Bank of India, Indian Overseas Bank and Syndicate Bank. The amount of PSL by State Bank of India was Rs. 290910 crores as on 31-03-2015. The percentage share of PSL by State Bank of India was 17.09% of total PSL by all the Public Sector Banks in India as on 31-03-2015. The amount of PSL by Punjab National Bank was Rs. 135812.68 crores as on 31-03-2015. The percentage share of PSL by Punjab National Bank was 7.98% of total PSL by all the Public Sector Banks in India as on 31-03-2015. The amount of PSL by Canara Bank was Rs. 118234 crores as on 31-03-2015. The percentage share of PSL by Canara Bank was 6.95% of total PSL by all the Public Sector Banks in India as on 31-03-2015. The amount of PSL by Bank of Baroda was Rs. 103491 crores as on 31-03-2015. The percentage share of PSL by Bank of Baroda was 6.08% of total PSL by all the Public Sector Banks in India as on 31-03-2015. The amount of PSL by Bank of India was Rs. 94572 crores as on 31-03-2015. The percentage share of PSL by Bank of India was 5.56% of total PSL by all the Public Sector Banks in India as on 31-03-2015.

TABLE 2

Priority sector lending banks	Rs. in crores
Bank Of Baroda	103491
Bank Of India	94572
Canara Bank	118234
Central Bank of India	76182
Indian Overseas Bank	63635
Punjab National Bank	135812
Syndicate Bank	57281
Union Bank of India	87440
SBI	290910
IDBI	79098

TABLE 1



The broad categories of priority sector for all scheduled commercial banks are as under:

(i) Agriculture and Allied Activities (Direct and Indirect finance): Direct finance to agriculture shall include short, medium and long term loans given for agriculture and allied activities directly to individual farmers, Self-Help Groups (SHGs) or Joint Liability Groups (JLGs) of individual farmers without limit and to others (such as corporate, partnership firms and institutions) up to Rs. 20 lakhs, for taking up agriculture/allied activities.

This distinction between direct and indirect agriculture is dispensed with. Instead, the lending to agriculture sector has been re-defined to include (i) Farm Credit (which will include short-term crop loans and medium/long-term credit to farmers) (ii) Agriculture Infrastructure and (iii) Ancillary Activities

(ii) Small Scale Industries (Direct and Indirect Finance): Direct finance to small scale industries (SSI) shall include all loans given to SSI units which are engaged in manufacture, processing or preservation of goods and whose investment in plant and machinery (original cost) excluding land and building does not exceed the amounts specified amount

Indirect finance to SSI shall include finance to any person providing inputs to or marketing the output of artisans, village and cottage industries, hand-looms and to cooperatives of producers in this sector.

(iii) Small Business / Service Enterprises: shall include small business, retail trade, professional & self-employed persons, small road & water transport operators and other service enterprises as per the definition given in Section I and other enterprises that are engaged in providing or rendering of services, and whose investment in equipment does not exceed the amount specified in Section I

(iv) Micro Credit: Provision of credit and other financial services and products of very small amounts not exceeding Rs. 50,000 per borrower to the poor in rural, semi-urban and urban areas, either directly or through a group mechanism, for enabling them to improve their living standards, will constitute micro credit.

(v) Education loans: Education loans include loans and advances granted to only individuals for educational purposes up to Rs. 10 lakh for studies in India and Rs. 20 lakh for studies abroad, and do not include those granted to institutions;

(vi) Housing loans: Loans up to Rs. 28 lakh in metropolitan cities where population is above 10 lakh and Rs. 20 Lakh at other centers for construction/purchase of a dwelling unit per family provided total cost of the unit in metropolitan centres and at other centres does not exceed Rs. 35 Lacs and Rs. 25 Lacs respectively. (excluding loans granted by banks to their own employees) and loans given for repairs to the damaged houses of individuals up to Rs.5 lakh in metropolitan centres and Rs. 2 Lakh at other centres.

(2) Investments by banks in securitised assets, representing loans to agriculture (direct or indirect), small scale industries (direct or indirect) and housing, shall be eligible for classification under respective categories of priority sector (direct or indirect) depending on the underlying assets, provided the securitised assets are originated by banks and financial institutions and fulfill the Reserve Bank of India guidelines on securitisation. (3) Under Weaker Sections: Priority sector loans to the following borrowers are considered under Weaker Sections category:

- (a) Small and marginal farmers;
  - (b) Artisans, village and cottage industries where individual credit limits do not exceed ₹50,000;
  - (c) Beneficiaries of Swarnajayanti Gram Swarozgar Yojana (SGSY), now National Rural Livelihood Mission (NRLM);
  - (d) Scheduled Castes and Scheduled Tribes;
  - (e) Beneficiaries of Differential Rate of Interest (DRI) scheme;
  - (f) Beneficiaries under Swarna Jayanti Shahari Rozgar Yojana (SJSRY);
  - (g) Beneficiaries under the Scheme for Rehabilitation of Manual Scavengers (SRMS);
  - (h) Loans to Self Help Groups;
  - (i) Loans to distressed farmers indebted to non-institutional lenders;
  - (j) Loans to distressed persons other than farmers not exceeding ₹50,000 per borrower to prepay their debt to non-institutional lenders;
  - (k) Loans to individual women beneficiaries up to ₹50,000 per borrower. (L) also called or known as priority sector advancement (PSA);
  - (m) Account holders under Pradhan Mantri Jan Dhan Yojana (PMJDY)
- (vii) Renewable energy sector has also been added to priority sector lending in the year 2015.



**CONCLUSION**

Priority sector has played a very important role in today's economy, which encourages the farmers to take up their agricultural activities and also helps the self-help groups and persons with disabilities to start business in their field, which also contributes to the overall economic development of the country, by encouraging farmers and providing loans at low interest rates.

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**EXTROVERSION AND EMOTIONAL LABOUR: A STUDY ON ORGANIZED RETAIL SECTOR**

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**ABSTRACT**

*The last two decades of the twentieth century witnessed a major global shift in the distribution of employment away from agriculture and industry into the service sector (Godbout, 1993). Thus, this global shift in regard of employment has created new labour market which is characterized by work roles that emphasize interactions between front-line service workers and customers. Thus, this demands to a new sort of work which involves Emotional Labour, important element of interface service work. The main purpose of this research is to examine the relationship between E and EL. To test the association between E and EL, study focuses on DA mechanism for emotions regulations. The data has been collected from Organized Retail Houses situated in National Capital Region. Convenience sampling method is used for selecting Organized Retail Houses and Respondents. The analysis of the data indicates that an individual possessing high Extroversion trait will regulate emotions from inside out with great ease by indulging in Deep Acting Technique of Emotional Labour Technique of Emotional Labour. The research analysis indicate that an Organized Retail Sector should pay attention to an individual characteristic while making selection, i.e. should select an individual who possess high Extroversion traits because he/ she would not feel drained out while regulating emotions as per the display standards of an organization.*

**KEYWORDS**

deep acting technique of emotional labour, emotional labour, extroversion.

**INTRODUCTION**

The last two decades of the twentieth century witnessed a major global shift in the distribution of employment away from agriculture and industry into the service sector (Godbout, 1993). Thus, this global shift in regard of employment has created new labour market which is characterized by work roles that emphasize interactions between front-line service workers and customers. Thus, this demands to a new sort of work which involves Emotional Labour, important element of interface service work. Service Industry is very wide, it is an umbrella under which many service industries exist, but there is one industry which is in its formative years, has huge potential and is rising in leaps and bounds is "Retail Industry. In today's scenario Organized Retail Sector ensures not only "getting a job completed but also the way the job is done, i.e. company ensures that an employee is appropriately decked up with the expressions of seriousness, attitude and concern for the clients so as to match up with the display standards. The reason why companies want their employees to wear makeup while delivering the service is the production of service cannot be separated from its use (Cowell, 1984 as cited in Lashley, 1989) which creates problem for the client to isolate service excellence from the quality of the interaction which took place between service provider and the buyer. As a result, consumer takes into consideration the nature of the service rendered to him/her by the employee while assessing the overall service experience despite of taking service as a separate product which is being delivered to the client. For this reason, employees do makeup of required expressions as per display rules and it also helps in augmenting satisfaction level of customers, immediate improvements in the sale level, gives continuous deals, and ultimately, enhances monetary profits (Hochschild, 1983 and Rafaeli and Sutton, 1987). Thus, in order to match up with the company display rules, employees regulate his/her emotions and here comes Emotional Labour, hence raises the interest of the research scholar.

**EMOTIONAL LABOUR**

Emotion work is the starting point for the understanding of Emotional Labour. The concept of Emotional Labour was originally introduced by Hochschild in 1983. The concept of Emotional Labour and its model of antecedents and outcomes have been continuously developed throughout the years (Ashforth and Humphrey, 1992; Grandey, 1999; Morris and Feldman, 1996). Hochschild (2003) used the term emotion work to refer to any attempt to modify the experience or expression of a consciously felt emotion. Callahan and McCollum (2002) interprets that the term emotional work is appropriate for situations in which individuals are personally choosing to manage their emotions for their own non compensated benefits. The term Emotional Labour is apposite only when emotion work is exchanged for something such as a wage or some other type of payment. According to Hochschild (1983), emotions regulation can be performed in two ways: either by means of Surface Acting Technique (regulation from outside only) or Deep Acting Technique (regulate emotions from inside out).

**REVIEW OF LITERATURE**

- **EMOTIONAL LABOUR**

Aristea Psilopanagioti, Fotios Anagnostopoulos, Efstratia Mourtou and Dimitris Niakas (2012) aimed at investigating the relationships, direct and/or indirect, between emotional intelligence, the surface acting component of Emotional Labour, and job satisfaction in medical staff working in tertiary healthcare. It is found that surface acting is a moderator of the emotional intelligence-job satisfaction relationship. Hierarchical multiple regression analysis revealed that surface acting could predict job satisfaction over and above emotional intelligence dimensions.

Madhuri Mahato and Dr. Pranab Kumar (2012) did a research on Emotional Labour – An Empirical Analysis of the Correlations of Its Variables by considering a sample of 50 employees working in the services sector. The findings of the research point towards highest correlations between the variables of Carry Home – Anger & Excitement; Emotional Variety – Emotional Suppression and Emotional Privacy – Positive Emotions. This indicates that for any employee the varied emotions experienced at work are likely to be carried home, especially for those where the emotions are either Anger (highly negative) or Excitement (highly positive). The study also reveals that the higher the variety of emotions expressed, higher would be the rate of suppression. Also, if a high level of emotional privacy is provided to the employees at the workplace without subjecting the employee to any display rules, there is an indication of a conducive work climate where the employees by and large express positive emotions.

Elena-Madalina Iorga, Dan Florin Stanescu and Drago Iliescu (2012) investigate the extent to which Emotional Labour strategies result in burnout for employees who work in direct sales. The study has been conducted using a survey method of 107 Romanian bank tellers. The results reveal that Surface acting is positively correlated with emotional exhaustion in the case of a sample of Romanian bank tellers. This means that, the more bank tellers try to show positive emotions at work, the more overextended and exhausted they feel. The study also reveals that Deep Acting Technique of Emotional Labour is positively associated with the dimension of positive accomplishment from the burnout scale.

S. Shameem and M.P. Ganesh (2013) explored the mediating role of Emotional Labour between nature of interaction and intention to quit in hotels and call centers. The results showed that Emotions play a crucial role in service provider (employees) and customer interactions. Understanding of Emotional Labour will help the organizations to manage employee-customer relationship better. It is also found that Emotional Labour is significantly related to intention to quit.

H. Nejat Basim, Memduh Begenirbas and Rukiye CAN Yalcin (2013) examined Personality trait (Extroversion) of teachers significantly affecting their Emotional Labour strategies, relationship between teachers' Emotional Labour strategies and emotional exhaustion and the mediating role of Emotional Labour in the relationship between personality and emotional exhaustion. For the investigation data has been obtained from 798 teachers working in primary and high schools in Ankara and Eskisehir. The findings showed emotional exhaustion is significantly predicted by surface acting, significant relations between openness to experience and Deep Acting Technique of Emotional Labour. The study also confirmed the mediating role of Emotional Labour.

Garima Mathur, Navita Nathani and Shweta Sarvate (2013) investigated the Emotional Labour and work stress among the medical staff including both Doctors and Nurses in Indian working environment. The study reveals that the relationship between Emotional Labour and work stress in case of doctor and nurses is positive. Interestingly study also indicates that doctors and nurses do not differ significantly in Emotional Labour as well as work stress.

• **EXTROVERSION**

S. Rothman and E.P. Coetzer (2002) aimed to determine the relationship between personality dimensions (extroversion) and job satisfaction in a pharmaceutical organization with the sample consisted of 159 employees in a pharmaceutical organisation. The results showed that job satisfaction has a positive relationship with positive emotions (a facet of Extraversion).

Diefendorff, Croyle, and Gosserand (2005) operationalized positive affectivity with extroversion and suggested that similar hypotheses can be generated with regard to relationship between extroversion and Emotional Labour. Results provided support for their hypotheses indicating that extroversion is significantly and negatively related to surface acting. On the other hand, no relationship was found between Deep Acting Technique of Emotional Labour and extroversion.

Alia Al-Serkal (2006) No relationship was found between Personality and Emotional Labour. Nonetheless, positive relationships were observed between conscientiousness and peer support, as well as Influence over decision making. Hence, this study was inconsistent with Tews and Glomb (2003), as they found that Extroversion was positively related to expressing felt positive emotions.

Austin, Dore and O" Donovan (2008) explored the relationship between Extroversion and Emotional Labour. The study reveals that there is a negative relationship between Extroversion and surface acting.

Mohammad Reza Akhavan Anvari, Nader Seyed Kalali, and Aryan Gholipour (2011) explored the effect of Personality (Extroversion) trait on job burnout. In the research model, job burnout is dependent variable and extraversion is independent variable. The results show negative impact of extroversion on job burnout.

H. Nejat Basim, Memduh Begenirbas and Rukiye Can Yalcin (2013) examined the effects of teachers' Personality trait (Extroversion) on their emotional exhaustion. For this purpose data has been collected from 798 teachers working in primary and high schools in Ankara and Eskisehir. The study reveals negative relationship between extroversion and emotional exhaustion. Thus, the communication power of extroverted people and their social abilities, energy and cheerfulness reduced the risk of emotional exhaustion.

**NEED AND IMPORTANCE OF THE STUDY**

This study is making an attempt to study Emotional Labour in Organized Retail Sector. The present paper focusing on Individual Personality (Extroversion) with Emotional Labour in Organized Retail Sector, with reference to National Capital Region. In present scenario, Organized Retail Sector ensures that an employee display expressions of genuineness and concern for the consumers so as to match up with the display rules because the consumers do not segregate interactive experience from the product. This management and regulation of emotions, when paid and done for a wage, is called Emotional Labour (Hochschild, 1983). Therefore, raises the interest of the researcher.

**STATEMENT OF PROBLEM**

The purpose of the research paper is to explore the association between Individual Personality i.e. Extroversion trait, and Emotional Labour. The present study investigates how an Individual Personality, i. e Extroversion trait, influence the way people engage in executing Emotional Labour.

**OBJECTIVES OF THE STUDY**

The objective of the study is to find out the relationship between Individual Personality i.e. Extroversion, and Emotional Labour (Deep Acting Technique of Emotional Labour).

**RESEARCH METHODOLOGY**

The data for the analysis has collected through Questionnaire from the National Capital Region consisting of large number of Organized Retail Outlets. The researcher has used Extroversion Scale by Martinez and John (1998) and Emotional Labour Scale by Brotheridge and Lee (1998) for measuring the respective variables. In this study researcher has used Convenience Sampling Method for selecting Organized Retail Houses and Respondents (Organized Retail Sector Employees) from National Capital Region. The Data has been analyzed through statistical tools.

**RESULT AND DISCUSSIONS**

Hypothesis 1: *There is no relationship between Extroversion and Deep Acting Technique of Emotional Labour.*

It is proposed that there is no relationship between Extroversion and Deep Acting Technique of Emotional Labour. To test the hypothesis, Pearson's Coefficient of Correlation, Test Statistics (t-Test), P value approach with 0.05 Level of Significance were administered on the sample data.

**TABLE 1: RELATIONSHIP BETWEEN EXTROVERSION AND DEEP ACTING TECHNIQUE OF EMOTIONAL LABOUR ACROSS NCR**

Variable	E	DA
Descriptive Statistics		
No. of Respondents	500	500
Pearson r	0.77	
t value	26.93	
df	498	
P value	<.00001	

\*E= Extroversion and DA= Deep Acting

\*\* Correlation is significant at 0.05 level(2-tailed)

From the analysis it is evident that the value of Pearson's Coefficient of Correlation for Extroversion and Deep Acting Technique of Emotional Labour Technique of Emotional Labour (r=0.77) is statistically significant at p< 0.05 because the p value (p=<.00001) is lesser than the level of significance (α=0.05) which indicates that there is a strong positive correlation among the variables, hence, the hypothesis "There is no relationship between Extroversion and Deep Acting Technique of Emotional Labour Technique of Emotional Labour", is rejected.

In order to understand the relationship between Extroversion and Deep Acting Technique of Emotional Labour more thoroughly, Regression Analysis was administered on the data. From the analysis it is evident that the Regression Coefficient (b=0.48) is statistically significant at 0.05 Level of Significance which indicates that Extroversion is a significant predictor of Deep Acting Technique of Emotional Labour. The Coefficient of Determination for Deep Acting Technique of Emotional Labour (dependent variable) and Extroversion (independent variable) comes out to be 0.59 which indicates that 59 percent of variation in the Deep Acting Technique of Emotional Labour is due to change in the Extroversion variable

TABLE 2: IMPACT OF EXTROVERSION ON DEEP ACTING TECHNIQUE OF EMOTIONAL LABOUR

Variables	E and DA
Descriptive Statistics	
b	0.48
s(b)	0.02
R <sup>2</sup>	0.59
df	498
t value	24
Sig	<.00001

\*E= Extroversion and DA= Deep Acting

\*\* Regression is significant at 0.05 level(2-tailed)

## FINDINGS

It has been found that Extroversion is positively correlated with Deep Acting Technique of Emotional Labour. Therefore, from the results it is concluded that individuals possessing high Extroversion traits prefers to regulate emotions from inside out by indulging in Deep Acting Technique of Emotional Labour because extrovert individuals are predisposed to experience positive emotions more often. These findings advocate that selecting an Extrovert individual who is predisposed to express positive emotions and experience positive feelings may be beneficial for both organizational and Employee Well- Being.

## RECOMMENDATIONS

The present study has found significant relationships Extroversion and Emotional Labour indicating that an Extrovert individual prefers to engage in Deep Acting Technique of Emotional Labour. These findings recommend that an organization should focus on an individual personality (Extroversion) trait while making the selection since it is beneficial for both Organizational as well as for an Employee Well- Being.

## CONCLUSIONS

The findings of the study would be very useful for Organized Retail Sector. Emotional Labour should be taken seriously since it affects the Customer as well as Financial Performance of the Organization. Emotional Labour in Service Sector deserves researchers' attention.

## LIMITATION OF THE STUDY

The limitations of any research may be the starting point for another research. Firstly, limited number of Organized Retail Houses and limited number of Employees from the National Capital Region, selected for the analysis. Secondly, lack of willingness to fill up the questionnaire by the respondents. In the last, statistical tools used for the data analysis too have its inherent limitations.

## SCOPE FOR FURTHER RESEARCH

For future research, more Individual Characteristics like Affectivity and Conscientiousness should be taken up. This study focused only on the Antecedent of Emotional Labour, future researcher may investigate the Moderators of the Emotional Labour.

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**A STUDY ON WAGE AND SALARY ADMINISTRATION IN SMALL SCALE UNITS IN TAMIL NADU DISTRICT****DR. P. R. KOUSALYA****ASST. PROFESSOR****DEPARTMENT OF CORPORATE SECRETARYSHIP****P. S. G. COLLEGE OF ARTS & SCIENCE****COIMBATORE****DR. P. GURUSAMY****ASST. PROFESSOR****DEPARTMENT OF CORPORATE SECRETARYSHIP****P. S. G. COLLEGE OF ARTS & SCIENCE****COIMBATORE****S. KAVITHA****RESEARCH SCHOLAR****DEPARTMENT OF CORPORATE SECRETARYSHIP****DR. N. G. P ARTS & SCIENCE COLLEGE****COIMBATORE****ABSTRACT**

*Small-scale play a very vital role in the country's economy despite the phenomenal growth in the large-scale sector. In fact, the small-scale sector is playing a vital role in the growth of national economies the world over and is considered to be the engine of growth in most countries. Wage and Salary Administration deals with establishment and implementation of sound policies and practices of employee's compensation. It includes job evaluation, surveys of wage and salaries, analysis of organizational problems, development and maintenance of wage structure, establishing rules for administering wages, wage, incentives, profit sharing, wage changes and adjustments, supplementary payments, compensation costs etc. The Primary data collected through questionnaire and interview method. Secondary data collected through books, journals and internet. All respondents got regular wages and salaries, wage incentives and other facilities also. Their relationship with management is sound.*

**KEYWORDS**

compensation, job evaluation, wage and salary administration.

**INTRODUCTION**

**W**age and salary" is a practical study performance of a company practically adopted. Employees' compensation is one of the major determinants of employee satisfaction in an organization. The compensation policy and the reward system of an organization are viewed by the employee as indicators of the management's attitude and concern for them. It is not just the compensation in tote, but its fairness as perceived by the employees that determines the success of a wage and salary administration system. Hence, it very important for the management to design and implement its compensation system with utmost care and tact. A good wage and salary administration should be able to attract and retain employees, give them fair deal, keep the organization competitive and motivate employees to perform their best. Wage and salary determination and its administration has always remains sensitive issue for an organizational management, since employees moral, motivation, productivity and their relationship with the management more or less associated with the compensation management system. Furthermore, compensation has always remained as a major yardstick for the success or failure or concern for the employees by an organization. Traditionally, pay scales in companies reflected the importance of the work and the responsibility level. Today organization tries more to assess the worth of an individual in terms of his performance and contribution to the organization. With the growing demands of the workforce and the constant challenges in the business environment, organizations have to evolve an accurate system for evaluating jobs and assessing their worth. This study is made to know how the employees are graded and how they are paid wage and salaries. Wages are paid by hourly or daily, whereas salaries are paid by monthly basis.

**RESEARCH DESIGN**

A research design is a blue print for fulfilling objectives and answering questions. This study is made to know how the employees are graded and how they are paid wage and salaries. Wages are paid by hourly or daily, whereas salaries are paid by monthly basis.

Wage and salaries for a particular employee or employer depends upon the various factors like his grade, position, qualifications, place (urban, rural etc), (Inflation), type of organization, industry, etc Per-capita income of a country is calculated upon the wage or salaries of an individual.

This study helps to know how to compensate the work done by individual in Small scale units.

**STATEMENT OF THE PROBLEM**

Study of wage and salaries of an organization is very important because it helps to know whether the employees are rightly compensated for their work. It also helps to know whether the employees are satisfied with their wages and salaries. It is also important to know whether the company is following the right pay scale. To know various allowance, like washing allowance, stitching allowance, city compensatory allowance, perks allowance etc.

**OBJECTIVES OF THE STUDY**

The specific objectives of the study are as follows:

1. To study the various wage groups.
2. To bring out the findings of wage structure.
3. To examine the various rating scales.
4. To know the different allowances.
5. To study the employee opinion for wage and salary

**SCOPE OF THE STUDY**

The scope of the study is vast. The study has covered the employees and employers' wages and salaries of different groups and grades.

**WAGES**

Wages are payments made by the employer for the efforts put in by the workers in production, there are payments made for the service rendered by labour or if he/she is paid by the hourly or day he/she is stated to be in receipt of wages.

**SALARY**

Salaries are remunerations paid to the classical and managerial, personnel employed on monthly or annual basis or if a worker is paid by the year, he/she is considered being in receipt of a salary.

**MINIMUM WAGES ACT 1948**

Minimum wages act is based on skill, unskilled, semi-skill, super-skill. State government will issue the notification of wages what a company should pay for the employees. Even for contract basis employees are also covered under unskilled labour.

According to this act, employees whose wages average is more than Rs.16000/- in a month are covered under the act.

**THE PAYMENT OF BONUS ACT 1965**

In the earlier days bonus may be called as "Bhakhshish". This act shall apply to every factory and every establishment in which 20 or more persons are employed on any day during an accounting year. A person or employee who is getting less than Rs.3500 is eligible to take the bonus. A temporary workmen also a eligible person to take the bonus.

Even a probationary employee is also eligible to take bonus or a piece rate worker is paying 8.33% minimum bonus every year, weather the company is under loss or profit.

**EQUAL REMUNERATION ACT**

According to this act there is no discrimination of male and female. For both men and women employees are paid equal remuneration. In this Act there will be no sex differentiation.

**METHODOLOGY**

The quality of project work will be depending upon the methodology adopted for the study. Methodology in term depends upon the nature of the project work. The use of proper methodology is an essential part of any research in order to conduct the study scientifically certain measures and methods are to be followed.

Some of those are as follows:

- Research design used
- Data collection method
- Research measuring tool
- Sampling scheme
- Field work
- Analysis

**SAMPLING****SAMPLE UNIT**

The sample unit consists of the officers and workers of Small Scale Units.

**SAMPLE SIZE**

The sample size of this study consists of 100 respondents, which 10 respondents are officers and remaining 90 respondents are employees.

**SAMPLE TYPE**

Non-probability of convenient sampling method has been adopted to choose the sample units for data collection.

**RESEARCH METHOD**

Direct interview with officials, workers, face-to-face discussion and Questionnaire method.

**METHOD OF ANALYSIS**

After collecting all the information, it was transferred to a worksheet. The data relating to set off the objectives was then classified and the findings recorded after which the data was graphically represented.

**PROFILE OF THE RESPONDENTS**

The respondents are mainly divided on the basis of Age. Experience and Wage & Salary grade.

**METHODS OF DATA COLLECTION****PRIMARY DATA**

Direct interview with department officials

- Face-to-face discussion with the officials and workers.
- Question Schedule is used to collect the data for field work.

**SECONDARY DATA**

Collecting data through old reports, manuals and other relevant documents, books, journals etc.

**ANALYSIS****Age wise distribution of sample respondents**

The total number of respondent age are divided in to four categories

- 25-35
- 35-45
- 45-55
- 55 and above

**TABLE 1: THE EXPERIENCE WISE DISTRIBUTION OF SAMPLE RESPONDENTS**

S No	Years of experience	No. of Respondents	percentage
1.	25-35	30	30%
2.	35-45	28	28%
3.	45-55	34	34%
4.	55& above	8	8%
	Total	100	100%

Source: Primary data

The above table shows that 34 percent of the respondents come under the age group of 45 to 55, followed by 30 percent of respondents under the age group 25 to 35. whereas 28 percent of the respondents age comes under 35 to 45. Finally, 8 percent of the respondent's age comes under 55 and above

**Experience wise distribution of sample respondents**

The total number of respondent's experience is divided in to five categories:

- Less than one year



- One year to five years
- Five years to ten years
- Ten years to fifteen years
- Fifteen and above

TABLE 2

S No	Years of experience	No. of Respondents	percentage
1	Less than one year	14	14%
2.	One year to Five years	10	10%
3.	Five years to ten years	35	35%
4.	Ten years to fifteen years	19	19%
5.	Fifteen and above	22	22%
	Total	100	100%

Source: Primary Data

Table shows that the 35 Percent of the respondents have the experience ranging from five to ten years followed by 22 percent of the respondents have the experience of fifteen years and above. Next is the 19 percent of the respondents have got the experience of the ten to fifteen years. 14 percent of the respondents have got the experience of less than a year and 10 percent of the respondents have got the experience of less than five years.

Table shows that the 35 Percent of the respondents have the experience ranging from five to ten years followed by 22 percent of the respondents have the experience of fifteen years and above. Next is the 19 percent of the respondents have got the experience of the ten to fifteen years. 14 percent of the respondents have got the experience of less than a year and 10 percent of the respondents have got the experience of less than five years.

#### Wage and salary grade wise distribution of sample respondents

The total number of respondents occupation are divided in to 3 categories

- Wage group 'A' to 'E'
- Selection G grade 1to 3
- Office Grade I to X

TABLE 3: THE WAGE AND SALARY GRADE WISE DISTRIBUTION OF RESPONDENTS

S No	Variables	No. of Respondents	percentage
1.	Wage Grope 'A' to 'E'	71	71%
2.	Selection Grade I – III	19	19%
3.	Office Grade I – X	10	10%
4.	Total	100	100%

Source: Primary Data

Table show that 71 percent of the respondents are despondent to wage group 'A'- 'E', 19 percent of the respondents are belonging to selection grade I-III and 10 percent of the respondents are at officer grade I-X

#### SUMMARY OF FINDINGS

- It is found that the 35 percent of the respondents have the experience ranging from five to ten years.
- It is understood that 62 percent of the respondents are working as permanent
- It is find that 71 percent of the respondents are belonging to the wage group 'A' to 'E'.

#### CONCLUSION

"Wage and Salary is a practical study performance of a company practically adopted among the four most important M's, Men play a dominant role. The only way by which men can be gained, retained and satisfied is through wages and salaries. This study is made to know how the employees are graded, how they are paid wage and salaries and to know the employee's opinion about the reward system of a company, wages are paid by hourly or daily whereas salaries are paid by monthly basis.

However, the company has adapted to the wage legislation of our country of to reward their employees. So this research study also helps me to gain a new knowledge and the opinion of selected employees about their rewards system.

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## A STUDY ON CONSUMER PREFERENCE OF DURABLE AND NON-DURABLE GOODS IN PATTUKKOTTAI TOWN

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### ABSTRACT

*Consumer satisfaction may lead to brand loyalty; this is an assumption made very often in marketing the only as well as marketing practices based on this assumption every producer of any kind of product (service/good) should attach at most importance to creating consumer satisfaction. The consumer durables sector can be segmented into consumer electronics, such as, VCD/DVD, home theatre, music players, colour television (CTVs), etc. and white goods, such as, dish washers, air conditioners, water heaters, washing machines, refrigerators, etc. A good which is immediately used by a consumer or which has an expected lifespan of three years or less. Examples of non-durable goods include food and clothing opposite of durable goods also called soft good. The researcher analyse the problems for the factors influencing the brand preference of Durable and Non-Durable goods, to know the reason for choosing the particular brand and to find out the level of satisfaction towards Durable and Non-Durable goods. He collects the data from Pattukkottai areas by the sample survey and find out the most of the respondents (27 percentage) have studied Post graduation, the study area is around in town, maximum respondents are employees and PG degree holders. the products are costly and luxury so maximum respondents selected are government employees and 36 percentage of the respondents are using the Samsung washing machine. Washing machine is important and essential home needs of the family, so maximum respondents are purchase the washing machine. He suggested that customers buy the brands depend upon the price of the product. If the price is reduced considerably all the consumers will prefer that brand, Improvement of quality should be considered but at the same time price equilibrium should be maintained, steps should be taken to make the products available in different quantities and sensible advertisement should be made for better impression in the customer mind.*

### KEYWORDS

Pattukkottai town, consumer preferences, durable and non-durable goods.

### INTRODUCTION

Consumer is the king and he plays a dominate role in the field of marketing. The purpose of all production is meant of fulfilling the needs of consumer and the aim of marketing is to meet the need of consumers. But the marketers take it as a means to earn profit or more than adequate rate on their investment. Consumer satisfaction may lead to brand loyalty, this is an assumption made very often in marketing the only as well as marketing practices based on this assumptions, every producer of any kind of product (service/good) should attach at most importance to creating consumer satisfaction. The chance that a satisfied consumer will buy a product or brand again is supposed to be greater than the chance that a dissatisfied.

### DURABLE GOODS

The consumer durables sector can be segmented into consumer electronics, such as, VCD/DVD, home theatre, music players, colour televisions (CTVs), etc. and white goods, such as, dish washers, air conditioners, water heaters, washing machines, refrigerators, etc. With the increase in income levels, easy availability of finance, increase in consumer awareness, and introduction of new models, the demand for consumer durables has increased significantly.

### NON-DURABLE GOODS

A good which is immediately used by a consumer or which has an expected lifespan of three years or less. Examples of non-durable goods include food and clothing opposite of durable goods also called soft good.

Nondurable goods or soft goods (consumables) are the opposite of durable goods. They may be defined either as goods that are immediately consumed in one use or ones that have a lifespan of less than 3 years.

Examples of nondurable goods include fast moving consumer goods such as cosmetics and cleaning products, food, fuel, beer, cigarettes, office supplies, packaging and containers, paper and paper products, personal products, rubber, plastics, textiles, clothing, and footwear.

### OBJECTIVES OF THE STUDY

1. To study the socio-demographic characteristics of the respondents
2. To analyse the factors influencing the brand preference of Durable and Non-Durable goods.
3. To know the reason for choosing the particular brand.
4. To find out the level of satisfaction towards Durable and Non-Durable goods

### STATEMENT OF THE PROBLEM

The problem undertaken for the study purpose is to find out the public eagerness to purchase durable and non- durable products, for this purpose preferential statuses of consumers are analysed.

### RESEARCH METHODOLOGY

Research methodology is way of systematically solve the research problem. It may be understood as a science of studying how research is done scientifically. The necessary data for analysis were from primary and secondary data. Primary data are collected from the customers through questionnaire, secondary data regarding the company profile and collected from journals and magazines. The researcher took sample survey from Pattukkotti area.

### REVIEW OF LITERATURE

**Oliver (2010)** defines "Satisfaction is the consumer's fulfilment response. It is a judgment that a product or service feature, or the product of service itself, provided (or is providing) a pleasurable level of consumption- related fulfilment, including levels of under- or over-fulfilment".

Peter Jones and Andrew Lockwood (2014) defines a hotel as “a, usually large, house run for the purpose of giving travellers food, lodging etc.” Further add, “an operation that provides accommodation and ancillary services to people away from home.”

Sachin Gupta et al (2015) demonstrate a methodology to quantify the links between customer satisfaction, repeat-purchase intentions, and restaurant performance. The authors has constructed a series of mathematical models using the data from a national restaurant chain, that predict how the level of customer satisfaction with certain attributes of gusts’ dining experience affects the likelihood that they will come back.

**ANALYSIS**

The researcher collects the information and summarised as follows:

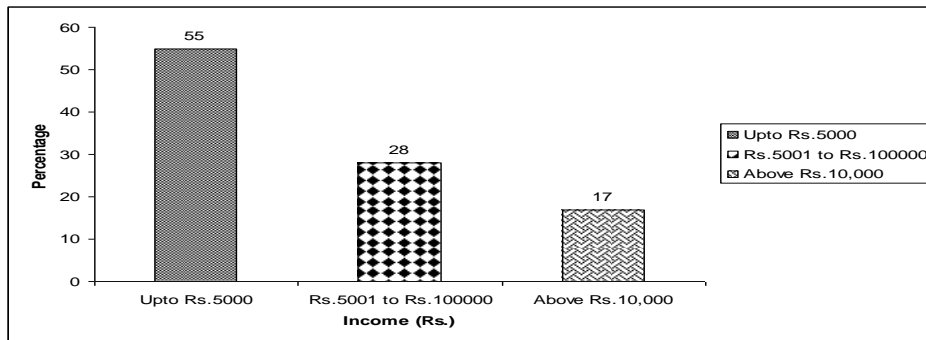
**TABLE 1: CLASSIFICATION OF RESPONDENTS ON THE BASIS OF INCOME**

S.No	Income (Rs.)	No. of Respondents	Percentage (%)
1	Upto Rs.5000	82	55
2	Rs.5001 to Rs.10000	42	28
3	Above Rs.10,000	26	17
	Total	150	100

Source: Primary data

The above table No. 1 shows that the family income of the respondents surveyed 55 percentage of the respondents are in the income range of below Rs. 5000 and 17 percentage of the respondents are the income range of above Rs. 10000.

**CHART 1: CLASSIFICATION OF RESPONDENTS ON THE BASIS OF INCOME**



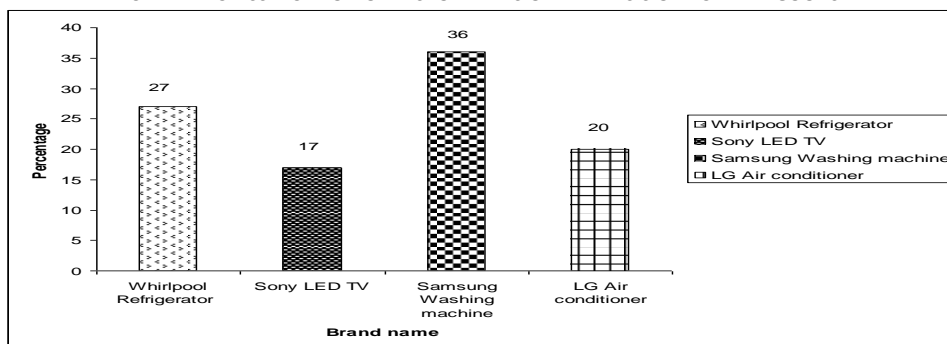
**TABLE 2: CLASSIFICATION OF RESPONDENTS ON THE BASIS OF DURABLE GOODS**

S.No	Brand Name	No. of Respondents	Percentage (%)
1	Whirlpool Refrigerator	40	27
2	Sony LED TV	25	17
3	Samsung Washing machine	55	36
4	LG Air conditioner	30	20
	Total	150	100

Source: Primary data

The above table shows that majority 36 percentage of the respondents are using Samsung washing machine, 27 percentage of the respondents are using whirlpool refrigerator, 20 percentage are using LG Air conditioner and only 17 percentage of the respondents are using Sony LED TV.

**CHART 2: CLASSIFICATION OF RESPONDENTS ON THE BASIS OF DURABLE GOODS**



**TABLE 3: CLASSIFICATION OF RESPONDENTS ON THE BASIS OF NON-DURABLE GOODS**

S.No	Brand Name	No. of Respondents	Percentage (%)
1	Hamam soap	55	37
2	Ponds powder	30	20
3	Colgate toothpaste	40	27
4	Clinic plus shampoo	25	16
	Total	150	100

Source: Primary data

The above table shows that majority 37 percentage of the respondents are using Hamam soap, 27 percentage of the respondents are using Colgate toothpaste, 20 percentage of the respondents are using ponds powder and 16 percentage of the respondents are using Clinic plus shampoo.

CHART 3: CLASSIFICATION OF RESPONDENTS ON THE BASIS OF NON-DURABLE GOODS

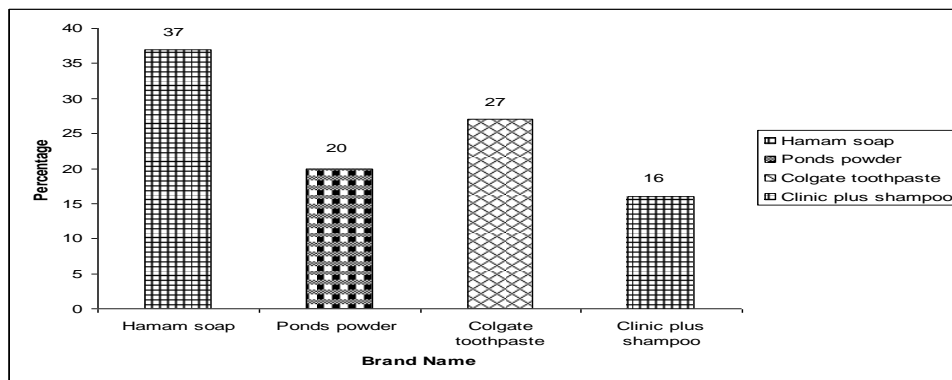


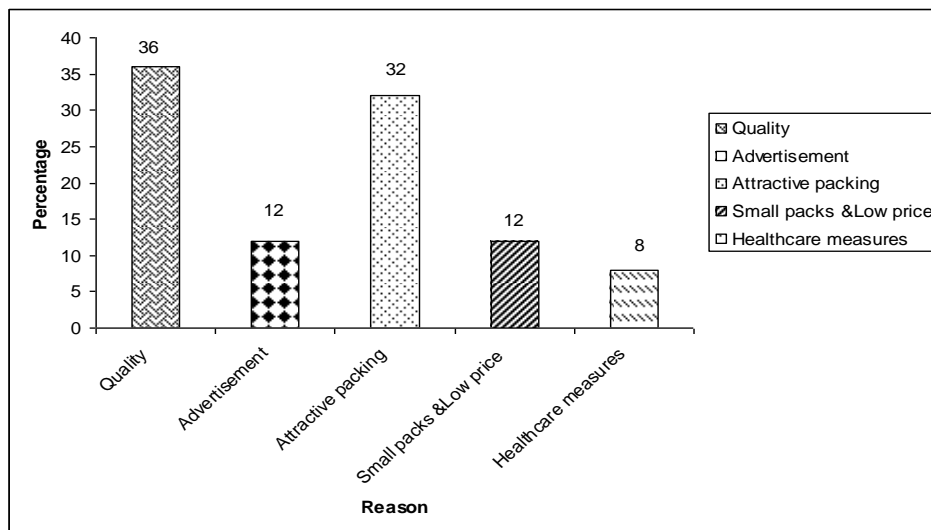
TABLE 4: CLASSIFICATION OF RESPONDENTS ON THE BASIS OF REASON FOR SELECT THE PARTICULAR BRAND

S.NO	Reason	No. of Respondents	Percentage (%)
1	Quality	54	36
2	Advertisement	18	12
3	Attractive packing	48	32
4	Small packs & Low price	18	12
5	Healthcare measures	12	08
	Total	150	100

Source: Primary Data

From the above table shows that 36 percentage of the respondents are influenced by its quality, 32 percentage of the respondents are preferring that attractive packing, 12 percentage of the respondents has given more consideration to advertisement and small packs and low price and only 8 percentage of the respondents influenced by healthcare measures of the product.

CHART 4: CLASSIFICATION OF RESPONDENTS ON THE BASIS OF REASON FOR SELECT THE PARTICULAR BRAND



**The researcher gives findings for the above study:**

A research activity, which begins with the commencements of research, will end only with its termination on submission of research report with findings. In this chapter the researcher presents his findings, suggestions and conclusion.

- ❖ Most of the respondents (27 percentage) have studied graduation, the study area is around in town, maximum respondents are employees and degree holders.
- ❖ Majority of the respondents are government employees (43 percentage), the products are costly and luxury, so maximum respondents selected are government employees.
- ❖ 55 percentage of respondents earn an income of below Rs.5000.
- ❖ 36 percentage of the respondents are using the Samsung washing machine, washing machine is important and essential home needs of the family, so maximum respondents are purchase the washing machine.
- ❖ 37 percentage of the respondents are using Hamam soap, varieties of non-durables are studied, then maximum respondents are choosing the brand Hamam.
- ❖ 36 percentage of the respondents are influenced by quality; in present situation the all consumers are not compromise the quality.
- ❖ 37 percentage of the respondents are coming to know the brand through their friends.
- ❖ 49 percentage of the respondents are preferring the television advertisement; majority of the people’s entertainment is television.
- ❖ 48 percentage of the respondents are opinion that easily accessibility may be expand the brand image of the product, the branded company prevent the scarcity of supply for the product otherwise loss the consumer opinion and image of the product.
- ❖ 70 percentage of the respondents are fully satisfied with the product, the durable and non-durable products are fulfilling the expectation of the consumer.
- ❖ 40 percentage of the respondents are opinion that the offline mode of purchase is better than the online mode, many more companies are entering into online business, particularly selling their durable goods by the online system.

**SUGGESTIONS**

- ❖ Customers buy the brands depend upon the price of the product. If the price is reduced considerably all the consumers will prefer that brand.
- ❖ Improvement of quality should be considered but at the same time price equilibrium should be maintained.

- ❖ Steps should be taken to make the products available in different quantities.
- ❖ Sensible advertisement should be made for better impression in the customer mind.
- ❖ Advertisement could be provided to rural areas to create an awareness about the product.
- ❖ Most of the consumer feels about price off or gift offer to buy the product. So, it should be given at least three months and six months once.
- ❖ The manufacturer must take Market survey, once in six months and to know the consumer attitude and preference.
- ❖ There should be regular supply of all brands of durable goods and non-durable goods.

**CONCLUSION**

As regards manufactures, they should realize that the consumers are the focal point of any business enterprises. They should be conscious of the fact that the consumer is a prime determining factor or decisive force in the market. So the producer should understand what exactly is expected by the consumers, who are highly sensitive and reactive. The above preposition implies that there is an imperative necessity on the part of the manufacturers to supply at competitive price but at the same time should see that the quality or standard will be not deteriorated. Thus, the consumer is the most important aspect in business, the businessman should deliver quality product at an acceptable price.

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## THE IMPACT OF ELECTRONIC COMMERCE ON LIBYA'S ECONOMIC GROWTH

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### ABSTRACT

The purpose this present article is to investigate the influence of the e-commerce on Libya's economic growth. This is achieved through the use of vector autoregressive (VAR) and co-integration techniques. In this respect the relationship between variables will be analyzed by using annual data for 1999 to 2015. The results suggest that both series are integrated with order one I (1), the existence of a long-term relationship between e-commerce and economic growth. It is estimated that the development of e-commerce has a statistically significant and positive influence on Libyan economic growth. Finally, this article proposes the appropriate e-commerce development approach to make e-commerce have a bigger role in Libyan economic growth.

### KEYWORDS

growth GDP, e-commerce, variables, test.

### 1. INTRODUCTION

The influence of e-commerce on the economic growth when we look at the influence of trade on the global economies, and is said to be influential and far-reaching. E-commerce has a profound and radical effect for companies that are located all over the world (El Gawady, Z. M., 2005). E-commerce is more powerful than traditional resources that have been adopted by companies in all countries of the world. With the service of e-commerce, it is possible for people to shop online from the comfort of their home, regardless of geographic location.

The e-commerce able to remove geographical barriers and successfully helped customers to come into contact with sellers without hassles Choshin, M., & Ghaffari, A. (2017). The influence of e-commerce are the ones that brought in a radical change in the traditional market. E-commerce has been welcomed with open arms, as has clicked massive for many companies. Now the existence of most companies required to deal with e-commerce programs.

E-commerce has also helped many small businesses because they are no longer required to have a physical office, which caters to a specific geographical location (Ramanathan, et al, 2012). The influence of e-commerce on the Economy Growth is the strong to the extent that the target audience can be reached without wasting time or economic resources (Aimer, Nagmi, 2016a). The target market, it is easily accessible with the aid of effective internet marketing techniques. With e-commerce is facing these companies with the main challenge of the need to stay ahead of the competition in the market with changes in technology. However, that we look at the use of technology, specifically the Internet applications for the Internet to improve access and provide information (Abdumula and Yasar, 2017), the human resources that uses electronic software to the Internet is the main engine of the operations and administrative activities towards the success and use of electronic services (Yasar & Ekrem, 2015). The main challenge also should be able to embrace and exercise the power of successfully marketing to their advantage, so have the edge in the market competition. The importance of the impact of electronic commerce on economic growth to find out the advantages and problems in e-Commerce development, adjust the e-Commerce industry structure, make greater contributions and more positive in the development of the national economy (Aimer Nagmi, 2016b), (Nuray Terzi, 2011) and (Dave Chaffey, 2011).

The primary purpose of this paper is to empirically analyze the impact of e-Commerce on economic growth Libyan, using annual data from 1999 to 2015, the secondary data were used for the empirical analyses which were derived from the international financial statistics database of the IMF. The rest of the paper is organized as follows Section II provides an overview of research conducted. III section, presents the econometric methodology, the section IV, results and discussion, and finally, the conclusion in the fifth section.

### 2. LITERATURE REVIEW

**Terzi, N. (2011)** The purpose of this study is to investigate the effect of e-commerce for international trade and employment opportunities. E-commerce offers benefits in terms of the economy of all countries. The gains are likely to be concentrated in the developed countries in the short term, however, developing countries will have the most to gain in the long run. The volume of international trade increased through e-commerce.

**Anvari, R. D., & Norouzi, D. (2016)** this study discusses the influence of e-commerce, research and development and a couple of other variables in the development of the economy in the 21 selected states. This study uses the information panel technology with the use of the generalized gradient square method (GLS) during the period from 2005 to 2013. The results indicate that e-commerce and R & D has had a positive and significant on the GDP impact (gross domestic product) per capita on a purchasing power parity basis, with e-commerce to have a stronger effect of the promotion of development in comparison with R & D. Spending on health and the size of government and other dependent variables and also had a positive effect on GDP per capita, which can be effective in the improvement and economic growth.

Liu, S. (2013), this paper analyzes, explains the impact of e-commerce development mechanism in the economic growth. It uses an econometric model to get the experimental research of e-commerce development and economic growth, using the latest data from the Chinese e-commerce development to reach the conclusion that e-commerce can boost economic growth.

Elseoud, Mohamed Sayed Abou (2014), the study aims to determine the influence of e-commerce at the national economic growth in Saudi Arabia during the period 2001 to 2013. The study uses an econometric model to get the experimental research of e-commerce development, economic growth and using the latest data for the development of the Saudi e-commerce. Regression estimate shows that the capital-labor ratio, the size of the private sector and trade terms, the number of business transactions over the Internet, information, and spending on communications technology, and a number of credit cards (as a means of payment) have a significant positive impact on economic growth, while the size of the public sector has a significant and negative influence on economic growth. Although the electronic commerce plays a key role in the economic growth of countries, many studies have focused on the existence of a causal relationship between the e-commerce and growth. This paper will contribute to the existing knowledge through the study of the impact of the electronic commerce on the economic growth. In addition, this paper is important because it is the first of its kind in Libya in terms of a more robust estimation technique. It would be interesting to discover whether the conclusions concerning the influence of the electronic commerce on economic growth in Libya. The aim of our study is to investigate the effects of the electronic commerce on the economic growth of Libya using Johansen Co integration tests for a yearly time series data over the period 1999 to 2015.

**3. METHODOLOGY**

In this part of the paper, the impact of e-commerce on Libyan economic growth through vector autoregressive (VAR) using time series methods of co-integration and Granger Causality techniques. For this purpose, the data set will be determined, thereafter time series properties of the series will be tested. This empirical analysis and focuses on two variables (EC, GDP) by the annual time series data from 1999 to 2015.

**3.1. DATA**

The relationship between variables will be analyzed by using annual data over the period 1999 to 2015. The variables used in this study are this empirical analysis and focuses on four variables (e-commerce, gross domestic product, per capita gross domestic product and trade openness). Except that of GDP data, is only available in the form of annual data. Consequently, this study has chosen annual data instead of quarterly or monthly data. The data are obtained from the International financial statistics (IFS) database of the IMF. To analyze the variables will be used Johansen co-integration test and impulse response function.

**3.2. STATIONARY TEST**

Firstly, stationarity tests had been performed for each variant. We must test each of the series in the levels and in the first difference. Each variable was tested at the level by the Dickey and Fuller (1981) test.

**3.3. CO-INTEGRATION TEST**

The Johansen co-integration test (Johansen & Juselius, 1990) is applied to study the long-run equilibrium relationship between the variables. This test reveals whether non-stationary series at the level act together in the long run. In case of determination of co-integration relationship (co-integration vector) that shows the presence of the long run relationship between variables.

$$x_t = c + \sum_{j=1}^p r_j \Delta x_{t-j} + u_t$$

There are two types of Johansen test, namely; trace and maximal eigenvalue statistics, both commonly use to ascertain the number of Co-integration rank or in determining the number of Co-integrating vectors. Both tests might not always indicate the same number of Co-integrating vectors. A Co-integrating vector is attained when obtained critical values are more the values for trace and maximum Eigenvalue statistics.

**4. EMPIRICAL RESULTS**

**4.1. UNIT ROOT TEST**

Table 1 shows empirical results of the unit root test and indicate that the variables are all I (1) processes at 5% significance level. The null of unit root can therefore be rejected for the first differences of all variables. Table 1 report the results of tests of co-integration.

**TABLE 1: AUGMENTED DICKY FULLER TEST AND PHILLIPS & PERRON (1988) TEST RESULTS**

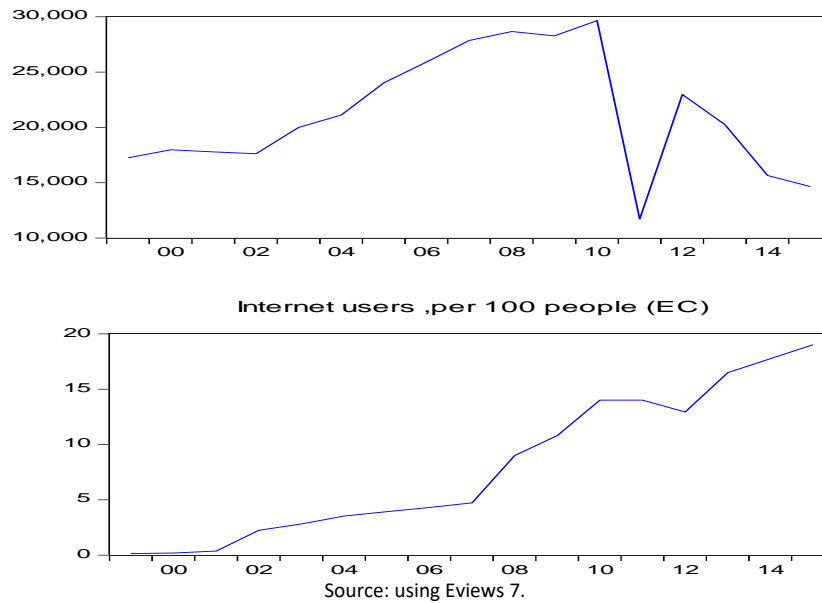
Variable	Augmented Dicky Fuller test Results			Phillips & Perron test Results			Order of Integration
	Non	Intercept, Trend	Intercept	Non	Intercept, Trend	Intercept	
EC	-2.456 (0.018)**	-3.9558 (0.0362)**	-3.951 (0.010)**	-2.402 (0.020)*	-4.0810 (0.029)***	-3.980 (0.009)**	I(1)
GDPP	-5.9925 (0.000)*	-4.1713 (0.0273)**	-5.973 (0.000)*	-6.249 (0.000)	-13.700 (0.000)*	-6.3046 (0.000)*	I(1)
TR	-3.007 (0.005)*	-3.505 (0.055)***	-3.4912 (0.023)**	-3.008 (0.005)*	-3.454 (0.051)***	-3.410 (0.027)**	I(1)
GDP	-6.0529 (0.000)*	-6.1932 (0.000)*	-5.8430 (0.000)*	-6.275 (0.000)*	-12.193 (0.000)*	-6.0464 (0.000)*	I(1)

Note: \*, \*\* and \*\*\* indicates the rejection of the null hypothesis of non-stationary at 1%, 5% and 10% Significance level.

Note: D refers to first differences.

Source: Computed by using Eviews 7.

FIGURE 1: INTERNET USERS, PER 100 PEOPLE (EC) AND GDP



Secondly, it is necessary to define the optimal lag length of the vector autoregression the model uses information criteria. Table 2 shows VAR Lag order selection criteria endogenous variables: E-Commerce (EC) and gross domestic product (GDP); Per capita gross domestic product (GDPP); Trade openness (exports plus imports as a percent of GDP) (TR) and Exogenous variables C.

TABLE 2: VAR MODEL LAG LENGTH DETERMINATION CRITERION RESULTS

VAR Lag Order Selection Criteria						
Endogenous variables: GDP GDPP EC TR						
Exogenous variables: C						
Date: 01/26/17 Time: 05:02						
Sample: 1999 2015						
Included observations: 15						
Lag	LogL	LR	FPE	AIC	SC	HQ
0	-290.9257	NA	1.41	39.32342	39.51224	39.32141
1	-245.1322	61.05789	2.94	35.35097	36.29503	35.34091
2	-200.4726	35.72770*	1.22*	31.52968*	33.22900*	31.51158*

\* indicates lag order selected by the criterion

LR: sequential modified LR test statistic (each test at 5% level)

FPE: Final prediction error

AIC: Akaike information criterion

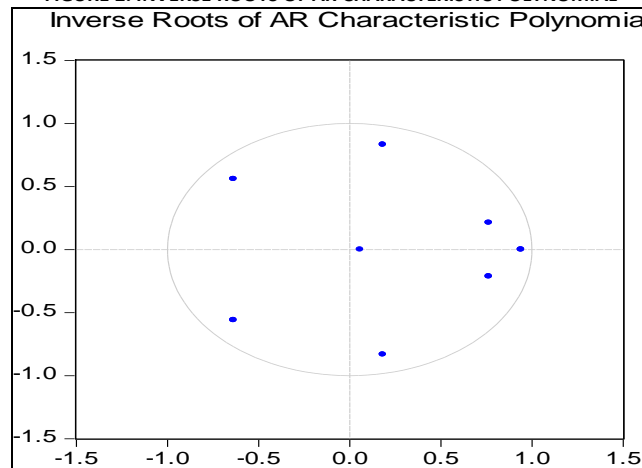
SC: Schwarz information criterion

HQ: Hannan-Quinn information criterion

The optimal lag length are two periods (Lag=2) according to all information criteria (LR, FBE, AIC, SC, HQ).

The stability of the VAR model was tested using AR root graph that shows the inverse roots of the AR polynomial.

FIGURE 2: INVERSE ROOTS OF AR CHARACTERISTIC POLYNOMIAL



The points in the figure 4 are the inverse roots of the VAR model. It can be seen in the graph all the polynomial roots were inside the unit circle; which means that the model does not suffer from the problem of autocorrelation or heteroscedasticity.

**4.2. CO-INTEGRATION RELATIONS TEST (JOHANSEN CO-INTEGRATION TEST)**

In this step Johansen trace and maximum eigenvalue Co-integration tests were used to determine whether there is a long term relationship between E-Commerce (EC) and gross domestic product (GDP); Per capita gross domestic product (GDPP); Trade openness (exports plus imports as a percent of GDP) (TR). The results of the trace and maximum eigenvalue tests are reported in table 4 which shows the number of co-integrating vectors.



Johansen develops two test statistics: Trace statistics ( $\lambda$  trace) and maximum eigenstatistic ( $\lambda_{max}$ ). The results of trace tests and max-eigenvalue indicate two co-integrating at the 5% level (Table 3).

The results of the previous section suggest that a long term relationship may exist between E-Commerce and GDP which are of the same integration order. Therefore, Johansen Co-integration tests are performed to test the existence of the Co-integration relationship between the two variables. The results shown below:

TABLE 3: CO-INTEGRATION RELATIONS TEST

Date: 01/26/17 Time: 03:42  
 Sample (adjusted): 2001 2015  
 Included observations: 15 after adjustments  
 Trend assumption: Linear deterministic trend  
 Series: GDP EC GDPP TR  
 Lags interval (in first differences): 1 to 1  
 Unrestricted Cointegration Rank Test (Trace)

Hypothesized No. of CE(s)	Eigenvalue	Trace Statistic	0.05 Critical Value	Prob.**
None *	0.977453	87.94638	47.85613	0.0000
At most 1 *	0.798525	31.06416	29.79707	0.0356
At most 2	0.308758	7.032845	15.49471	0.5738
At most 3	0.094793	1.493872	3.841466	0.2216
Trace test indicates 2 cointegrating eqn(s) at the 0.05 level				
* denotes rejection of the hypothesis at the 0.05 level				
**MacKinnon-Haug-Michelis (1999) p-values				
Unrestricted Cointegration Rank Test (Maximum Eigenvalue)				
Hypothesized No. of CE(s)	Eigenvalue	Max-Eigen Statistic	0.05 Critical Value	Prob.**
None *	0.977453	56.88222	27.58434	0.0000
At most 1 *	0.798525	24.03132	21.13162	0.0190
At most 2	0.308758	5.538973	14.26460	0.6728
At most 3	0.094793	1.493872	3.841466	0.2216

Max-eigenvalue test indicates 2 Co-integrating eqn(s) at the 0.05 level

\* denotes rejection of the hypothesis at the 0.05 level

\*\*MacKinnon-Haug-Michelis (1999) p-values

Source: researcher' computations, E-views, 7.

In order to explain the influence e-commerce on Libyan economy growth. The results of trace and Max-eigenvalue tests indicate that there is a bilateral relationship. The empirical results show evidence for a bidirectional causality relationship between the E-Commerce (EC) and the GDP (Cointegration at the 0.05 level, see Table 4).

TABLE 4: VAR GRANGER CAUSALITY/BLOCK EXOGENEITY WALD TESTS

VAR Granger Causality/Block Exogeneity Wald Tests			
Date: 01/26/17 Time: 06:08			
Sample: 1999 2015			
Included observations: 15			
Dependent variable: GDP			
Excluded	Chi-sq	df	Prob.
GDPP	29.25482	2	0.0000
EC	59.39943	2	0.0000
TR	0.244927	2	0.8847
All	66.22485	6	0.0000
Dependent variable: EC			
Excluded	Chi-sq	df	Prob.
GDP	5.962194	2	0.0507
GDPP	5.990299	2	0.0500
TR	2.068552	2	0.3555
All	13.62383	6	0.0341

Source: researchers' computations, E-views, 7.

5. CONCLUSION

This study aims to empirically investigate the effects of e-commerce on economic growth of Libya from the period 1999-2015. Using Johansen Cointegration test and impulse response functions. According to obtained results, there is a relationship between variables in the long term.

At last, the paper proposes an appropriate e-commerce development approaches to make e-commerce has a greater role in economic growth, the study recommends to a Libyan government, enterprises and consumers need to pay more Interest to E-commerce. Furthermore, growth investments in infrastructure, pushing more internet users to develop online shopping habits. In order improve the comprehensive development of the e-commerce level; thereby enhancing the actual economic growth.

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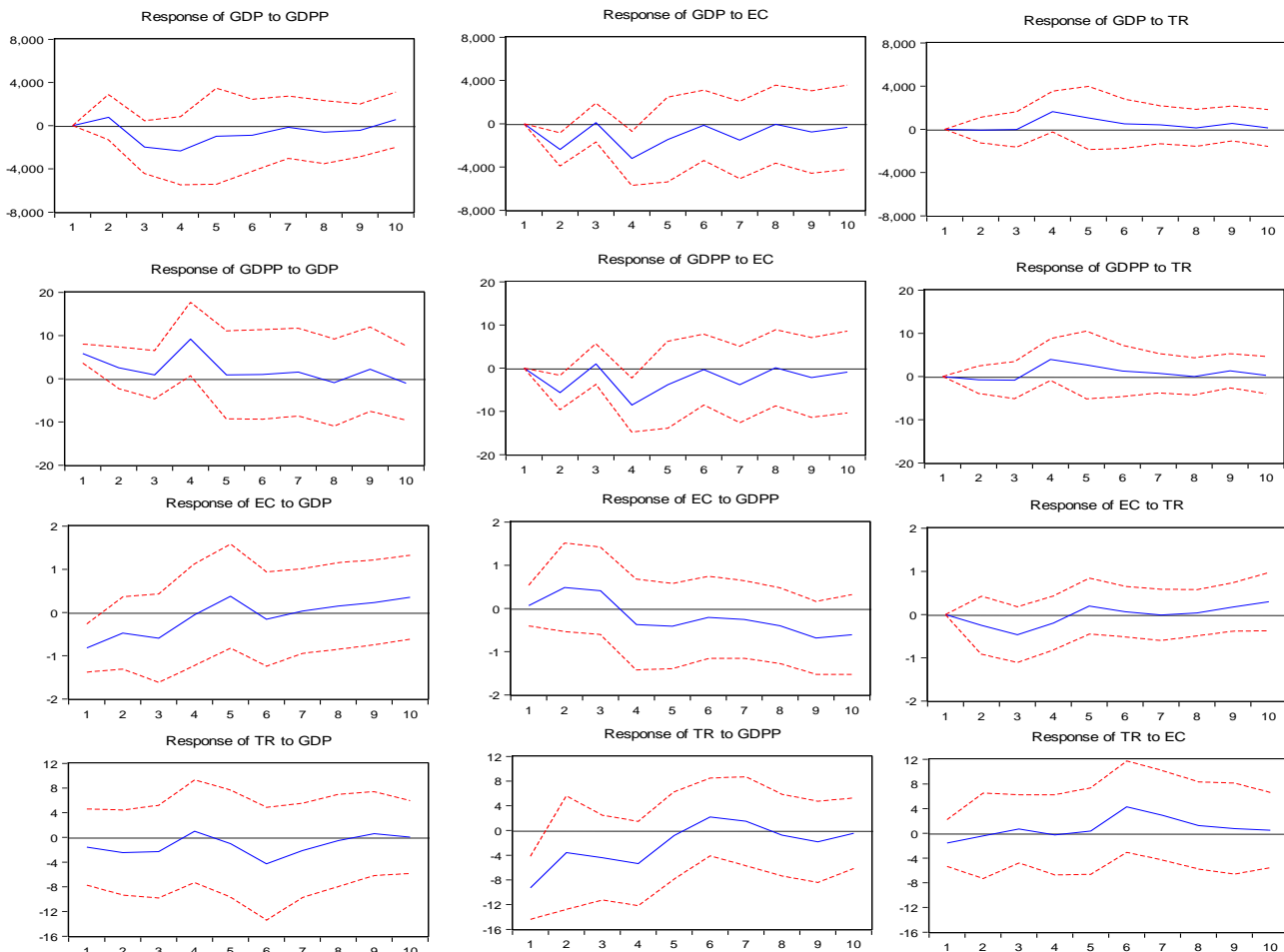
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APPENDIX

TABLE 5: CO-INTEGRATION RELATIONS TEST

Dependent Variable: GDP				
Method: Least Squares				
Date: 01/25/17 Time: 21:48				
Sample: 1999 2015				
Included observations: 17				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-11226.21	1750.989	-6.411352	0.0000
GDPP	387.2917	21.03892	18.40834	0.0000
EC	182.2222	88.59495	2.056801	0.0504
TR	65.82675	17.07851	3.854361	0.0020
R-squared	0.968927	Mean dependent var		21252.75
Adjusted R-squared	0.961757	S.D. dependent var		5429.475
S.E. of regression	1061.785	Akaike info criterion		16.97561
Sum squared resid	14656038	Schwarz criterion		17.17167
Log likelihood	-140.2927	Hannan-Quinn criter.		16.99510
F-statistic	135.1239	Durbin-Watson stat		1.347682
Prob(F-statistic)	0.000000			

FIGURE 3: IMPULSE-RESPONSE FUNCTIONS  
Response to Cholesky One S.D. Innovations ± 2 S.E.



## CUSTOMER'S EXPECTATIONS AND LEVEL OF SATISFACTION FROM ONLINE SHOPPING IN TEHRI: AN EMPIRICAL INVESTIGATION

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### ABSTRACT

*A steady economic system is the strong pillar of economic growth, development and progress of an economy. Over the few decades the e-commerce industry has grown immensely, but the small city and rural penetration has not materialized perfectly with the rising demand, therefore the need for accessible e-business were felt. The study will analyze the significance work done by E-commerce in the life style of the people and has been influencing the social and economic growth of nations as a whole. On one hand e-commerce technologies has helped to accelerate nation's economic growth and to provide more opportunities for businesses to flourish and provide ample opportunities of employment, self-employment and on the other it has a very strong social-cultural impact too. Due to advancement and ease of accessibility of internet for every individual and simultaneously Smart Phone penetration has changed the pattern of our communication system, learning and the way of conducting business activities. Online-banking, Paytm, M paisa and many more are doing considerably well in providing banking and other online payment services at the doorstep. The e-commerce and e-business websites i.e Amazon, Snapdeal, Flipkart etc. These days entrepreneurs are utilizing the social networking sites, like Facebook, Twitter, Whats App etc. to perform economic activities and in promoting/popularizing their business at the national and international level. So here the research paper will highlight the significance services facilitated by the e-commerce websites and try to find out the popularity and satisfaction level of the people from different categories in using such websites in performing shopping of products in different categories. The paper also suggests areas where further research and innovations can be carried out for better reach and accessibility by all specially for remote and far-flung areas besides providing cyber-safety and security.*

### KEYWORDS

accessibility services, cyber security, e-commerce, e-business, technology-driven.

### 1. INTRODUCTION

Days are gone when shopping was considered as a fascination of women only. With the growth and advancement in the accessibility of internet and introduction of phones, especially smart phones which has become the part and parcel of every individual on the globe. Simultaneously increase in internet user, led to use of e-commerce shopping websites. Earlier people did not believe the cheaper cost of products available over these sites, but gradually it gained popularity and people are enjoying the benefits of such e-commerce websites. E-commerce websites reduce the place utility between buyer and seller, and thus permitting rapid exchange of goods, information and service between buyer and sellers in any part of the globe. E-commerce not only ensures the availability of goods and services at a lower cost, but it can potentially enable much more options to the needs of individual customers in this techno-gripped world. Many of these new age entrepreneurs operate from back and have very limited inventory. They employ a small number of people and spend almost nothing on marketing/publicity. Yet they are the channels of change, and execute their brand new ideas into a flourishing business through technology gripped tools, and sell goods and services at cheaper cost.

Among the emerging economies, China's e-commerce business is expanding greatly year after year, with whooping 668 million internet users and registered sales revenue of 253 billion USD during the first half of 2015. The popularity and turnover of Alibaba is well known in e-business activities which captured almost 80% of China's online trade. China successfully established itself as world's biggest online market, and in terms of sales estimation of 889 billion USD in 2016.

E-commerce is relatively not a new concept. But in India it is at its infancy stage of electronic revolution. Revolution in internet and smart phone world significantly alter the way for businesses to reach their customers. However, over the past few years, the sector has grown by almost 35% combined annual growth rate (CAGR) from 3.9 billion USD in 2009 and reached to 12.6 billion USD in 2013. E-tailing, which comprises online retail and online marketplaces, has become the fastest-growing segment in the bigger market, having grown at a compounded annual growth rate (CAGR) of around 56% over 2009-2015. The e-commerce market reached to 24 billion USD in the year 2015, where online travelling and e-tailing contributed equally. The other big segment in e-commerce is mobile/DTH recharge and about 1 million online transactions carried out on daily basis. Online selling of medicines and Gems & Jewellery business is also gaining popularity in India and registering with e-commerce websites and expected a fair share in the market in the coming years. The size of the e-tail or e-retail market is pegged at \$6 billion in 2015. There are 354 million of internet users in June 2015, which are expected to reach 500 million till 2016. As per google, there were 35 million online shoppers in India in 2014 and expected to cross 100 million till 2016. Despite third largest user base, the penetration of internet is very low in India.

Many of these new age entrepreneurs operate from backyards and have limited capital and inventory. They employ hardly a small number of people and spend nothing or in a small amount on marketing. They are the engine of bringing change in the economy, and execute their brand new ideas into a flourishing business through the use of technology. As per the Flipkart report 2016, Delhi, NCR region topped in online shopping which accounted for 60% online shoppers during 2016 and is followed by major metropolitan cities Bengaluru, Mumbai, Chennai and Hyderabad etc. It is also very interesting that among the online shoppers, 60% are men, which defeated the taboo of women oriented shopping model.

### 2. REVIEW OF LITERATURE

Several studies had been conducted in the past to find the pattern of online shopping, perceived behavior of customers towards online shopping, factors affecting their choices over the web, influencing factors of online trading and much more. In the study conducted by Hoffman et al. (1999), revealed that there is a fundamental lack of faith between business entities and consumers over the web. It is the most significant reason, which hampers the customers in exchanging information on websites and also force to step back in preferring for shopping online.

The study conducted by Stein field and Whitten (1999), highlighted that the combination of the web and physical presence is required to ensure maximum consumers to opt for online shopping. Such combination provides better pre-purchase and post-sales services to the customers and leads to building of trust in online stores and also helps to lower consumer transaction cost.

Karayanni (2003) highlighted that the online shoppers tend to benefit in three ways, firstly they benefitted from availability of shopping on 24-hour basis, secondly time efficiency and thirdly the avoidance of queues in stores.

On the other hand, Yu and Wu (2007), studies revealed that offering flexible prices to customers and promotions through one-stop shopping service are some of the successful mantras of the success of online shopping stores.

Demageot and Broderick (2007), highlighted in his studies that how consumers perceive online shopping environment in terms of their exploratory behavior and sense-making potential. It is also considered in the studies, to influence the customers with websites, shopping value and their intention to revisit. Involvement is also an important factor in producing shopping value and the intention to revisit.

In the studies conducted by Broekhuizen and Huzingh (2009), proved that, if there is discomfort in searching, comparing products and availability of product updates then the willingness to purchase online will decrease or will be low. Online shopping websites should focus to make their websites easy and accessible for customers to search the products and services. If the online stores want to convert the visitor of the websites into a reliable and frequent customer then they must offer a website which is attractive, interesting, logical, easy to understand, hassle-free operation and comfortable for all.

Laundon and Traver also focused in his studies that online shopping companies must create a secured and a more attractive/useful website. Online shoppers can change the visitor into a buyer if the online stores provide a wide range of variety of products and other useful information of product, good customer service and ease in accessibility of the website.

However, Comegys (2009), highlighted in his studies that, customers could not touch or try the products before they purchase, therefore online shopping deals must have some special offering like money back guarantee or return policy to reduce the customer's anxiety of error purchase or not of any use/interest.

**3. NEED AND SIGNIFICANCE OF THE STUDY**

Over the few decades the e-commerce industry has grown immensely countering several challenges. Innovations and filled with varieties of ideas the business over the web has gained incredible popularity with less investment and more profits. Innovation in information and communication technologies has created a digital revolution and has been influencing greatly the social and economic growth of nation. On one hand e-commerce technologies have helped to accelerate nation's economic growth and to provide more opportunities for businesses to flourish, but it has also created many challenges and effects across number of segments of society, and further room for policy makers.

Days are passed when market influenced the customers buying pattern and style. Presently the market is driven by the customer's needs, expectations and customer's choice. Due to the availability of various options in accessibility of goods and services, the market is bound to fulfill its customer's expectations and demand. Failing in providing appropriate and quality goods and services the market faced the turning down of the customers towards the newer market with appropriate prices. Customer's expectations and choices are changing day by day.

Today e-commerce industry has created a newer with better prices market at a distance of just a click. Presently various online- shopping websites are providing goods and services with cheaper prices and accessible from any place on the globe. In the major metropolitan cities, the e-shopping has gained privileged status and making the traditional format of shopping a less preferred option but still lots of efforts are pending in semi-urban and rural areas. Due to the availability of various options over the web there is another major challenge, is the retention of customers to one e-shopping websites, and this challenge motivate these sites to innovate every day with various attractive offers for the perspective and the older customers.

In this direction the very first step is to understand the customer's expectations towards e-shopping websites and the goods sold. Therefore, this is an empirical attempt to analyze and understand the extent of satisfaction from online-shopping websites which are solely dependent upon the need and expectation of customer from their services. The study aims to make an empirical investigation of the extent of customer's satisfaction from online-shopping services. It is also ascertaining the priorities and understand the problematic areas where further innovations are required. The study analyzes the reasons which debar people in preferring shopping over the web. The research study is to find out the most satisfied group towards online shopping.

**4. OBJECTIVES OF THE STUDY**

1. To analyze the customer's satisfaction level towards online shopping.
2. To find out the expectations of customers with differently aged online shoppers and customers.
3. To analyze and understand the priorities assigned by the customers to the five main expectations from the e-shopping websites.
4. To study about the problems faced by customers while performing online purchases.
5. To find out the reasons of non-reliability of online shopping.

**5. SAMPLE AND THE SAMPLING PROCEDURE**

The sample of the research study consist 100 people from Tehri district in Uttarakhand. For the research study the researcher contacted 60 males and 40 females of the region. For the purpose the survey was conducted in Tehri District in the month of July 2016. The purpose of the study was explained and then the customers were requested to provide their response in the form of questionnaire prepared for the research study.

**5.1. DESCRIPTION OF THE SAMPLE**

For the research study the researcher has taken the sample (N-100), which included students of colleges/universities of various streams and courses, professionals, private and Government employees working with various sectors and other people from different stratas (including retired employees, house wives and old-aged people) of the district Tehri of Uttarakhand. The sample individuals (Males-60 and Females-40) were divided into four groups on the basis of their age, below 25 yrs, 25-50 yrs, 51-75 yrs and above 75 yrs. presented in the Table-1.1.

**TABLE 1.1: AGE WISE & SEX WISE DISTRIBUTION OF THE SAMPLE INDIVIDUALS (N=100)**

Name of the Sex		Male	Female	Total
Age Wise Group				
1.	Below 25 Yrs	30	22	52
2.	25-50 Yrs	15	10	25
3.	51-75 Yrs	09	05	14
4.	Above 75 Yrs	06	03	09
<b>Total</b>		<b>60</b>	<b>40</b>	<b>100</b>

**5.2. STATISTICAL ANALYSIS AND INTERPRETATION OF THE DATA**

The relevant statistics have been presented in Table 1.2. Percentages were computed to analyze the priorities assigned by the customers to the various expectations from online shopping.

**PART I**

Entries in Table 1.2 shows that 45% customers assigned the topmost priority (Rank 1) to the expectation A (Complete information about the products and offers should be made available correctly on the websites) and 7% customers assigned the last priority (Rank 5) to this expectation. Expectation B (There should be no disparity between the products offered and the products received by the customers) was assigned the topmost priority (Rank 1) by 22% customers and it was assigned the last priority (Rank 5) by only 4% of the customers. Expectation C (The procedure of online-payment must be easy and transparent) was assigned the last priority (Rank 5) by 32% customers whereas it was assigned the topmost priority (Rank 1) by only 8% of customers. Expectation D (The Delivery and return process should be quick and in time) was assigned the last priority (Rank 5) by 48% customers and it was assigned the topmost priority (Rank 1) by only 9% customers. Expectation E (The process of online shopping must be more reliable) was assigned the topmost priority (Rank 1) by 16% customers whereas it was assigned the last priority (Rank 5) by 9% customers.

**PART II**

- 47.5% online customers agreed that online shopping saves time and effort, 25% customers were against this thought and 27.5% customers were uncertain about this.

- 48% customers purchase goods/products (Tablets, Smart phones, Electronic goods etc), 19.2% customers purchase apparels (Clothes and Shoes), 17.8% customers purchase Books and 15% customers purchase other items over the e-commerce websites.
- 39% online customers highlighted that they are highly satisfied with the products and services of online shopping 10% customers disagreed and 51% customers were uncertain about it.
- 82.6% customers were of opinion that they adopt CASH ON DELIVERY (COD) option for the payment of products purchased online, whereas only 17.4% customers use credit cards and net banking for online payment.
- 70% customers agreed that they are fearful in using credit cards/debit cards for online payment, 7.5% customers disagreed with this and 21.5% customers were uncertain about it.
- 35.8% online customers believed that products purchased through online shopping websites are cheaper than products purchased from traditional market shops/stores, 17.2% disagreed with it and 47% customers were uncertain about it.
- The majority of online customers under the age of below 25 yrs has the expectation of quick services with various varieties, customers with the age group of 25-50 yrs focused over the quality of products, 51-75 yrs customers expected that full information about the products must be described in detail over the web, and above 75 yrs people do not have much reliability over the products purchased online. They are not very interested in shopping online, rather they enjoy the traditional format of purchasing from shops in the market.

**TABLE 1.2: NUMBER AND PERCENTAGE OF THE RESPONDENTS WITH REGARD TO THE RANKS 1, 2,3,4,5 ASSIGNED BY THEM TO THE FIVE MAIN EXPECTATIONS FROM THE ONLINE SHOPPING WEBSITES**

Rank \ Expectation	1	2	3	4	5	Total
A	45 (45%)	21 (21%)	20 (20%)	7 (7%)	7 (7%)	100
B	22 (22%)	27 (27%)	27 (27%)	20 (20%)	4 (4%)	100
C	8 (8%)	11 (11%)	16 (16%)	33 (33%)	32 (32%)	100
D	9 (9%)	10 (10%)	7 (7%)	26 (26%)	48 (48%)	100
E	16 (16%)	31 (31%)	30 (30%)	14 (14%)	9 (9%)	100
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	

**6. FINDINGS/SUGGESTIONS**

Presently the popularity of online shopping is getting its pace in metropolitan cities and other major cities in the nation. Therefore, government is also trying to set up a comfortable and easy accessibility of internet facility for every citizen. The significant work done by the telecom operators in this respect is, launching and offering various schemes/plans with cheaper rates so that every citizen can avail its benefits, without affecting their pockets. As a result, the number of internet users is increasing day by day. Because of this trend there is a tremendous scope of online shopping as a preferred mode of purchasing. But still the situation of rural and remote areas is not much effecting, therefore here are the few suggestions which may bring change in the perception towards online shopping among the common mass.

- The companies who specially deals with e-commerce activities and sell products/services online should focus on attractive promotional measures and try to focus those groups of people who are still unaware and untouched of online purchasing options and its credibility.
- Further there is a need to develop a digital literacy among the common masses specially the small income groups, women at house, people with old age and other unprivileged people, who use to hesitate in performing online surfing as well as well as online transactions.
- In order to attract and satisfy the customers from smaller cities and towns where online shopping do not matter for daily business, so there is need to firstly add them as a service providers or local products seller through these e- business companies, so that their fear of fraudulent practices may diminish with digital inclusion. It also brings popularity and literacy among them for opting for online shopping.
- It is also found that there is a great level of distrust in using credit card/ debit card for online transactions among those, who are performing online purchasing. They generally opt for Cash on delivery (COD) method for payment of products purchased online. So it also very significant to propagate the benefits of availing the debit card, credit card and online banking options for payment, which is safe, ease in operation and reliable.

**7. CONCLUSION OF THE STUDY**

The research study has taken place in a small town which is an industrially backward and a hilly region of the state. Therefore, these conclusions are valid only for those customers those who are living in semi-rural underdeveloped area.

The main conclusions of the study obtained on the basis of the statistical analysis of the data are as follows:

1. Even after so much of efforts in publicizing about the online shopping option, the people still are not much interested in purchasing through online method, there is a need for further improvement in making these online shopping websites more popular and reliable.
2. Most of the customers are feared of using credit cards and other online banking options for payment of the products purchased, majority of them adopt COD (Cash on Delivery).
3. As majority of online shoppers believed that it saves time but because of less reliability over online products they do not purchase online products in every segment. They usually prefer to purchase in few segments like electronics, apparels (clothes and shoes) and books.
4. Complete information about the products and similarity in products offered and the products received are the main expectations of majority of customers, and the delivery and return process should be quick and in time is the last priority of the customers.
5. Shopping online is much popular in younger age group than the aged people. Therefore, need to innovate and work towards making it more reliable and authentic for every age and group of people.

**8. LIMITATIONS OF THE STUDY**

During the research study the researcher had to face several limitations. Firstly, the survey was conducted in the Tehri Garhwal district of Uttarakhand only, which is not so developed but situated in a hilly terrain and also blessed with natural beauty, is hardly exposed to technological advancement and internet in a large extent except few of the major cities. Here people have limited need and aspirations for their livelihood. So the results and findings may not produce the appropriate results and attitude of the whole country. Secondly, budget is another major constraint in conducting the research, hence with limited resources and funds the research activities were conducted. Thirdly, the sample size taken was 100 respondents, which is relatively very small and random selection of online customers

was carried out for the studies. Last but not the least the distrust in giving information for the research studies was also a constraint in performing the research activities.

## 9. SCOPE FOR FURTHER RESEARCH

There is a need and scope for further research study to understand the customer's expectations from online shopping websites and satisfaction level of various groups from various cities, towns of states in India as a whole. There is a need to conduct more research activities in the area so that a broader prospects and information can be obtained, which will be useful for formulating better marketing strategies for e-commerce companies and simultaneously the consumer will be benefitted from their customer-oriented strategies.

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## PRIVATE LABEL BRANDS - NATIONAL AND INTERNATIONAL SCENARIO: A REVIEW BASED PAPER

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**ABSTRACT**

The retail landscape is sprouting, significantly, as shoppers demand new products. The emergence of organized retailing in India has made private label brand a reality. The growth of private label brand has been exponential during the past 5 years. The focus of the paper is on the factors that influenced the purchase decision of private label brands in the Indian retail market as well as in International retail market. This paper is based on the review of literature available on private label brands. The paper shows the share of Indian retailers in private label brands. Along with this, the paper also represents the contribution of the various countries in private labels. Finding shows that perception about Private Label Brands are favourable, but value shares are not equally distributed around the world. Share of private label brands are very high in developed countries (Europe, North America and Australia) while in Asia and the Middle East, private label brand struggle to achieve consumer trust.

**KEYWORDS**

consumer, factors, private label brand, purchase, retail.

**INTRODUCTION**

Private label brand is more successful in commodity-driven, high - purchase categories and also in those markets, where consumers are familiar with slight differentiation. For the growth of private label brands, retail consolidation and development of discount formats plays important role in developed markets. Private label accounting for more than one in every \$6 of spending in the United States<sup>2</sup>, represents a considerable chance for retailers to drive margin, make different products, and serve consumers' wide and changing tastes. The escalation of private label brand is directly linked to the progress of modern retailing. Retailers want customer confidence to establish their private label brands. Private label's share in India is about 7%, but it is as high as 40% in European countries, and as low as less than 1% in China<sup>3</sup>. The Private label brand strategy is likely to play a main role as its share in the US and the UK markets is 19 per cent and 39 per cent, respectively, while its share in India is just 6 per cent<sup>4</sup>. Stores like Shopper Stop, Lifestyle generates 15 to 25 per cent revenues from private label brands<sup>5</sup>. The Growth of online retail is also augmenting the development of private label brand in India.

**OBJECTIVES OF THE STUDY**

The objective of the paper is to find out the factors that influenced the decision regarding the purchase of private label brands in Indian and in International retail market. The paper also described the penetration of Indian retailers in private label share. In addition to this, the penetration of various countries in private label brand's share, all around the world also presented.

**RESEARCH METHODOLOGY**

The study is based on the review of literature. Literature is collected from various journals and articles.

**TABLE 1: PRIVATE LABEL BRANDS - INDIAN PERSPECTIVE**

AUTHOR	YEAR	TITLE	RESULT (FACTORS)
Jayakrishnan S	2016	Measuring Factors Determining Private Label Purchase - An Exploratory Factor Analysis (EFA) Approach	Price, quality, familiarity, store image, value consciousness has direct influence while shelf space has indirect influence.
Dr. R Sathya	2015	Consumers Intention of Buying Private Label Brands in Food And Grocery Retail Sector In Chennai	Perceived price consciousness, perceived quality, consumers' perceived benefits, perceived economic situation, and perceived risk.
Jayakrishnan, S., Rekha, D. Chikhalkar and Ranjan Chaudhuri	2015	Measuring Factors Determining Private Label Purchase	Price plays important role in consumers' perceptions of store brand quality. Value consciousness is influenced by price consciousness, private label price and perceived quality, where, price consciousness, private label price influences the value consciousness while the perceived quality is not having any considerable impact. Product familiarity, store image has a significant influence on perceived quality. Along with this, the image factor can also influence the prestige factor and store loyalty which is very important in influencing the purchase decision.
Sunita kumar and Mohith Kothari	2015	A Study on Consumer Perception Regarding Private Label Branding in India	Consumers' purchase decision depends on word of mouth, advertisement, and promotions of the purchase of Private label brand even though strong preference cannot be derived. Consumer liking over Private label brand is not dependent on the income level. Some other factors also have an influence on purchase decision like atmosphere, personality.
Vipul Patel and Kishor Barad	2015	Factors Affecting Consumers' Intention to Purchase Private Labels in India	Factors having direct effect - price consciousness, value consciousness and store image. Factors having indirect effect - quality consciousness (by affecting price consciousness and value consciousness) and social image (directly affecting quality consciousness and price consciousness).
M. Raja And M.I.Saifil Ali	2014	An Analysis of Consumer Perception Towards Retail Brands in Big Bazaar, Chennai	Image of the store, packaging, quality, economical factor.
Nehal A. Shah and Ritesh Patel	2013	A Study on Consumers Preferences for Private Label Products in Ahmadabad City of India	Freshness, discount, availability, price, healthiness, quality, bonus pack, promotional activities, referrals and others.
R. Sathya	2013	Integrating Effect of Consumer Perception Factors Towards Private Label Brands in Food And Grocery Retail Sector in Chennai Region	Price, popularity of Private label brands, advertising (in-store promotion), store name, trust in brand, availability, quality, free offers and discounts, economic situation and word of mouth has very little influence.

FIGURE 1: INDIAN RETAILER'S PENETRATION IN PRIVATE LABEL BRANDS



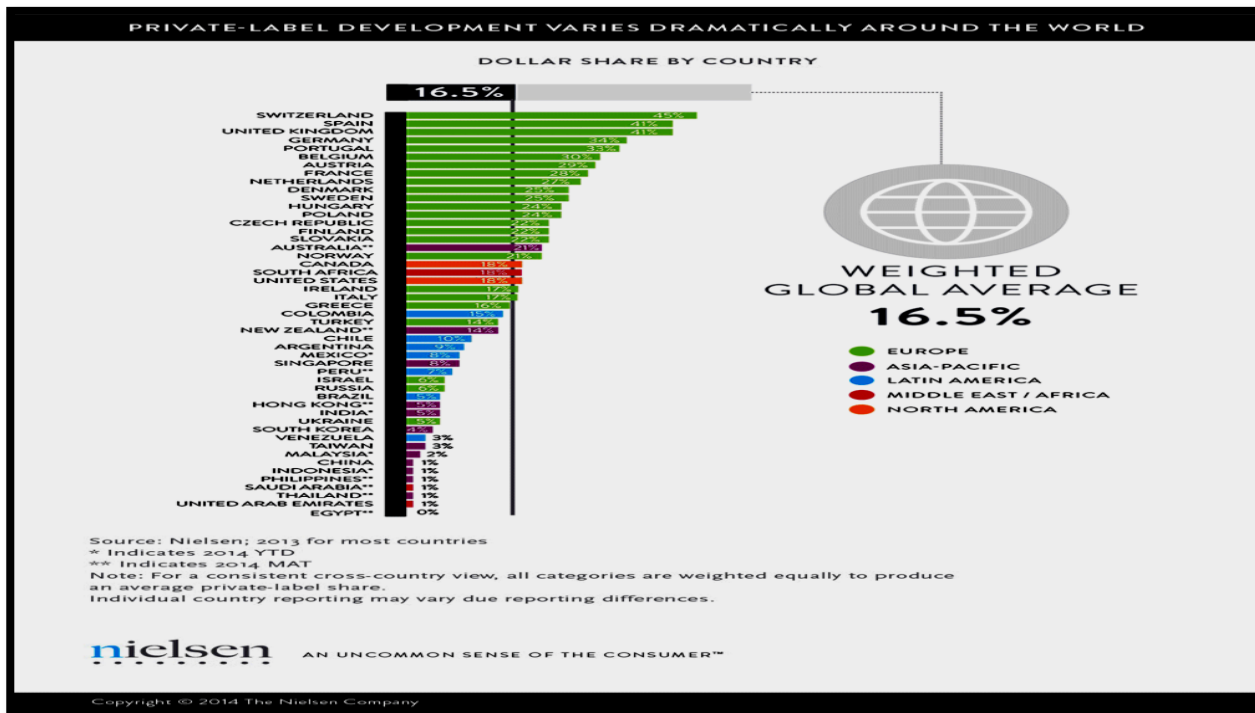
Source: [https://www.google.co.in/search?q=image+of+approach+of+India%27s+major+retailers+towards+private+label&biw=1366&bih=667&source=Inms&tbm=isch&sa=X&ved=0ahUKewiquKnArPHOAhWBpl8KHfG8BvEQ\\_AUIBygC#imgrc=wjgkVep6aVtkTM%3A](https://www.google.co.in/search?q=image+of+approach+of+India%27s+major+retailers+towards+private+label&biw=1366&bih=667&source=Inms&tbm=isch&sa=X&ved=0ahUKewiquKnArPHOAhWBpl8KHfG8BvEQ_AUIBygC#imgrc=wjgkVep6aVtkTM%3A)

TABLE 2: PRIVATE LABEL BRAND- INTERNATIONAL PERSPECTIVE

AUTHOR	YEAR	TITLE	COUNTRY	RESULT (FACTORS)
Tirthala Naga Sai Kumar, Dr. M. Ravinder Reddy and Mahathi Kondapalli	2015	Foreign Store Brands and Impact on Indian Retail Consumers		Quality, satisfaction from consumption, willingness to recommend to others, durability, reasonable prices, status, financial capacity, low risks (financial, social, functional), low health hazards, safety, high variety of foreign store brands and high value for money.
Azhar Ahmad, Sallehuddin Mohd Noor, and Che Aniza Che Wel	2014	Factors Influencing Consumers' Purchase Decision of Private Label Brand Products	Malaysia	Perceived quality, perceived price, brand image, and promotion. In addition to this, socio-economic variables are also important.
Ellie Tran, Ayse N. Balas, Chris Y. Shao, Alan J. Dubinsky and Larry Jackson	2014	Influence of Brand Differential on Motivation to Conform and Manufacturer Versus Store Brand Purchase Intention		Perceived differences between store brand and manufacturer brand's product offerings affects the consumers' purchase intention. The greater the difference, stronger motivation to purchase manufacturer brand and weaker intention to purchase store brand products. Purchase decision is also influenced by the social influence.
P. Yukthamarani Permarupan, Menaga Mohan, Abdullah Al-Mamun and Noor Raihani Binti Zainol	2014	Consumer Perceived Value and Buying Behaviour of Store Brands	Malaysia	Price (most important factor), perceived quality (also important) and familiarity (higher effect than other factors).
Siti Nurafifah Jaafar, Pan Ein Lalp and Mohaini Mohamed@Naba	2012	Consumers' Perceptions, Attitudes and Purchase Intention Towards Private Label Food Products in Malaysia	Malaysia	Factors examined are extrinsic factors (perceived price, packaging, advertisement and store image), intrinsic factors (perceived quality, perceived risk and perceived value) and consumers' attitudes (trust, familiarity and perceived economic situation). Perceived value becomes the most important, followed by an image, perceived risk, perceived quality, perceived price and etc. Consumer's past purchasing experience also plays a significant role.
Mark S. Glynn and Shashan Chen	2009	Consumer - Factors Moderating Private Label Brand Success: Further Empirical Results		Quality, variability, price consciousness, price-quality association and brand loyalty influenced decision. In addition, income, education and household size are moderators of private label brand purchasing.
Christina Boutsouki, Yorgos Zotos and Zafeiria Masouti	2008	Consumer Behaviour Towards Own Label: Monitoring the Greek Experience	Greek	Low price, good quality, location/shelf presentation, retailer's name, and packaging. High levels of satisfaction are connected to low price, high levels of education and limited time for groceries.
Hsu Huei-Chen	2007	A Study of Factors Affecting the Success of Private Label Brands in Chinese E-Market	China	Price consciousness is very important to select private label brand across all purchase situations, while the other factors (private label brand purchase, consequences of purchase mistake, search and experience, degree of quality concern in category) have differential impact. Chinese consumers have positive attitudes and intentions towards the well-known high equity brand and perceived risk is not low.



FIGURE 2: PENETRATION OF THE COUNTRIES IN PRIVATE LABEL BRANDS ALL OVER THE WORLD

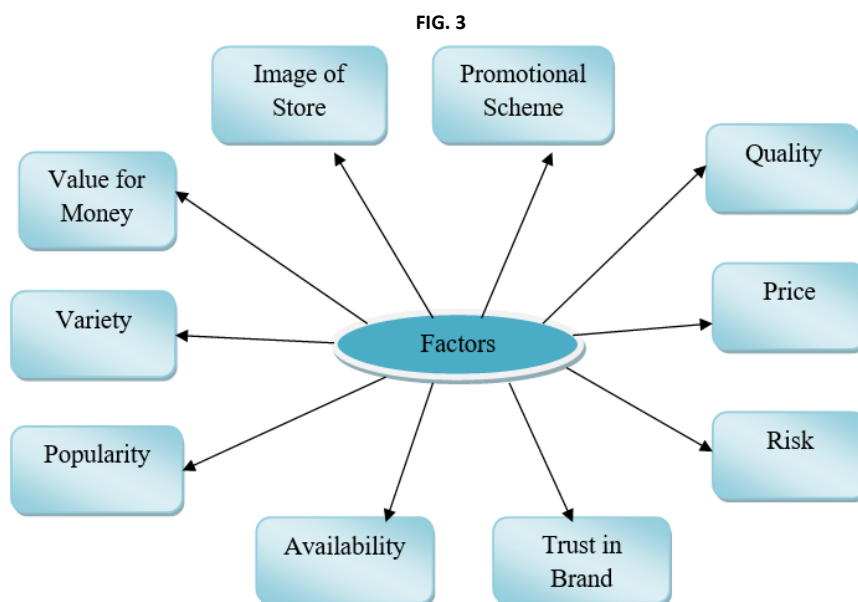


Source: <http://www.nielsen.com/content/dam/niensglobal/kr/docs/globalreport/2014/Nielsen%20Global%20Private%20Label%20Report%20November%202014.pdf>

**DISCUSSION**

In India, the share of organized retailing is very low, but it is increasing. The share of private label brands in India is also very low in comparison to other countries. But with the growth of organized retail, there will be more opportunities for the private label brand retailers to expand their share. The highest contribution in private label share is of Switzerland (Europe) while the lowest is of Egypt (Middle East/Africa).

From the review, it is clear that, in National and International retail market, factors that influenced the decision regarding the purchase of private label brands are the same. Factors that affects almost all the categories (Apparel, Food & Grocery, Consumer Durables, Lifestyle etc.) of private label brand's purchase decision are given in below figure:



**CONCLUSION**

Over the last three decades, Private label brands has come a long way. Private label brands started with offering cheaper substitutes, but now, they have become one of the leading brands on store shelves. Private label brands are gaining importance and distinction by taking care of in house support, outsourced development, and manufacturing capabilities. Private label brands are a win-win solution for retailers and customers in the modern retail market. While retailers expect better bargaining power with their vendors, in turn enhanced margins and control over their products, customers get a wider range, better quality and good prices for the products.

**FOOTNOTES**

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**BANK INSURANCE MODEL: A FINANCIAL STRATEGY FOR GROWTH**

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**ABSTRACT**

*In the post-recession it is the question for survival and growth for any sector in general and banking sector in particular. Thus Bank Insurance Model (BIM) or Bancassurance is a financial strategy for survival and growth for this sector. In this paper we attempt to explore the scope for Bancassurance models as feasible source of sustainable income to banking sector for their growth and survival strategy. To exploit the synergy for growth in Indian context it will definitely be a successful strategy for the banking company. As India having the largest banking network on the one hand and lower insurance penetration and insurance density on the other hand, this financial strategy may result good for both the banking and insurance company. While implementing this strategy, the legal issues are also taken into consideration. The role of banking and insurance company regulator will be the deciding factor for successful implementation of this strategy. The concept of Bancassurance would turn out to be a norm for future banking and insurance business in India and it would be a 'win-win situation' for all the parties involved - the customer, the insurance companies and the banks. Bancassurance - a term coined by combining the two words bank and insurance (in French) - connotes distribution of insurance products through banking channels. Bancassurance encompasses terms such as 'Allianz' (in German), 'Integrated Financial Services' and 'Assure banking'. This concept gained currency in the growing global insurance industry and its search for new channels of distribution. Bancassurance is the process through which insurance products are sold to customers at their local banks. With banking network of 65,000 branches serving more than 300 million retail banking customers, insurance can be available at affordable prices to people even in remote corners of the country. But it is only one part of opportunities of retail banking in India by selling insurance product. For taking challenges we go through by present research of Bancassurance 'Retail Relationship Banking Bancassurance Opportunity'. The financial liberalisation and financial innovations have drawn the worlds of banking and insurance closer together. Therefore, banks dealing in insurance products have increasingly become accepted norm rather than exception in India.*

**KEYWORDS**

bancassurance, insurance penetration, insurance density, survival strategy, financial strategy.

**INTRODUCTION**

The financial reforms following the recommendations of First Narasimham Committee, the contemporary financial landscape has been reshaped. Banks, in particular, stride into several new areas and offer innovative products, viz., merchant banking, lease and term finance, capital market / equity market related activities, hire purchase, real estate finance and so on. Thus, present-day banks have become far more diversified than ever before. Therefore, their entering into insurance business is only a natural corollary and is fully justified too as 'insurance' is another financial product required by the bank customers. The regulatory authority like Reserve Bank of India and Insurance Regulatory and Development Authority (IRDA) regulate and develop the banking and insurance sector in India through calibrated policy initiatives. India has a well-entrenched wide branch network of banking system in the world. Thus this financial strategy of "Bancassurance" will help in the integration of banking and insurance sector to harness the synergy of growth and prosperity. Bancassurance is a long-standing dream of offering service of banking, life & non-life products. India, being the one of the most populous country in the world with a huge potential for insurance companies, has a multiple chain of bank branches as the lifeline of its financial system. Banks with over 65,000 branches & 65% of household investments are the backbone of the Indian financial market. In India, there are 75 branches per million inhabitants. Clearly, that's something insurance companies - both private and state-owned - would find nearly impossible to achieve on their own. Banks have expertise on the financial needs, saving patterns and life stages of the customers they serve. Banks also have much lower distribution costs than insurance companies and thus are the fastest emerging distribution channel. In India, as elsewhere, banks are seeing margins decline in their core lending business. Consequently, banks are looking at other avenues, including the sale of insurance products, to augment their income. The sale of insurance products can earn banks very significant commissions (particularly for regular premium products). In addition, one of the major strategic gains from implementing Bancassurance successfully is the development of sales culture within the bank. This can be used by the bank to promote traditional banking products and other financial services as well. Bancassurance is not simply about selling insurance but about changing the mindset of a bank.

**IMPORTANCE OF THE STUDY**

Until the entry of private insurers, state-owned insurance entities intentionally force the tied agency and their own employees. The Life Insurance Corporation of India continues to command the largest group of agents today. But agents and employees have their limitations. If LIC is to be focused, it seems to be full of its agents who cover the wider locality. But agents and employees of LIC are having some limitations so Bancassurance can be a fruitful channel for them. It is profitable both to Banks and Insurance companies and has a very bright future to be the most developed and efficient means of distribution of Insurance products. Insurance companies can sell both life and non-life policies through banks. The share of premiums collected by banks is increasing in a decent manner from the time it was introduced to the Indian market.

In India Bancassurance is guided by Insurance Regulatory and Development Authority Act (IRDA), 1999 and the Reserve Bank of India, all banks and insurance company have to meet particular requirements to get into Bancassurance business. It is predicted by experts that in future 70% of share of premium will come from Bancassurance business only. Currently more and more banking and Insurance Companies are venturing into Bancassurance business for better business prospects in future. It is two-way street to make profits. The banking business is also generating more profit by more premiums collected and they also receive commission like normal insurance agents which increase the profits and bring a better reputation for the banks. It is even profitable for Insurance Companies as they receive more and more sales and higher customer base for the company. And they have to directly deal with an organization which reduce their pressure to deal with each customer face to face. In all Bancassurance has proved to be boon in whole Banking and Insurance arena. Bancassurance, the most important feature is to increased return on assets (ROA). One of the best ways to increase ROA, assuming a constant asset base, is through fee income. Banks that build fee income can cover more of their operating expenses, and one way to build non fund income as fee is through the sale of insurance products. Banks those effectively cross-sell financial products can leverage their distribution and processing capabilities for profitable operating expense ratio. Sale of personal life insurance products through banks meets an important set of consumer needs. Most large retail banks engender a great deal of trust in broad segments of consumers, which they can leverage in selling them personal life insurance products. In addition, a bank's branch network allows the face to face contact that is so important in the sale of personal insurance.

Another advantage banks have over traditional insurance distributors is the lower cost per sales lead made possible by their size, loyal customer base. Other bank strengths are their marketing and processing capabilities. Banks have extensive experience in marketing to both existing customers and non-customers (for acquisition and awareness). They also have access to multiple communications channels, such as statement inserts, direct mail, ATMs, telemarketing, etc. Banks' proficiency in using technology has resulted in improvements in transaction processing and customer service.

**OBJECTIVES OF THE STUDY**

Bancassurance is a channel having a great scope to fulfil the challenges of the retail banking sector. The study deals with factors that affect the purchasing of insurance products through Bancassurance. The objectives of the study are:

1. To find out the customers' behaviour for purchasing of insurance products from bank.
2. Judge the awareness level of customers for Bancassurance.

**SCOPE OF THE STUDY**

As India is being considered one of the fastest developing economies among the emerging market economies, the financial sector has also grown much vibrant with the financial reforms. In fact, in recent years, it is surmised that even the 'global economic growth' hinges on growth prospects of the emerging economies like China and India to a greater extent. Significantly, Indian economy has recorded an average growth of over 8.5 per cent for the last four years, with macroeconomic and financial stability (RBI, 2006) and indications are that it may grow at even better rate in the near future provided there is good monsoon. Experience also showed that economic growth had strongly supported the expansion of the middle income class in most of the Asian countries, and now it is the turn of India. Experience reveals that at the initial growing stage of the economy the primary financial needs are met by the banking system and thereafter as the economy moves on to higher pedestal, the need for the other non-banking financial products including insurance, India's population having much more money in their hand, which help to invest them in banking retail sector. Through Bancassurance, banking retail sector to meet their customers need by changes in life stages. Like single, couple, new family, established family, pre-retirement and retired family who makes them independent.

**METHODOLOGY**

This is basically a descriptive research design. This research has been done with the help of primary and secondary method of data collection. This methodology followed in the selection of sample, scope of the study, sources of data, collection of data, nature of the data required, tools and techniques used for the study. The second approach involves an event study methodology, where stock market data are analyzed to determine whether an announcement of showing strong interest and attention to engage in insurance activities is perceived to be a positive or negative event. The final approach is the one employed in the experiments or experience rather than theory. The industry returns analysis, between banks and different insurance groups shows that the insurance broking activities have the highest return.

**INSURANCE SECTOR IN INDIA**

It is obvious that reforms in financial sector would not be complete if one of the key sub-sectors, viz., insurance sector is not being taken along. Therefore, the Government of India had appointed a Committee on Reforms in the Insurance Sector under the Chairmanship of Late R.N. Malhotra (known as Malhotra Committee) in 1994. There has been considerable time lag between reforms in the insurance sector and the rest of the financial sector, particularly in comparison with the banking sector. Incidentally, the experiences with many other countries were also very similar. However, following the implementation of Malhotra Committee's far reaching recommendations, the insurance sector had undergone sweeping changes during the later 1990s and 2000 onwards and of which only a few developments are highlighted here. IRDA was established in the year 2000 as an exclusive Regulatory Authority for the insurance sector through the enactment of IRDA Act, 1999. A number of amendments were brought in various insurance related statutes, viz., Insurance Act, 1938, LIC Act, 1956 and General Insurance Business Nationalisation Act, 1972 (GIBA). The Progress in the overall developments in the insurance sector was swift and more prominent after the establishment of IRDA. The four public sector non-life insurance companies were de-linked from being subsidiary of the General Insurance Company of India. Now they operate independently and compete with each other. The upshot of these developments was the breakage of monopoly by public sector in the insurance sector paving the way for the entry of private entities into the insurance market and the era of competition set in with availability of wide range of insurance products in the market than ever.

India has very low 'insurance penetration ratio' (defined as ratio of insurance premium to GDP), a key indicator of the spread of insurance coverage and insurance culture, India compares poorly by international standards. The penetration ratio was less than one per cent in 1990s and it improved to 4.8% by end-March 2006. As against this, a Survey Report of Swiss Republic revealed that the penetration ratio as at end-March 2006, in respect of some of the European countries, viz., UK and Switzerland at 16.5% and 11.0%. In Asia, Taiwan and South Korea had registered their respective ratio of as high as 14.5% and 11.1%. Insurance Penetration ratio for the World was placed at 7.5% far greater than that of India. The Insurance Regulatory and Development Authority (IRDA) has informed that the total insurance penetration, which is the ratio of insurance premium as a percentage of GDP has increased from 2.32 in 2000-01 to 5.10 in 2010-11. The life insurance penetration has decreased from 4.60 in 2009-10 to 4.40 in 2010-11, whereas the non-life insurance penetration has increased from 0.60 in 2009-10 to 0.71 in 2010-11. The insurance penetration is impacted by several macro-economic factors such as growth, inflation, interest rates; small saving return and returns of competing financial products offered by banks and mutual funds. Thus in a country with more than 1.2 billion population, the poor penetration ratio indicates that a vast majority of population remain outside the reach of the insurance, especially in rural and semi-urban areas, in the context of the absence of social security schemes. This clearly suggests the presence of vast potential for tapping the insurance market particularly by widening the distribution channels. This is where the strategy of bancassurance could possibly become more relevant.

The future of the Indian insurance sector looks bright. The sector which stood at a strong US\$ 72 billion in 2012 has the potential to grow to US\$ 280 billion by 2020. This growth is driven by India's favourable regulatory environment which guarantees stability and fair play. This environment has given rise to an insurance market which encourages foreign investors to tap into the sector's massive potential. Ever since the Indian government liberalised the insurance sector in 2000 and opened the doors for private participation, the sector has gone from strength to strength. The resultant competition has provided the consumer with a never-before-seen range of products and providers, and also enhanced service levels markedly. The health of the insurance sector reflects a country's economy. This sector not only generates long-term funds for infrastructure development, but also increases a country's risk-taking capacity. India's economic growth since the turn of the century is viewed as a significant development in the global economy. This view is helped in no small part by a booming insurance industry. Health insurance is an up-and-coming segment in this sector. Currently, it caters for 10 per cent of the overall US\$ 30 billion healthcare expenditure in India. Consequently, there is plenty of scope for players in this area. Presently the life insurance segment contributes about 4 per cent to India's gross domestic product (GDP) in terms of total premiums underwritten annually. There are 23 private companies in the segment. The state-owned Life Insurance Corporation (LIC) dominates the field, with about 71 per cent of the market share, according to Insurance Regulatory and Development Authority (IRDA).

**BANKING SECTOR IN INDIA**

The difference in working style and culture of the banks and insurance sector needs greater appreciation. Insurance is a 'business of solicitation'. But a typical banking service requires a great drive to sell the insurance products. Moreover, in India since the majority of the banking sector is in public sector are no emotional attachment and lethargic attitude and poor quality of customer service, some of the products offered by the banks, viz., 'term deposits' and other products which are mainly aimed at long term savings/ investments can be very similar to that of the insurance products. Banks could as well feel apprehension about the possibility of substitution effect between its own products and insurance products and more so, as a number of insurance products in India come with an added attraction of tax incentives. As there is a great deal of difference in the approaches of 'selling of insurance products' and the usual banking services- thorough understanding of the insurance products by the bank staff coupled with extra devotion of time on each customer explaining in detail of each product's intricacies is a prerequisite.

**LIMITATIONS**

The banking service, there is no guarantee for insurance products that all efforts that a bank staff spends in explaining to a customer would clinch the deal due to the very nature of the insurance products. This frustration of the bank staff has the danger of spill over effect even on their regular banking business. Bankers in

India are extremely negative in insurance products as there were no occasions in the past for the bankers to deal with insurance products, therefore they require strong motivation of both monetary and non-monetary incentives. This would be more so in the emerging scenario due to complex innovations in the field of insurance / pension products at a rapid pace with the entry of a number of foreign insurance companies with vast experience in the developed countries' framework. In the above view the staff in the public sector banks in particular, to be less bureaucratic and more customer friendly would indeed be a challenging task.

### SOURCES OF OPPORTUNITIES

Banks deliver product to their customer on segment of economics. Technology is an important delivery regardless of different channels, like branch, agent, call centre, internet. Banks' database is enormous even though the goodwill may not be the same as in the case of their European counterparts. This database has to be dissected variously and various homogeneous groups are to be churned out in order to position the Bancassurance products. With a good IT infrastructure, this can really do wonders. Therefore, RBI or IRA should have no hesitation in allowing the marriage of the two to take place. This can take the form of merger or acquisition or setting up a joint venture or creating a subsidiary by either party or just the working collaboration between banks and insurance companies. BIM allows the insurance company to maintain smaller direct sales teams as their products are sold through the bank to bank customers by bank staff. Bank staff and tellers, rather The Bank Insurance Model (BIM), also sometimes known as Bancassurance, is the term used to describe the partnership or relationship between a bank and an insurance company whereby the insurance company uses the bank sales channel in order to sell insurance products. BIM allows the insurance company to maintain smaller direct sales teams as their products are sold through the bank to bank customers by bank staff.

### SUMMARY OF FINDINGS

Key findings from the executive summary that the banking sector getting Credit insurance protects the loan security, multi product improves, Customer loyalty and retention, optimizes fixed expense base, Easier to sell insurance to existing relationships, Fee income to boost shareholder ROE and also finding how does the Bancassurance help retail banks. The bank sees Bancassurance as a way of creating a new revenue flow and diversifying its business activities. This advantage was all the greater in the early 1990s, a period characterized by increased competition between financial institutions and a reduction in the banks' profit margins and, therefore, the need to look for new business. The bank becomes a sort of supermarket, a one-stop shop for financial services, where all customers' needs whether financial or insurance related can be met. The broadening of its product range makes the bank more attractive and can reinforce customer satisfaction and therefore customer loyalty. The consumer enjoys greater access to all financial services from a bank that offers both banking and insurance products. Since the distribution costs are lower than in a traditional distribution network, the consumer can usually get cheaper insurance products than through traditional channels. In addition, premium payment methods are simplified, since premiums are collected directly from bank accounts. The special relationship between the customer and the bank means that there is a better match between what the customer needs and the solutions provided by the bank. One disadvantage that has come up with this model is that banks, after allying with one insurance company may discontinue it to set up their own venture. Changing insurance partners due to attractive benefits offered by a competing insurer is also not ruled out.

### CONCLUSION

Finally, for both bank and insurer there is a great opportunity to learn and to make improvements in their own operation. Each gets exposure to the other's distinctive management styles, its objectives and measures and the pressures which it can exert and which it feels. The benefit comes when either company can implement changes as a result of the learning process. The market is increasing in this sphere convergence of banks and insurance companies is moving towards a model of global retail financial institutions offering a wide impression of products. Which will create one roof shop where mortgages, savings, pension and insurance product will be available for customers? It is expected that if in India, bank assurance is planned properly and implemented, it will reach the required height. There is a need for constant innovation in retail banking. In bracing for tomorrow, a paradigm shift in bank financing through innovative products and mechanisms involving constant up gradation and revalidation of the banks' internal systems and processes is called for. Banks now need to use retail as a growth trigger. This requires product development and differentiation, innovation and business process reengineering, micro-planning, marketing, prudent pricing, customisation, technological up gradation, home / electronics / mobile banking, cost reduction and cross-selling.

While retail banking offers phenomenal opportunities for growth, the challenges are equally daunting. How far the retail banking is able to lead growth of the banking industry in future would depend upon the capacity building of the banks to meet the challenges and make use of the opportunities profitably in Bancassurance. However, the kind of technology used and the efficiency of operations would provide the much needed competitive edge for success in retail banking business. Furthermore, in all these customers' interest is of paramount importance. The banking sector in India is demonstrating this and I do hope they would continue to chart in this traded path.

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In this age of Commerce, Economics, Computer, I.T. & Management and cut throat competition, a group of intellectuals felt the need to have some platform, where young and budding managers and academicians could express their views and discuss the problems among their peers. This journal was conceived with this noble intention in view. This journal has been introduced to give an opportunity for expressing refined and innovative ideas in this field. It is our humble endeavour to provide a springboard to the upcoming specialists and give a chance to know about the latest in the sphere of research and knowledge. We have taken a small step and we hope that with the active co-operation of like-minded scholars, we shall be able to serve the society with our humble efforts.

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