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SERVICE QUALITY OF HOTEL FLATS – EXPERIENCE OF PHILIPINO TOURISTS

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ABSTRACT

The main objective of this research is to quantitatively examine the relationship between service quality dimensions on guest satisfaction and thereby on guest loyalty. Survey questionnaire was constructed with 19 service quality items covering five service quality dimensions based on SERVQUAL model, four items on Guest Satisfaction and four items on Guest Loyalty. Data was collected from 144 guests of 10 major hotel flats in Al Buraimi, Oman. Analysis results indicate that all dimensions of service quality significantly impact guest satisfaction. Guest Satisfaction significantly influences Guest Loyalty. Assurance Dimension exerted more influence on guest satisfaction. Managers must focus more on dimensions of Empathy, Reliability, Responsiveness, and Assurance other than tangibility to achieve high degree of guest satisfaction which leads to guest loyalty. This will help the hotels to get a good market share despite the increasing level of competition.

KEYWORDS

service quality, guest satisfaction, guest loyalty.

INTRODUCTION

The hospitality sector is an element of travel and tourism industry and is one of the fastest growing industries that provide the necessary and desirable goods and services to travelers worldwide. Guest satisfaction in the hotel industry is of the top priority for owners and managers; because customized services are one among the most important things when considering a hotel to stay in.

Hospitality could be defined in a broad sense as the service offered to strangers mainly with regards to food and accommodation. This is a service which is to be offered wholeheartedly which includes the cordial relationship between the customer/guest and the service provider/host. According to (Reuland & Cassee, 1983) hospitality could be defined as the harmonious combination of tangible and intangible components comprising of food and beverages to behavior of staff. This is a concept much more than the classical concept of providing food and bed to sleep. In totality, hospitality is a mixture of food/beverage and/or shelter combined with the attitude of the people. (Hepple, Kipps, & Thomson, 1990) concluded that there are four distinct characteristics' of hospitality as follows:

1. It is granted by the host to the guest who is away from home.
2. It includes interaction between the host and the guest.
3. It is a blend of tangible and intangible factors.
4. The host assures the guest security, psychological and physiological comfort.

In the hospitality sector, customers actually consume a blend of products and services. It is inevitable for the hospitality firms to ensure that they provide the guests with the best products and services and also to focus on how these services are provided. In this regard the attitude and behavior of the employees count the most. Because of this reason these two factors are of vital importance to the hospitality sector.

Hospitality industry refers to the group of organizations which provide the food/drink/accommodation service to individuals who are away from their hometown (Dr Benny Chan). Hotels form a very important segment of the hospitality industry. Hotels are establishments run by owners which offer sleeping accommodation to individuals who are ready to pay an amount for the services that they get. Hotels are broadly classified as commercial and non commercial. Commercial accommodations are subdivided into hotels and service apartments. Hotels can be classified into various categories like star hotels, resorts, boutique hotels etc.

Serviced Apartments or Hotel Flats are properties which cater to the customers who would like to stay for a short or an extended period. They usually provide kitchen facilities, shopping services, business services and minimum housekeeping services. These are good accommodation type especially when the guests are more in number belonging to same group. They are relatively cheap compared with star category hotels but offer reasonable services. Since the region is on the development path, it is important for the managers to understand the perceptions of the guests regarding the services they received. Since the tourism sector is intertwined with the hospitality industry of a country it is inevitable to provide high quality services to the guests.

Service quality differentiates the services provided by organizations and is used as a strategic weapon to gain a competitive advantage in the market (Parasuraman, Zeithaml, & Berry, 1988). Researches have revealed that leading service organizations attempt to sustain a superior quality of service over their competitors in an effort to attain and retain customer loyalty (Zeithaml, Berry, & Parasuraman, 1996). Service organizations' capability to develop and sustain large and loyal customer base is indispensable for its long term success in the market (Reichheld, 1992). In such a situation organization must pay attention to the concept of service quality.

Quality along with the loyalty of the guests is an important factor that leads to the success of hospitality as well as tourism sector (Alrousan & Abuamoud, 2013). Service quality must be the vital policy to maintain and build customer support and base. Hotels must strive to win customer loyalty by offering enhanced quality services (Kandampully, 2000). Service quality is considered vital for the existence of hotels (Min & Min, 1997). It is the central part of service management (Chen, 2008) and is highly related with customer satisfaction (Shi & Su, 2007) and satisfaction is connected with revisit intention (Han, Back, & Barrett, 2009). Hotel performance is directly related to service quality improvement (Dalal, 2015; Narangajavana & Hu, 2008).

REVIEW OF LITERATURE

(Minh, Ha, Anh, & Matsui, 2015) in their research on hotel industry in Vietnam empirically tested the relationship between service quality and customer satisfaction. The intangible components of service quality exert more influence on customer satisfaction than the tangible component. Among the intangible dimensions, empathy exerted significant impact with higher beta value than other dimension followed by reliability, responsiveness and empathy. The study concluded that service quality plays an important role as a factor influencing high customer satisfaction level in hotel service.

(El Saghier, 2013) in his research on Egyptian hotels found out that service quality dimensions like responsiveness, reliability and empathy weighed more for the customers more than tangibility dimension. More favorable perception on responsiveness dimension indicated stronger satisfaction levels for customers and this finding is of huge managerial implication that employees highly influence the satisfaction level of guests more than the physical infrastructure.

(Dahal, 2015) in his research on service quality on customer satisfaction among the hotels in Uttarakhand area revealed that tangibility is the most crucial dimension followed by assurance, empathy, reliability and lastly responsiveness. This research concluded that customers in industrial area of Uttarakhand attach more importance to the tangibility dimension followed by service assurance.

(Al-Ogailiy & Khasawneh, 2015) in their research investigated the impact of service quality on tourist behavior in four and five stars hotels in Jordan. Responses were collected from the guests regarding their expectations and perceptions regarding the hotel service in Amman, the capital of Jordan. Analysis of the data revealed that the dimensions of service quality had great impact on the level of satisfaction of the guests and their decision to choose the same hotels in the future. About 96.9 % change in the customer satisfaction was attributed to the variable service quality. Tangibility dimension influenced customer satisfaction the most followed by assurance, empathy, responsiveness and reliability.

(Alrousan & Abuamoud, 2013) in their research paper examined the impact of tourism service quality dimension on tourist satisfaction and loyalty in five star hotels of Jordan. Results showed that dimensions of service quality such as empathy, reliability, responsiveness and tangibility considerably forecast customer loyalty. Assurance dimension had more beta value and explanatory power on customer satisfaction followed by tangibility, reliability and responsiveness. Regarding the influence of the service quality dimensions on loyalty intentions, it was revealed that tangibility exerted more influence followed by Empathy, Reliability and Responsiveness. The influence of assurance on loyalty was not supported.

(Rao & Sahu, 2013) in their research on hotel industry of Bhubaneswar, used the Servqual model to analyze the expectations and perceptions gap of service delivery and how it influences customer satisfaction and loyalty. In this study, the findings showed that most respondents identified tangibility as the most important factor in determining satisfaction and their perception of service was more than what they expected. Customers' perception level was higher than their expectation. Thus it was substantiated that Servqual dimensions positively influenced satisfaction and hence loyalty.

(Markovic & Raspur, 2010) examined the customer perception of service quality in the hotel industry of Croatia. The main objective of the study was to determine the perceived service quality of the hotel services and to analyze the satisfaction and loyalty level of tourists. Reliability, empathy and competence of staff, accessibility and tangibles are the key factors that described customers' expectations of hotel service quality.

(Akababa, 2006) in the study investigated the service quality expectations of business hotels customers, and to examine whether the quality dimensions included in the SERVQUAL model apply in an international environment and evaluate the intensity of significance of specific dimension in Turkey. It was found out that the most important factor in predicting overall service quality was tangibles followed by understanding and caring, adequacy in service supply, assurance and convenience respectively. The findings of the study confirmed the Servqual tool validity and reliability and also established that the service quality is a significant factor in predicting customer satisfaction and thereby loyalty.

IMPORTANCE OF THE STUDY

HOSPITALITY SECTOR IN OMAN

Hospitality Sector in Oman is on a growth path. Due to the increased amount of thrust placed on development of tourism, the hospitality sector is on the growth momentum. The hospitality industry in Oman is expected to grow at a compounded annual growth rate (CAGR) of 6.2 per cent from 2015 to reach \$1 billion in 2020. This growth is mainly due to a 5.3 per cent annual increase in hotels and serviced apartment room supply and a 6.3 per cent increase in international tourist arrivals. Oman government's tourism plan to double tourist arrivals by 2040 by developing tourist spots and encouraging private investments is likely to boost demand. This will lead an increase in tourist arrivals is likely to affect occupancy rates and average daily rates in the Sultanate's hotels and serviced apartments to grow by 1 percentage points and 0.3 per cent CAGR, respectively, during 2015 to 2020. Residential and tourism projects as well as hotels and resorts worth US\$10 billion are in process in the Sultanate.

There have been numerous studies in the area of service quality and guest satisfaction. But no studies in particular have focused on hotel flats and its service quality in Oman. This study is a unique attempt to assess the service quality of the hotel flats in Al Buraimi area. Analysis of the service quality components and its impact on guest satisfaction and guest loyalty will provide the hotel management to devise strategies to sustain in the market. Hence this study is initiated.

Since Al Buraimi is on the development path, this study will be vital for the hotel managements'. They can devise strategies to attract more tourists by giving attractive offers and activity packages. Since the hospitality sector is linked with the tourism sector, this study will benefit the tourism sector too. Hence this study is initiated.

STATEMENT OF THE PROBLEM

There have been numerous studies in the area of service quality and guest satisfaction. But no studies in particular have focused on hotel flats and its service quality in Oman. This study is a unique attempt to assess the service quality of the hotel flats in Al Buraimi area. Analysis of the service quality components and its impact on guest satisfaction and guest loyalty will provide the hotel management to devise strategies to sustain in the market. Hence this study is initiated.

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OBJECTIVES

1. To examine the overall impact of service quality on guest satisfaction:
2. To examine the influence of overall service quality on guest loyalty.
3. To examine the influence of demographics on guest satisfaction.
4. To study the influence of guest satisfaction on guest loyalty.

HYPOTHESES

1. Overall service quality positively impacts guest satisfaction:
 - a. Tangibility dimension positively impact guest satisfaction.
 - b. Reliability dimension positively impact guest satisfaction
 - c. Responsiveness dimension positively impact guest satisfaction
 - d. Assurance dimension positively impact guest satisfaction
 - e. Empathy dimension positively impact guest satisfaction
2. Demographic factors influence guest satisfaction:
 - a. Gender influence guest satisfaction.
 - b. Age influence guest satisfaction.
3. Guest satisfaction positively impact guest loyalty.

RESEARCH METHODOLOGY

The research follows a descriptive pattern and with the use of quantitative methods the researcher tries to explain the different causal relationships proposed in the model.

POPULATION AND SAMPLE

The population of the study comprised of the Philipino guests who stayed in hotel flats of Al Buraimi. The sampling design employed in the research is convenience sampling. The sample size for the study comprised of 144 respondents.

SURVEY INSTRUMENT

The questionnaire comprised of four different sections. First part of the questionnaire deal with the demographics of the respondents. Second part comprise of the experienced service quality. Third part deal with guest satisfaction and fourth part deals with guest loyalty. The questions on experienced service quality, guest satisfaction and guest loyalty are measured on a five point Likert Scale (from 1 – strongly disagree to 5 – strongly agree).

TOOLS FOR ANALYSIS

Data was entered and analyzed using SPSS -21. Tools such as Frequency Distributions, Percentage distributions, t test, multiple regression, ANOVA, SEM etc. are used to analyze the data.

CONSTRUCTS AND SOURCES

The constructs used in this research has been framed from the following sources.

TABLE 1: QUESTIONNAIRE SOURCES

Variable	Nos. of Item	Source
Service Quality	19	Minh et.al (2015)
Guest Satisfaction	4	Oliver(1991)
Guest Loyalty	4	Oliver (1991),Kim(2010)

MEASUREMENT OF RELIABILITY AND VALIDITY

Analysis of the questionnaire started with testing the reliability of the constructs used in the study. Cronbach alpha is the commonly used technique to ensure the internal consistency and reliability of the measurement too. The calculated Cronbach alpha for all the dimensions is above the threshold level of 0.6(Nunnally, Bernstein, & Berge, 1967). Hence the study proceeded.

TABLE 2: RELIABILITY VALUES

No	Item	No of Items	Cronbach Alpha
1	Tangibility	6	0.73
2	Responsiveness	3	0.65
3	Reliability	3	0.60
4	Assurance	4	0.60
5	Empathy	3	0.71
6	Guest Satisfaction	4	0.73
7	Guest Loyalty	4	0.70

Validity of the instrument was tested by content validity and construct validity. Validity ensures that the measurement tool actually caters to the need for which it is devised for. Content Validity of the questionnaire is ensured through literature review. The primary source for the questionnaire being the Servqual tool developed by (Parasuraman, Berry, & Zeithaml, 1991). The Servqual tool was used by many researchers in their studies on hotel service quality (Akbaba, 2006; Al-Oguiliy & Khasawneh, 2015; Alrousan & Abuamoud, 2013; Coyle & Dale, 1993). The present research utilizes the questionnaire proposed by(Minh et al., 2015) which is developed utilizing SERVQUAL (Parasuraman et al., 1988), LODGQUAL (Knutson, Stevens, Wullaert, Patton, & Yokoyama, 1990), HOLSERV(Wong Ooi Mei, Dean, & White, 1999) and LQI(Getty & Getty, 2003).

Construct Validity is checked using Pearson Product Moment Correlation. The count value of the items included in the questionnaire were more than the Pearson R table Product moment at 5% significance level with p=0.000 ensuring the validity of the items included in the questionnaire. The KMO and Bartlett’s Test obtained a value of 0.845 with a significance level of 0.000 ensuring that the data collected is sufficient enough for factor analysis. Factor analysis revealed that the five factors had Eigen values more than one and accounted for 55.931% change in service quality.

FINDINGS & DISCUSSION

Percentage Analysis was done to analyze the demographic variables in the study. The below table summarizes the demographic profile of the respondents.

TABLE 3: DEMOGRAPHIC PROFILE OF RESPONDENTS

No	Variable	Category	Frequency	Percentage
1	Gender	Male	63	43.8
		Female	81	56.2
2	Age	20-24	16	11.1
		25-29	41	28.5
		30-34	48	33.3
		35-39	21	14.6
		40-44	9	6.3
		45-49	5	3.5
		50 and above	4	2.8

Respondents were asked whether they have stayed in hotel flats in Al Buraimi before. Sixty four [44.4%] people have stayed before in Al Buraimi and 80[55.6%] people were new in Al Buraimi. 48.3% of the respondents stayed more than two times in hotels on an average a year.

DATA ANALYSIS AND TEST OF HYPOTHESES

Multiple Regression analysis has been used in order to test the hypothetical relationships among the variables used in this research. Each dimension of service quality and its influence on guest satisfaction is tested separately and the overall influence of service quality on guest satisfaction and guest loyalty is also tested. The impact of guest satisfaction on guest loyalty is also empirically tested.

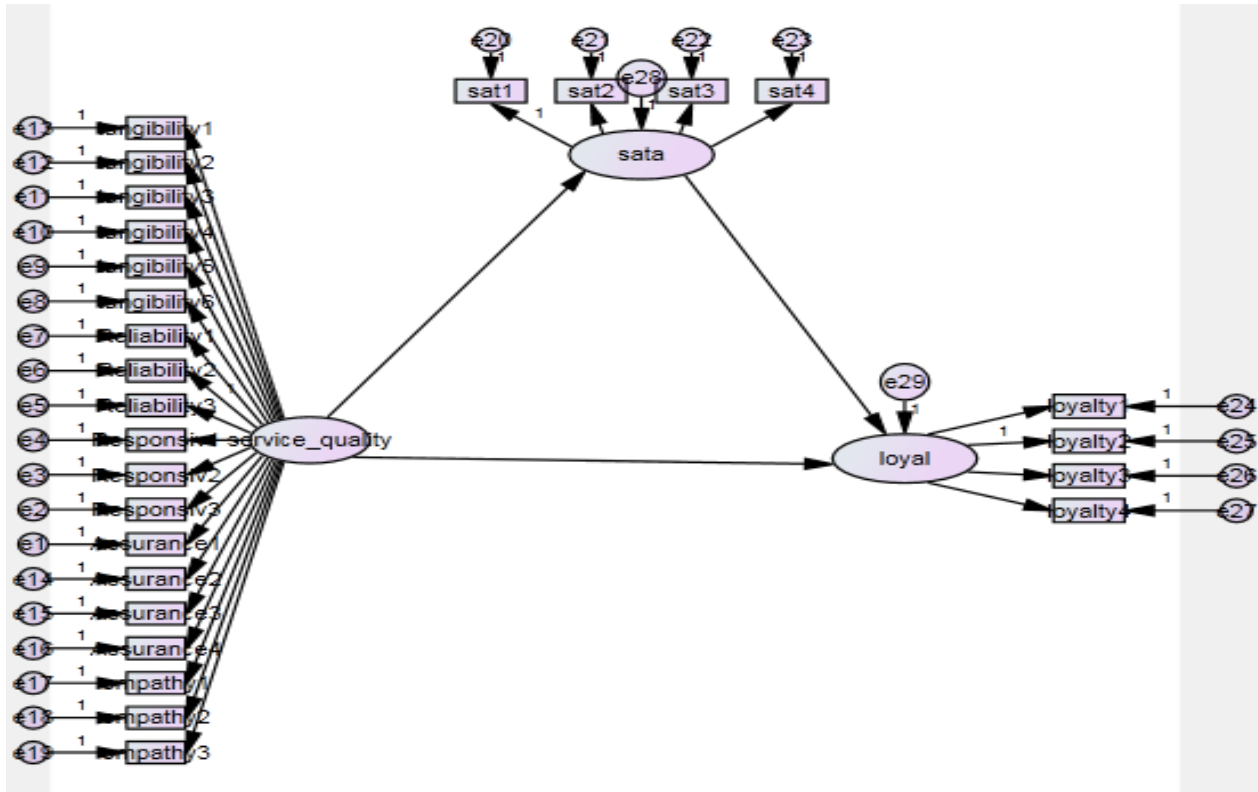
TABLE 4: RESULTS OF HYPOTHESES TESTING

No	Hypothesis	R	R2	F value	Sig Level	Durbin Watson	Decision
1	Tangibility dimension positively impact guest satisfaction.	0.520	0.270	43.748	0.000	1.782	Supported
2	Reliability dimension positively impact guest satisfaction.	0.508	0.258	41.035	0.000	2.017	Supported
3	Responsiveness dimension positively impact guest satisfaction.	0.451	0.203	30.088	0.000	1.925	Supported
4	Assurance dimension positively impact guest satisfaction.	0.619	0.383	73.298	0.000	1.888	Supported
5	Empathy dimension positively impact guest satisfaction.	0.531	0.282	46.427	0.000	2.015	Supported
6	Overall service quality positively impact guest satisfaction	0.707	0.500	22.781	0.000	1.965	Supported
7	Guest satisfaction positively impact guest loyalty	0.660	0.435	90.874	0.000	1.687	Supported
8	Overall service quality positively impact guest loyalty	0.718	0.516	125.69	0.000	1.704	Supported

MODEL TESTING

The conceptual model was tested using SEM analysis and the result of the study is provided below:

FIG. 1



RMR, GFI

TABLE 5

Model	RMR	GFI	AGFI	PGFI
Default model	.030	.939	.907	.701
Saturated model	.000	1.000		
Independence model	.129	.333	.282	.309

BASELINE COMPARISONS

TABLE 6

Model	NFI Delta1	RFI rho1	IFI Delta2	TLI rho2	CFI
Default model	.813	.881	.933	.923	.931
Saturated model	1.000		1.000		1.000
Independence model	.000	.000	.000	.000	.000

The comparison of RMR, GFI and baseline comparisons shows that the data model is robust and data is fitting to the conceptualized model. Further the estimates of the study is also provided in the table below:

TABLE 7

Satisfaction	<---	Service_quality	.568	.095	6.006	***	
Guest_loyalty	<---	Service_quality	.548	.159	3.446	***	
Guest_loyalty	<---	Satisfaction	.656	.271	2.418	***	

It was found out that among the dimensions of service quality; assurance dimension exerted more impact on guest satisfaction. This is in conformance with the study conducted by (Alrousan & Abuamoud, 2013). Empathy came second to assurance followed by tangibility, reliability and responsiveness. About 50% variation in guest satisfaction could be successfully explained by the independent variable overall service quality. 43.5% change in the variable guest loyalty is attributed to the independent variable guest satisfaction. The positive impact of overall service quality on guest loyalty was confirmed with an R squared value of 0.516 with F value 125.69 and significance level of 0.000. In order to check the influence of demographics on guest satisfaction; independent samples t-test was conducted. Results revealed that gender and age not influence the satisfaction level. The Durbin Watson statistic falls under the acceptable level i.e below 4 which rules out the possibility of autocorrelation.

CONCLUSION

The findings of the study indicated that all the dimensions of service quality exert a significant influence on guest satisfaction. Overall service quality highly impacts guest satisfaction and thereby guest loyalty. The assurance dimension exerts more influence on guest satisfaction followed by empathy and tangibility. Overall the guests are satisfied with the level of service quality of the hotel flats in al Buraimi. However continuous effort to raise the quality standards is a must if the hotels need to stay in competition.

The analysis revealed that guests attach more importance to intangible elements of service quality. This is of huge managerial implications. Qualified employees are needed to serve the guests and to cater to their needs. Managers need to focus on this particular aspect to sustain in the increasing competition in the hospitality industry.

LIMITATIONS & SCOPE FOR FURTHER RESEARCH

The sample selected for the study comprised of only Philippine tourists. Other nationalities are not included. In future the research could be conducted on a broader scale by including nationality as a variable. The present study was conducted on hotel flats or serviced apartments in Al Buraimi. In future by including other forms of accommodation a comparative study could be undertaken. Demographic variable used in this research include only gender and age. By incorporating more demographic variables, its mediation effect on guest satisfaction and guest loyalty could be studied.

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CHALLENGES AND OPPORTUNITIES OF SELF HELP GROUPS IN MARKETING THEIR PRODUCTS

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ABSTRACT

Self Help Groups (SHGs) are voluntary associations for the poor who come together to improve their socio-economic conditions. Self Help Groups have become well identified internationally as the modern tool to combat poverty under certain schemes such as Integrated Rural Development Programme (IRDP), Development of Women and Children in Rural Areas (DWCRA) and Swarnajayanti Gram Swarozgar Yojana (SGSY) initiated by the government of India. After successfully forming groups and taking up suitable business activities, the members of self help groups are mainly facing problems with respect to marketing their products in the public. This paper attempts to focus on the major opportunities and challenges of self help groups in promoting their products. The objective of the study is to analyze the marketing strategies followed by self help groups. Descriptive research design is followed in this study. The study is undertaken in both rural and urban areas of Visakhapatnam region. The observations shown that even though the self help group members are getting opportunities to promote their products through fairs, exhibitions and retail outlets, they are unable to trade more quantity of products due to various problems. Therefore, besides financial support the members are expecting even marketing assistance from the government.

KEYWORDS

challenges, opportunities, marketing, self help groups, products, promotion.

1. INTRODUCTION

elf help group is a system of formation of group by rural poor which consist of 10 to 20 members who are having common interest of improving their economic conditions thereby increasing their standard of living. Banks and other financial institutions are giving financial assistance particularly micro-finance for the establishment and effective functioning of self help groups. Members of the SHGs accumulate savings as the prime work and this savings of the members open the way for taking up different income generating activities. Government wants to help these groups during initial period of the business to overcome the primary problems and provides support and training ultimately to function independently as a successful business venture. During their business Self Help Groups are getting opportunities to promote their products through fairs, exhibitions and retail outlets. But they are unable to trade more quantity of products due to lack of awareness of marketing tactics, competition from medium and large scale units, poor product packaging, continuity, repayment of the loan etc.

MAIN PRINCIPLES OF SELF HELP GROUPS

In order to achieve the self-governing capacity of rural people with respect to improve their socio-economic status, the self help groups have been formed. The main principles for setting up of Self Help groups are as follows:

- To develop the rural poor and women
- To increase the social consciousness of members.
- To work for socio economic empowerment of members
- To create source for income generating activities
- To facilitate savings among members
- To develop self confidence and decision making power in rural poor
- To bring about gender equality in the society.

2. REVIEW OF LITERATURE

Rankin (2001) stated as by directing of lending of loans by MFIs to the groups of women who form a mutual-liability group that guarantees debt repayment and these groups are provided with **opportunities** like training in **income generating activities** and by being financially literate, women accumulate human capital that can be used in a variety of entrepreneurial contexts.

Sharmina Afrin (2008) mentioned as the financial management skills and the group identity of the women borrowers help them to follow **good marketing techniques** which in turn has the significant relationship with the **progress of rural women**.

S.Sarumathi (2011) said that impact of micro finance is appreciable in bringing confidence, courage, skill development and empowerment. The SHG members feel free to move with their groups and leaders. The members are getting more **opportunities** to participate in various **training activities** as well as social welfare activities.

Lauren Herman (2012) stated as since microfinance **borrowers** face different **challenges** at different times, it is important to know in what ways the financial organizations can provide assistance when it is needed by the policy authorities.

3. STATEMENT OF THE PROBLEM

In India the poor people especially in rural areas depend on landlords and money lenders to fulfill their credit needs and this comes usually at a very high interest. The self help groups (SHG) have been evolved to assist rural poor by providing them financial support to set up business units at low rate of interest and offering training programmes to take up different income generating activities to make them move independently. The core problem is that the self help group members are facing some challenges related to their business such as fixing prices, marketing their products successfully due to illiteracy and lack of sufficient investment. Since the main principle of establishment of SHGs is to uplift lives of rural poor, special talent training programmes are required to overcome marketing problems.

4. OBJECTIVES

1. To study the performance of self help groups in Visakhapatnam
2. To observe the marketing strategy of self help groups
3. To analyze the marketing problems faced by self help group members
4. To offer suggestions for the better marketing performance of self help groups

5. RESEARCH METHODOLOGY

Research Design: Descriptive research design is followed in this study.

Sampling Technique: Simple random sampling is followed since the members are large in number; they are randomly selected for data collection.

Sample Size: 200 samples have been collected for the research from the rural areas of Visakhapatnam district. The nature of the respondents was SHG members, which include male & female.

Method of Data Collection: The study is undertaken in rural areas of Visakhapatnam district. Both primary and secondary data are used.

Primary Data: Primary data is enumerated from a field survey in the study region. A structured questionnaire was prepared and used for collecting data from the members who are engaged in Micro enterprises through self help groups.

Secondary Data: Secondary data is collected from the published Government reports, reputed journals, books, internet and newspapers.

Statistical tools used: Percentage analysis, Chi square test and weighted average method have been used to analyze and interpret the data.

6. LIMITATIONS OF THE STUDY

1. The study is confined with the rural areas of Visakhapatnam. Hence the results may not be applicable to urban area MFIs members.
2. The data was collected only from those who engaged in income generating activities.

7. DATA ANALYSIS & INTERPRETATION

PERCENTAGE ANALYSIS

TABLE 7.1: PROFILE OF THE CLIENTS OF MICROFINANCE AND SELF-HELP GROUPS

NAME OF VARIABLE	CATEGORY	Frequency	Percentage
Gender	1)Male	60	30
	2)Female	140	70
	TOTAL	200	100
Age Group	1)Below 30	50	25
	2)Between 31-40	71	35.5
	3)Between 41-50	65	32.5
	4)Between 51-60	12	6
	5)Above 60	2	1.0
TOTAL	200	100	
Marital Status	1)Married	120	60
	2)Unmarried	49	24.5
	3)Separated	31	15.5
	TOTAL	200	100
Monthly Income (in Rs.)	1)Between 3000-5000	7	3.5
	2)Between 5000-7000	53	26.5
	3)Between 7000-9000	106	53
	4)above 9000	34	17
	TOTAL	200	100

Source primary data

It is evidenced from Table-1 that among 200 clients 35.5 percent of the clients are under the age group 31-40, married occupies 60 percent. It is observed that more no. of the clients that is 53 percent are earning above Rs.7000 and below Rs.9000 indicates favorable performance of microfinance institutions and self help groups.

TABLE 7.2: PURPOSE OF OBTAINING MICROFINANCE BY RESPONDENTS

S. No.	Purpose	Frequency	Percentage
1.	To start business	86	43
2.	To develop existing business	70	35
4.	Low rate of interest	44	22
Total		200	100

Source primary data

It is found that 43 percent of clients have obtained loan to start business, 35 percent of clients have obtained loan to develop existing business and 22 percent of clients have obtained loan with the reason as low rate of interest.

TABLE 7.3: SOURCE OF INCOME OF THE RESPONDENTS

S. No.	Source of income	Frequency	Percentage
1.	Catering	38	19.0
3.	Hand craft	25	12.5
4.	Flower/fruit/vegetable vendor	40	20.0
5.	Dyeing	14	7.0
6.	Hotel business	35	17.5
7.	Papad/pickle making cottage industry	26	13.0
8.	Tailor	22	11.0
TOTAL		200	100

Source primary data

It is noticed from the survey that 20 percent of the clients are flower/fruit/vegetable vendors, 19 percent of the clients are in catering business, 17.5 percent of the clients are in hotel business, 13 percent of the clients are maintaining Papad/pickle cottage industry, 12.5 percent of the clients are engaged in hand craft work, tailors 11 percent and 7 percent of the clients are in dyeing business.

TABLE 7.4: CLIENTS UNDERGONE TRAINING RELATED TO BUSINESS & MARKETING TECHNIQUES

S. No.	Clients undergone training	Frequency	Percentage
1.	Yes	136	68
2.	No	64	32
Total		200	100

Source primary data

It is observed that 68 percent of the clients have undergone training related to their concern business & marketing techniques and 32 percent of the clients have not attended the training sessions provided by the self help groups.

TABLE 7.5: SOURCE OF OPPORTUNITIES FOR PROMOTION OF PRODUCTS

S. No.	Purpose	Frequency	Percentage
1.	Workshops organized by NGOs	66	33
2.	Workshops organized by educational institutions	23	11.5
3.	Workshops organized by training centers	67	33.5
4.	Workshops organized by MFIs	44	22
Total		200	100

Source primary data

It is observed that 33 percent of the clients are getting opportunities for promotion of their products through workshops organized by NGOs, 23 percent of the clients are promoting their products through workshops organized by educational institutions, 33.5 percent of the clients are promoting their products through workshops organized by training centers and 22 percent of the clients are promoting their products through Workshops organized by MFIs.

TABLE 7.6 CHALLENGES OF SHGS TOWARDS MARKETING THEIR PRODUCTS

S. No.	CHALLENGES	Frequency	Percentage
1.	Competition from other entrepreneurs	22	11.0
2.	Unattractive packaging	50	25.0
3.	Unable to fix apt prices of products	50	25.0
4.	Poor presentation of products	31	15.5
5.	People expectation of branded products	14	7.0
6.	Stocking	20	10
7.	Payment of interest on loans at regular intervals	13	6.5
Total		200	100

Source primary data

It is found that 25 percent of the clients unable to sell more quantity of products due to unattractive packaging of their products, 25 percent of the clients unable to fix apt prices of their products, 15.5 percent of the clients unable to sell more quantity of products due to poor presentation of products, 11 percent of the clients facing the problem of competition from other entrepreneurs, 10 percent of clients have the problem of stocking, 7 percent of clients have customers who expect branded products and 6.5 percent of clients unable to pay interest on loans at regular intervals.

CHI-SQUARE TEST

Null hypothesis (H₀): There is no association between the clients who undergone training related to their concern business and marketing techniques and development of business with profits of the clients.

Alternate Hypothesis (H₁): There is an association between the clients who undergone training related to their concern business and marketing techniques and development of business with profits of the clients.

TABLE 7.7: CHI-SQUARE TEST

	Calculated value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	13.067 ^a	4	.011*

Inference: Since the significant value is less than 0.05, null hypothesis is rejected at 5 percent significant level. Hence it is concluded that there is a significant association between the clients who undergone training related to their concern business and marketing techniques and development of business with profits of the clients.

WEIGHTED AVERAGE METHOD

Following weighted average method is used to rank the factors of marketing methods adopted by various clients:

TABLE 7.8: MARKETING METHODS ADOPTED BY SELF HELP GROUPS

Factors	Strongly agree (1)	Agree (2)	Neutral (3)	Disagree (4)	Strongly disagree (5)	Weights	Rank
Door to door marketing	7	66	79	36	12	2.01	2
Retail outlets	37	101	24	30	8	2.005	3
Fairs & exhibitions	15	52	110	14	9	1.8	4
Dealers	9	27	47	103	14	1.78	5
Co-operative societies	6	72	74	38	10	2.0	1
Have own shop	14	25	86	60	15	1.705	6

Inference: It is noticed that the factor "Co-operative societies" obtained rank-1, the factor "Door to door marketing" obtained rank-2; the factor "Retail outlets" obtained rank-3, the factor "Fairs & exhibitions" obtained rank-4, the factor "Dealers" obtained rank-5 and the factor "Have own Shop" obtained rank-6 regarding marketing methods adopted by self Help Groups

FINDINGS

- It is identified that respondents who utilized the opportunity of attending training programmes have improved their business with good profits.
- It is found that majority of the clients are getting opportunities for promotion of their products through workshops organized by NGOs, MFIs, educational institutions.
- It is notice that SHG members are promoting their products through all the possible means such as door to door selling, selling through retail outlets and cooperative societies, fairs and exhibitions.
- It is observed that both male and female clients empowered economically and socially after joining SHG and improved their skills, self confidence and decision making power even though they are facing challenges in promoting their products.
- It is found that special training programmes are required to guide the clients in marketing their products.

SUGGESTIONS

- ✓ Government shall conduct more awareness programmes about microloans, procedures and make simplifying the process of allotment of loans.
- ✓ The SHG members are to be properly educated about marketing techniques and fixation of prices to face competition from medium and large scale units.
- ✓ Training programmes such as maintaining accounts, book-keeping must be provided to the clients to run their businesses smoothly.
- ✓ SHG members shall utilize the opportunity of improving personality skills through capacity building procedures and move independently to cut middlemen for obtaining loan.
- ✓ SHG members make efforts to come up the expectations of customers in regard with quality, product features, packing and promotion.

CONCLUSION

The study concludes that self help groups shall select the apt products which they could market easily and earn profits. Proper training and proper management is required to face the upcoming challenges in the business. Government shall concentrate not only in assisting self help groups but also to support in marketing their products by allotting cost free shops at fairs and exhibitions run under government control.

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A STUDY OF COMMERCIAL BANKING SERVICE QUALITY AND CUSTOMER SATISFACTION

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ABSTRACT

Commercial banks in India are facing a rapidly changing market, new technologies, fierce competition; and more demanding customers has presented an unprecedented set of challenges. The success and survival of banks in this globalized environment will depend on fulfilling the customer's needs and expectations by offering quality services that create customer satisfaction. Satisfaction and quality prove to be key factors reciprocally interrelated in a causal, cyclical relationship. Commercial banks need to be more customer-focused, and take steps to understand what affects customer satisfaction and how to optimize service quality as a driver of customer satisfaction. At the same time, banks must also keep in view that technology affects today's banks in terms of what they provide, how they provide, and what the customer really wants. The study attempts to measure and compare service quality and customer satisfaction between public and private banks in two districts of Dimapur and Kohima of Nagaland state with a sample of 500 respondents who are customers of the banks. The primary data has been collected through well-structured questionnaire. The opinion of the respondents on 25 issues on Tangibles of service quality were measured with Likert five point scales ranging from five to one. The study concludes that there exists significant difference between the public and private sector banks in relation to service quality and customer satisfaction. This paper makes a valuable contribution given the fact that there is no study dealing with the assessment of service quality in banking environment in Nagaland state.

KEYWORDS

service quality, customer satisfaction, commercial banks, servqual, tangibility.

INTRODUCTION

Globalization of banks in India and subsequent liberalization, privatization and globalization has brought remarkable changes in the banking system and banking personnel's work. Entry of private banks and well equipped foreign banks and new reforms in the banking sectors has made the banking business highly competitive. Commercial banks in India have been facing tremendous challenges as also opportunities in the new millennium. Increasing domestic and international competition and fast changing technologies have led to growing pressure on commercial banks to think in terms of increasing the effectiveness. Now, customers are well aware of the service level available around the world and thus expect the best from his/her bank. To keep pace with the changing environment, commercial banks have not only been adopting technology and innovative strategies at a faster rate but have also been offering numerous services and embracing many new features in their services.

Service quality is a multi-dimensional concept; it means different things to different people. Gronroos (1984) defines service quality as a set of perceived judgments resulting from an evaluation process where customers compare their expectations with the service they perceive to have received. Parasuraman et al. (1988) defines service quality as a difference between customer expectation of service and customers' perceptions of the actual service. According to ISO standard quality means the totality of features and characteristics of a product, process, or service. Kasper et al. (1999) cited in Brahmabhatt & Panelia (2008) defines service quality as the degree to which the service offered can satisfy the expectations of the user. Service quality is a measure of how well a delivered service matches the customers' expectations. Customers are the sole judges of service quality. If they perceive it to be good service, then it is. They assess the quality of service by comparing their expectations with perception.

Customer satisfaction is an ambiguous and abstract concept because the actual manifestation of the state of satisfaction varies from person to person and service to service. The state of satisfaction depends on a number of factors which consolidate as psychological, economic and physical factors. According to Oliver et al. (1992) "Customer satisfaction is a consumer's post-purchase evaluation and affective response to the overall product or service experience". Rust and Oliver (1994) states that, "customer satisfaction is a summary of cognitive and affective reaction to a service incident (or sometime to a long-term service relationship). Satisfaction (or dissatisfaction) results from experiencing a service quality encounter and comparing that encounter with what was expected". According to Ghosh & Gnanadhas (2011) the customer satisfaction is the collective opinion on various aspects in commercial banks. The primary motto of any commercial banks in the globalized era is customer satisfaction. Customer satisfaction is derived from the customer's attitude towards various variables related to banks. According to Philip Kotler (2007) "customer satisfaction is a person's feeling of pleasure or disappointment resulting from comparing a product perceived performance in relations to his or her expectations".

In today's market, which is characterized by global competition and technological advancement, changing demographics of market place and evolving customer needs, service quality has become a vital element for banks. Banks need to be more customer focused, keeping in view that technology has become one of the major factors that affect today's banks in terms of what they provide, how they provide it, and what the customer wants. As banks provide identical services, it is the delivery of quality service according to customers' expectations, will matter most in meeting the challenges of competition. Moreover, satisfaction and quality have evolved along parallel tracks (Lilijander, 1995). In the modern customer centric competitive arena, satisfaction and quality prove to be key factors reciprocally interrelated in a causal, cyclical relationship. Level of customer satisfaction is becoming one of the major targets in the hands of banks to increase their market share (Aurora. et. al, 1997). Any bank that wants to compete in this global industry must offer services that create customer satisfaction. Customer satisfaction lies in banks' ability to deliver better quality products and convenient solutions to the customers. Satisfied customers bring numerous benefits to the bank and facilitate the maintenance of long term and good customer relationships.

Further, in order to offer best services and to enhance level of customer satisfaction; and to address customer complaints with appropriate redressal measures, the Reserve Bank of India, over the years, have constituted various committees and schemes, namely, Saraiya Committee (1972), Talwar committee (1975), Narasimham Committee (1991), Banking Ombudsman Schemes (1995, 2002, 2006). Apart from this, Customer Service Department (CSD-2010) was constituted to provide proper focus to the entire range of customer service related activities of commercial banks. Hence, managing service quality and level of customer satisfaction and measuring it is imperative for banks.

BACKGROUND OF THE STUDY AREA

Dimapur district is bounded by Kohima district on the south and east, Karbi Anglong district of Assam on the west and north. The district has a geographical area of 927 Sq.km with a population of 378811 persons accounting for 19% of the total population of the state (2011 census). Dimapur town is the main commercial center of the state. Kohima is a hilly district, sharing its boundaries with Dimapur District in the West, Phek District in the East, Manipur State and Peren district in the South, and Wokha District in the North. The total geographical area of the district is 1595 Sq.km with a population 267,998 persons accounting for 14% of the total population (as per 2011 census). Kohima town is the districts headquarter as well as state capital. Forestry, agriculture and informal sector are primary drivers of the economy. Industrial growth in the districts is negligible due to lack of core infrastructure facilities. Banking net-work in the state is not as large and wide as it is in other parts of the country. The records, however, indicate that there is a steady growth in the functioning of this sector in the state. Most of the banks and their branches in the state are concentrated in the districts of Dimapur and Kohima. All the 28 banks operating in the state have branches in Dimapur, and 18 banks in Kohima, out of 175 bank branches in the state, 100 (57.14%) branches are found in these two districts alone. Again, out of these 100 branches, 26 are of SBI, 35 are of other nationalized commercial banks, 23 are of private commercial banks and remaining 16 are of co-operative bank and rural bank. Dimapur is the major commercial center with highest number of bank branches followed by Kohima and have maximum users of banking services.

REVIEW OF LITERATURE

Pioneering work by Parasuraman et al. (1985) led to a list of ten determinants of service quality which subsequently resulted in the development of the SERVQUAL instrument with these ten attributes distilled into five over all dimensions of service quality. The five dimensions of SERVQUAL (Parasuraman et al. 1988, 1991) are tangibles, reliability, responsiveness, assurance, and empathy. Quality and satisfaction has been widely discussed in various literatures. It is widely observed that there exists a relationship between service quality and customer relationship. Service management literature proposes that service quality influences customer satisfaction (Cronin et al., 2000; Dabholkar et al., 2000 & Schmenner, 2004). The service quality is identified as the determinants of customer satisfaction in banking (Naceur et al., 2002 cited in Ghost & Gnanadhas, 2011). The relative importance of service quality attached with customer satisfaction and their behavioral intention is highlighted by Niki et al. (2006) cited in Ghost & Gnanadhas (2011). A review of few of the many studies available on service quality and customer satisfaction in banking is briefly stated in the following paragraphs.

Pushpaganthan (2006) evaluated the quality of customer service rendered by public sector banks, private sector banks and foreign sector banks and found that in regards to facilities and amenities in public sector banks, the customers' expectations are not fulfilled when compared to foreign banks and private sector banks. The study reveals that customers are dissatisfied with the behavior of bank's staff in both public and private sector banks.

Brahmbhatt & Panelia (2008) measured and compared service quality and customer satisfaction among private, public and foreign banks through a survey of 246 respondents by adapting and modifying the five dimensions of SERVQUAL proposed by Parsuraman et al. (1988). Study shows that service quality is at the root of customer satisfaction.

Jamal and Anastasiadou (2009) pointed out that reliability; tangibility and empathy are positively related with customer satisfaction.

Lenka, Suar, and Mohapatra (2009) in a case study of Orissa state analyzed service quality of Indian commercial banks that fosters customer loyalty and found that better human, technical, and tangible aspects of service quality increases customer satisfaction. Human aspects of service quality were found to influence customer satisfaction more than the technical and tangible aspects.

Munusamy, Chelliah & Mun (2010) through a quantitative research focused on establishing the relationship between service quality dimensions and customer satisfaction; and found that *Assurance* has positive relationship but it has no significant effect on customer satisfaction; *Reliability* has negative relationship and has no significant effect on customer satisfaction; *Tangibility* has positive relationship and has significant impact on customer satisfaction; *Empathy* has positive relationship but it has no significant effect on customer satisfaction; *Responsiveness* has positive relationship but no significant impact on customer satisfaction.

Ravichandran (2010) indicated that 'responsiveness' is the only significant dimension of service quality that affects the satisfaction of customers positively.

Suliaman (2011) found that reliability, tangibility, responsiveness and assurance have significant and positive relationship with customer satisfaction.

Haidar & Islam (2011) considered six dimensions of service quality, viz., accessibility, reliability, tangibles, empathy, security, and assurance in determining the service quality factors of private commercial banks. The study finds that *tangibility* is the most important factor in determining the service quality of private commercial banks followed by *reliability*, *empathy*, *accessibility*, and *assurance*. They point out that customers do not perceive quality in one-dimensional way rather evaluate quality based on multiple factors.

Santhiyavalli (2011) evaluated the service quality of State Bank of India by identifying the major factors responsible for customer satisfaction. The SERVQUAL model developed by Parasuraman et al (1988) was adopted. The study indicates that among five dimensions '*Reliability*', '*Responsiveness*', '*Empathy*', and '*Tangibility*' are the major factors responsible for customer satisfaction.

Kumbhar (2011) pointed out that there is a significant difference in the customers' perception in internet banking services provided by the public and private sector banks. Private sector banks are providing better service quality of internet banking than the public sector banks.

Haq and Muhammad (2012) compared public and private sector banks of Pakistan by evaluating their customer satisfaction. The research shows that customer satisfaction varies from person to person, and suggests that banks need to conduct more researches in order to evaluate customer satisfaction more strongly.

Doddaraju (2013) measured satisfaction level of customers located in Anantapur district of Andhra Pradesh. The study indicates the satisfaction level in regards to courtesy shown by public sector banks' staff at the counter is very low. Private banks through aggressive marketing have succeeded in attracting more customers, but public sector banks are lacking in these skills. The study suggests that the public sector bank should pay special attention to human resource development by giving timely training to the employees to conduct themselves better; and also undertake advertisement, workshops, and sales promotion activities to attract customers.

Lau et. al. (2013) identified the interrelationships between service quality, customer satisfaction and customer loyalty in the retail banking sector in Hong Kong based on SERVQUAL model that identified the influence of five dimensions - tangibility, responsibility, reliability, assurance and empathy, in banking service environments on customer satisfaction. The results indicate that the five SERVQUAL dimensions have a positive influence on customer satisfaction. The study suggests that SERVQUAL is a suitable instrument for measuring service quality in the retail banking sectors.

Nagabhushanam (2013) identified the degree of importance attached to various dimensions of service quality by the customers; and found that foreign banks are rated high by the customers in all the service quality dimensions. Public sector banks have been rated second in all parameters except that of 'responsiveness' and private banks stands the last in all the parameters.

Shah (2014) points out that in regards to e-banking services, customers of private banks are happier compared to public banks; and suggest that banks should try in all the ways to ensure e-banking is working 24 hours round the clock and service is available to customers hassle-free.

It is evident from various studies that service quality is the key determinant of customer satisfaction. Therefore, it is important to know whether banks are offering services as per customers' requirements, and whether the customers are satisfied with the services. Against this backdrop, this study is an attempt to examine the service quality of commercial banks and the impact of such services on customer satisfaction.

SIGNIFICANCE OF THE STUDY

The banking is a customer-oriented service industry, which is facing competition from within as well as without. Banks are also facing challenges to meet the ever increasing demand of the customers. Customer measures are indicators of service performance of an organization. Service businesses like banks are very much sensitive. Customers value the quality of the services of the banks to take up services. Customer value is an asset to the bank, and the value that a bank creates comes from its customers. While quality service is essential in today's competitive market, it is equally important that a customer experiences the extra feel that only superior service can deliver. A bank that caters to its customers' needs will inevitably gain the loyalty of its customers, thus resulting in repeat business as well as potential referrals. So, while marketing their products and services banks must concentrate on quality of its products and services and thereby gain more

profitability to survive and sustain in the present competitive banking environment. Banks are required to move closer to customers to know their needs thoroughly and make efforts to reach out to their desired satisfaction level. This requires an understanding of the factors that contribute to service quality and the impact of each such service factor on the level of customer satisfaction. One way to do so is to get feedback from the customers and adopt strategies accordingly. Moreover, with the passing of time, changing banking scenario and ever increasing customers' expectations, the service quality factors also changes. Though extensive works has been done on service quality and customer satisfaction in the banking sector within India, no study on banking services and/or customer satisfaction found exist in the state of Nagaland. The present study is a need based one in a fast changing scenario and first of its kind in the state. It is expected that the study will be helpful in finding out the service quality consideration and experience of satisfaction of the customers. This will help the banks in indicating the direction in which the banks should move and restructure themselves to keep pace with the challenges of time.

OBJECTIVES

The study aims to identify the customers' overall service quality consideration towards banking services in relation to Tangibles and to compare the overall customer satisfaction of public and private sector commercial banks.

METHODOLOGY

The study is an inferential one based on cross sectional research design. The study focuses on service quality and customer satisfaction in selected districts of Nagaland using some identified variables. For the purpose of this study, the survey was conducted amongst the customers of commercial banks in two districts of Nagaland, namely Dimapur and Kohima.

Sampling Design: The population of this study comprised of customers of public and private sector commercial banks in two districts of Nagaland, i.e. Dimapur and Kohima who are above the age of 18 and having either savings or current accounts with the banks. A multi-phase sampling design was adopted for the study. A total of 11 banks selected for the study, 7 from public sector and 4 from private sector were taken in approximate proportion to the total number of branches of each bank as well as each district, using convenience sampling. While selecting the sample respondents, convenient as well as quota sampling were used. A total of 500 respondents (account holders) were considered for the study which was divided in proportion to the number of accounts in each district, each banking sector, and each bank branch.

Data Collection: The study utilizes both primary and secondary data sources. The secondary data sources primarily consist of published studies in various international and national journals, and information contained in websites of RBI and other commercial banks. The primary data was collected through personal contact with the help of well-structured questionnaire from the customers of selected bank branches. This study is a cross-sectional as it is carried out at one point in time only and the respondents were contacted only once during the six months period from February to July, 2016. The questionnaire was designed with multiple choice selections and consisted of statements on service quality variables. The opinion of the respondents on 25 issues relating to tangibles aspects of service quality indicating their level of agreement or disagreement for quality consideration and their level of satisfaction or dissatisfaction measured on a 5 point Likert scale ranging from 5 to 1.

HYPOTHESIS

H₀: In relation to *Tangibles*, there is no significance difference between public sector banks and private sector banks with respect to service quality and customer satisfaction.

Data Analysis Design: The data collected were classified, tabulated, and analyzed as per the requirement of the study and accordingly statistical tool i.e., chi-square test of hypothesis was used to draw conclusion. The values have been calculated on a five point Likert scale (for *Consideration of Service Quality*) with 5 = strongly agree and 1 = strongly disagree; and (for *Experience*) with 5 = strongly satisfied and 1 = strongly dissatisfied. A total of 25 issues included in the scale cover the customers' service quality consideration and satisfaction towards the banks' services in relation to *Tangibility*,

RESULTS & DISCUSSION

The bank group-wise overall scores of Service Quality Consideration and Customer Satisfaction Experience on 25 issues/variables are summarized in Table 1. Table 2 summarizes the expected frequency for calculating chi-square test of independence of attributes.

TABLE 1: OBSERVED FREQUENCY

	Public Sec. Banks	Private Sec Banks	Total
Service Quality	40656	4678	45334
Customer Satisfaction	26241	2671	28912
Total	66897	7349	74246

TABLE 2: EXPECTED FREQUENCY

	Public Sec. Banks	Private Sec Banks	Total
Service Quality	40846.76	4487.24	45334
Customer Satisfaction	26050.24	2861.76	28912
Total	66897	7349	74246

Using the formula $\chi^2 = \sum \frac{(O-E)^2}{E}$, we get $\chi^2 = 23.12$

Tabulated Value of χ^2 at 5% level of significance for (2 - 1) (2 - 1) = 1 degree of freedom = 3.841 (source: Kothari and Garg, 2014)

Since calculate value of χ^2 is greater than tabulated value of χ^2 at 5% level of significance for 1d.f. there is no enough evidence to support the null hypothesis (H₀). Hence, we reject the H₀. Therefore, it can be concluded that there exists significant difference between public and private sector banks in relation to service quality and customer satisfaction in relation to items of *Tangibility*.

CONCLUSION & SUGGESTIONS

The result shows that the service quality consideration and satisfaction experience of respondents of public sector banks and private sector banks differs in terms of issues of *Tangibility*. Therefore, it can be concluded that, with regards to items of *Tangibility*, there exist significant difference between public and private sector banks in relation to service quality and customer satisfaction.

Since, this study has taken into consideration the issues of *Tangibility* only, it is suggested that future research covering all the perceived issues of service quality need to be undertaken to determine customers' service quality consideration and also the level satisfaction.

LIMITATIONS

Customers' service quality consideration and satisfaction experience are subjective and are always in a state of constant flux and change. The study was confined to only two districts of Nagaland state and based on one time data collection from the customers with savings accounts and current accounts of public and private sector banks. It was also based on only *Tangible* aspects of service quality. Service quality expectation and satisfaction level varies based on geographical locations, time, and customers' demographics. The findings, therefore, cannot be generalized

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INFLUENCE OF 'GREEN ATMOSPHERICS' ON ECO – FRIENDLY CONSUMERS – A STUDY WITH REFERENCE TO TAMIL NADU

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ABSTRACT

In marketing theory and research numerous studies were documented on identifying the factors underlying the pro – environmental behaviour that drive actual green purchases. Though demographic factors, psychological variables, environmental variables, cultural orientations and ethical ideologies influence green buying behaviour (Cheah and Phau, 2011), it is observed that green consumers demonstrate stronger approach behaviours to green environments than non – green ones. The deliberate effort of designing retail environments that enhance the probability of immediate purchase intention of green products from an outlet is termed as 'Green atmospherics'. Consumers perceive green environments as physical interpretation of the company' commitment to enhance the well – being of the environment (Kreidler and Joseph Mathews, 2009). Realizing the role of green atmospherics in 'push and pull' of green consumers in pre – purchase decisions, marketers utilize atmospherics to manipulate the physical retail environment with the objective of inducing specific cognitive and effective response behaviours (Batra and Kazoni, 2008). Environmental consciousness may drive consumers towards green products but the green atmospherics of the outlets strengthen their desire and make them relate and rely the shops marketing green products. The present study is an attempt aiming to analyze the role and influence of 'green atmospherics' on consumer's green purchasing intentions.

KEYWORDS

green atmospherics, green design, green retailing environment.

INTRODUCTION

Today, environmental or green marketing, a strategic marketing approach is a recent focus in business endeavours (Ottman, 1998). Increasing focus on environmental issues can be seen as indication that pro – environmental concerns have emerged as a potential strategic concern for businesses (Polonsky and Kilbourne, 2005). Consumers who are concerned with the environment and are knowledgeable about the environmental issues when shopping try to purchase only eco – friendly products (Laroche, Bergeron 2001). In marketing theory and research numerous studies were documented on identifying the factors underlying the pro – environmental behaviour that drive actual green purchases. Though demographic factors, psychological variables, environmental variables, cultural orientations and ethical ideologies influence green buying behaviour (Cheah and Phau, 2011), it is observed that green consumers demonstrate stronger approach behaviours to green environments than non – green ones. The deliberate effort of designing retail environments that enhance the probability of immediate purchase intention of green products from an outlet is termed as 'Green atmospherics'. (Kreidler and Joseph – Mathews, 2009). The physical environment of retail outlets plays a significant role in shaping green purchase behaviour (Tsavenko, Ferrero, Sands and McLeod, 2013). Globally, new retailers started implementing initiatives that include green infrastructure, green operations and green supply chain systems to enhance their green image (Sinha, 2011). From consumers perspective, an ideal retail environment is one that is physically appealing, socially supportive, symbolically welcoming and naturally gratifying (Rosenbaum and Massiah, 2011). Consumers perceive green environments as physical interpretation of the company commitment to enhance the well – being of the environment (Kreidler and Joseph Mathews, 2009). Realizing the role of green atmospherics in 'push and pull' of green consumers in pre – purchase decisions, marketers utilize atmospherics to manipulate the physical retail environment with the objective of inducing specific cognitive and effective response behaviours (Batra and Kazoni, 2008). Environmental consciousness may drive consumers towards green products but the green atmospherics of the outlets strengthen their desire and make them relate and rely the shops marketing green products.

REVIEW OF LITERATURE

Zeithmal, Bitner and Gremler (2009) identified ambience, design and social factors as the main atmospheric components that influence consumer buying behaviour. Parish and Berry (2008) outlined that in marketing communications, atmospheric – oriented stimuli are regarded as effective in enhancing consumer approach, a quality is more predominant in young consumers. Joseph Kreidler and Mathews (2009) highlighted that in green marketing, the term 'green atmospherics' emanated from the realization that sustainability is more than the development of green products but encompasses the integration of green values into the value mix. Oakes, Patterson et.al (2013) stated that ambience conditions include visual, aesthetic, cleanliness of factory and auditory elements. They are factors complemented by design and layout elements such as the interior and exterior furnishings. Kriedler et.al stated that the trend towards green atmospherics resulted in green building design which assures a positive contribution to environment through efficient use of land, water and energy. Joye et.al (2010) found that green store designs tend to mitigate the discomfort, negative mood and stress that are common in retail settings. Rosenbaum and Massiah (2011) mentioned that consumers who see psychological escape from their everyday lives might also be influenced by the retail outlets natural environment. Ling (2013) stated that green design included architecture, colour and lighting environment. Pareigis et.al (2012) termed the social factors as 'social servicescape' encompass consumer to consumer interaction and interaction with employees. Consumers that seek social value are more likely to respond to a company's socially symbolic servicescape. Kriedler et.al (2009) portray the roles of social factors as 'Directors of First Impression' and Managers of Moments of Truth which employees have to demonstrate that they embrace sustainability values in their daily operations.

STATEMENT OF THE PROBLEM

Green atmospherics as a marketing tool is highly influential in enhancing uptake of green products. Though the green atmospherics is subjective, while designing the environment the marketers have to address the expectations of the target consumers. Realizing its significance retail outlets are more focusing on their environmental design in recent days. In Western countries the trend of green designing their outlets caught up in the last decade and has spread over beyond retail outlets. Even public institutions in the field of education, healthcare, energy etc embraced this trend and demonstrate their environmental credentials. In India, big retail players like Reliance, pothy's in Tamil Nadu had undertaken great initiatives in this regard. The frontal portion of pothy's shop gives the impression of forest – look with bamboo structure decorated with artificial flowers. Pamphlets containing cultivation tips of plants are also given to customers, besides nursery plants. It is being embraced by big retailers in cities in Tamil Nadu and retailers closely watching and measuring the results of green atmospherics in enhancing the

green purchase intentions of consumers. An investigation into the impact of this green initiative of retailers in Tamil Nadu, would assume significance and relevance in the current retailing environment.

OBJECTIVES OF THE STUDY

1. To know the influence of green atmospherics across selected profile variables of consumers.
2. To analyse and rank the variables constitute the major elements of green atmospherics namely ambience, store design and social factors.

IMPORTANCE OF THE STUDY

In virtual digital markets, retailers use the internet to create a visual atmosphere by incorporating graphics, colours, layout, content and interactivity. Attempt in the physical stores, based on green approach is of recent phenomenon in retailing environment. Study aiming at understanding the influence of green atmospherics on green consumers would provide valuable information to retailers to have the knowledge of how these individual elements constituting the atmospherics is being viewed and impacted consumers. The results of the study would be of immense help in formulating future strategy relating to the design of physical environment of retail stores.

METHODOLOGY

120 green consumers were chosen from the 12 corporations cities of Tamil Nadu, representing 10 each by following simple convenient random sampling technique. 24 retail stores, representing two each from these cities were also selected based on the judgment of the researcher. Those stores which made considerable attempts on green atmospherics were only considered. The respondents were contacted in front of the stores during evenings. Well structured interview schedule was prepared and administered. 5 – Point Likert Type Scaling procedure was adopted in the schedule which contained 21 statements. To analyse and rank the attributes, mean, standard deviation and co efficient of variation were used. Based on the CV scores, ranks were assigned. Green consumers who were consented to participate in the study were only considered for the study. Both primary and secondary data were used for the study.

RESULT OF DATA ANALYSIS

Table 1 depicts the opinion of respondents on the influence of green atmospherics across their selected profile variable.

TABLE 1: OPINION OF RESPONDENTS ON THE INFLUENCE OF GREEN ATMOSPHERICS OF RETAIL STORES IN TAMIL NADU

S. No	Profile variable	Sub – category	Opinion					Total
			SA	A	NO	DA	SDA	
1.	Gender	Male	21 (38.30)	14 (11.60)	12 (10.0)	8 (6.60)	-	86
		Female	-	17 (14.10)	17 (14.10)	-	-	34
Total							120	
2.	Education	Degree	31 (25.80)	22 (18.30)	07 (5.80)	15 (12.50)	01 (0.80)	76
		Professional	33 (27.50)	11 (9.20)	-	-	-	44
Total							120	
3.	Marital status	Married	21 (17.50)	38 (31.60)	16 (13.30)	5 (4.20)	-	80
		Unmarried	37 (30.80)	03 (2.50)	-	-	-	40
Total							120	
4.	Occupation	Govt -employed	30 (25.0)	10 (8.30)	8 (6.70)	-	-	48
		Self –employed	43 (35.80)	18 (15.0)	11 (9.20)	-	-	72
Total							120	
5.	Monthly Income	Upto Rs.50,000	17 (14.10)	27 (22.50)	22 (18.30)	17 (14.10)	-	67
		Above Rs. 50,000	28 (23.30)	21 (17.50)	04 (3.30)	-	-	53
Total							120	
6.	Place of Residence	Rural	07 (5.80)	08 (6.70)	29 (24.20)	09 (7.50)	-	53
		Urban	27 (22.50)	38 (31.70)	02 (1.70)	-	-	67
Total							120	

Source: Primary data

(SA – Strongly Agree, A – Agree, NO – No Opinion, DA – Disagree and SDA – Strongly Disagree)

Table 2 Depicts the Ranks of Statements Expressing the Three Major Elements of Green Atmospherics Based on Respondents Preference.

TABLE 2: RANKS OF STATEMENTS EXPRESSING THE THREE MAJOR ELEMENTS OF GREEN ATMOSPHERICS BASED ON RESPONDENTS PREFERENCE

Elements	Statement	Mean	SD	CV	Overall value	Overall Rank
1. Ambience	1. Energy star ratings	4.21	0.77	18.2 (1)	505	1
	2. Clean and neat environment	3.63	0.76	20.87 (2)	435	4
	3. Remind me of being eco – friendly	3.96	0.87	22.07 (3)	475	7
	4. Visuals are pleasing	3.68	0.92	24.98 (4)	441	10
	5. Biodegradable cleaning agents	3.03	0.99	32.77 (5)	363	13
	6. Efficient use of energy	2.96	1.16	39.29 (6)	355	16
	7. Free from dust and noise	2.71	1.39	51.42 (7)	325	19
2.Green Design	1. Responsible use of materials	4.04	0.79	19.62 (1)	485	2
	2. More use of recycled content	3.7	0.78	21.2 (2)	444	5
	3. Relating me to ‘mother nature’	4.15	0.96	22.93 (3)	498	8
	4. Making me more comfort	3.65	0.93	25.53 (4)	438	11
	5. Colours reminding environment	3.09	1.03	33.53 (5)	370	14
	6. Unique building design	2.6	1.31	50.21 (6)	312	17
	7. Lighting by renewable energy sources	2.66	1.5	56.35 (7)	319	20
3.Social Factors	1. Promoting green culture in the environment	4.07	0.82	20.09 (1)	488	3
	2. Employees well aware of green issues					
	3. Employees effective in promoting green communication	3.95	0.85	21.48 (2)	474	6
	4. Demonstrating their social responsibility in every action					
	5. Eco – friendly approach found in every interaction with employees	3.63	0.89	24.53 (3)	435	9
	6. Walking stretches reduces footprints					
	7. Interaction with employees yielding green information	3.17	1.02	32.32 (4)	380	12
	2.98	1.15	38.62 (5)	358	15	
	2.98	1.39	51.42 (6)	358	18	
	2.47	1.4	56.82 (7)	296	21	

Source: Computed data

- Numbers in brackets indicate their ranks in the respective sub – category

INTERPRETATION AND RECOMMENDATIONS

It is understood from Table 1 that a majority of respondents belonging to the male category (38.3 percent) of ‘gender’, professional category of (27.5 percent) ‘education’, unmarried category of (30.8 percent) of ‘marital status’, self employed category (35.8 percent) of ‘occupation’, above Rs. 50,000 category (23.3 percent) of ‘income’ and urban category (31.7 percent) of ‘place of residence’ opined that the green atmospherics of the retail outlets influenced them to a great extent. From the overall observation it was inferred that major chunk of respondents irrespective of their categories acknowledged that they were being influenced by the efforts of green atmospherics of retailers. Only a little percentage of respondents in each category marked their responses under ‘Disagree’ and almost the column ‘Strongly agree’ was blank.

From Table 2, the statements (1) ‘the energy ratings’, ‘the responsible use of materials’ and ‘promoting green culture in the environment’ had overall rank of one, two and three as their CV scores stood at 18.2, 19.62 and 20.09 respectively. Under the sub – category of elements the statement ‘energy star rating’ was ranked first in respect of ambience, followed by ‘clean and neat environment and remind me of being eco – friendly’ and in respect of green design, the statement, ‘the responsible use of materials’, was ranked first, followed by ‘more use of recycled content’ and ‘relating me to Mother Nature’. In respect of social factors, the statement ‘promoting green culture in the environment’ was ranked first, followed by ‘employees well aware of green issues’, and ‘employees effective in promoting green communication’.

It is finally understood from the analysis that the ‘green atmospherics’ of retail stores strongly influencing the green purchasing intention of consumers. As far as the study is concerned, the result showed that the most influencing attributes of green atmospherics were, energy star ratings, responsible use of materials and promoting green culture to the environment.

Green atmospherics as an effective marketing tool can act as a strong stimuli on green consumers. Only big players in retailing invested on green atmospherics, the trend is yet to catch up other players in the field. While implementing green atmospherics, care must be taken to ensure reduction in carbon footprint, energy conservation, improvement in customer relationships and interaction, and tuning entire organization into adopting green culture. Attaining environmental sustainability being the major objective of eco – friendly companies, ‘green atmospheric’ by its influential role occupied a centre stage in the future strategy of ‘green retailing’.

CONCLUSION

As the present study, by and large has demonstrated the influence of ‘green atmospherics’ on consumers green pushing intentions in Tamil Nadu. Barring few big retail players, others in the field by considering the cost element involved, did not pay much attention the green atmospherics deserved. The results of the present study in Tamil Nadu would be an eye opener to all retailers who are making, every effort to present themselves as ‘green retailers’.

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AN EMPIRICAL INVESTIGATION OF RELATIONSHIP BETWEEN EMOTIONAL INTELLIGENCE AND JOB PERFORMANCE IN INDIAN MANUFACTURING SECTOR

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ABSTRACT

The emotional intelligence is an important concept to fulfill majority of the organizational goals via better job performance of the employees working in the organization. The present study was designed to study the nature and pattern of relationship between Emotional Intelligence (Emotional Competence, Emotional Sensitivity, Emotional Maturity) and job performance of the employees in manufacturing sector. Questionnaires consisting of 15 items (Emotional Intelligence) and 14 items (Job performance) were used. The findings of the present study reveal that job performance in organization are correlated with Emotional Intelligence ((Emotional Competence, Emotional Sensitivity, and Emotional Maturity).

KEYWORDS

Indian manufacturing sector, emotional intelligence, job performance.

INTRODUCTION

The role of emotional intelligence in manufacturing sector is the key for success of the organization. Thorndike (1920) and Gardner (1983) paved the way for the current experts in the field of emotional intelligence. Each theoretical paradigm conceptualizes emotional intelligence from one of two perspectives: ability or mixed model. Ability models regard emotional intelligence as a pure form of mental ability and thus as a pure intelligence. In contrast, mixed models of emotional intelligence combine mental ability with personality characteristics such as optimism and well-being (Mayer, 1999). Daniel Goleman (1998) proposed a mixed model in terms of performance, integrating an individual's abilities and personality and applying their corresponding effects on performance in the workplace (Goleman, 2001). The original model developed by Goleman (1995), was reviewed by Goleman in 1998 based on 200 competency models, he identified 25 social and emotional competencies that most strongly predict superior performance in many occupations. He organized these competencies into the five dimensions of Emotional Intelligence Goleman (1995): self-awareness, self-regulation, self-motivation, social awareness, and social skills (Titimaea, 2006). Performance is a multi-dimensional concept. On the most basic level, Borman & Motowidlo, (1993) distinguish between task and contextual performance. Three basic assumptions are associated with the differentiation between task and contextual performance (Borman & Motowidlo, 1997). Organizations and work as a whole are undergoing dramatic changes (Cooper & Jackson, 1997; Howard, 1995) which have implications for conceptualizing and understanding performance (Ilgen & Pulakos, 1999). Major trends that have affected the performance include the importance of continuous learning, the relevance of proactivity, increase in teamwork, globalization and technology.

LITERATURE REVIEW

A brief review of literature to exhibit the relationship between performance and emotional intelligence has been summarized below: Stuart & Pauquet (2001) defined that emotionally intelligent leaders use emotions to improve their decision making & seems able to instil a sense of enthusiasm, trust and cooperation within and amongst employees. Goleman (2001), Kanfer & Kantrowitz (2002), Wong & Law (2002) stated that emotional intelligence is considered as being more important in influencing leaders job success and performance than traditional general mental intelligence. Emotional intelligence can contribute to developing those skills and abilities that are linked with this aspiration (Orme & Langhorn, 2003). Personal competencies play a very vital role in influencing the emotional intelligence of employees in organizations. Jaeger (2003) revealed a strong relationship between emotional intelligence and performance of employees leading to task success. Job performance is defined as the degree to which an individual executes his or her role with reference to certain specified standards set by the organizations (Nayyar, 1994). Employees with good performance can be related to specific business outcomes such as better financial performance, productive workforce, and better retention rates. Numerous studies on the relationship between emotional intelligence and individual work performance have been conducted (Carmeli, 2003; Jennings & Palmer, 2007; Sy, Tram, & O'Hara 2006). Locke, 2005 defined that emotional intelligence develops over a person's life span and individuals' ability to demonstrate emotionally competent behaviour which may be enhanced through training. Hence on the basis of above Literature review, the current study was designed to study the relationship between Emotional Intelligence & Job Performance in manufacturing sector.

OBJECTIVES

1. To study the various related aspects of emotional intelligence and job performance in context of Indian manufacturing sector.
2. To study the relationship between Emotional Intelligence (Emotional Competence, Emotional Sensitivity, Emotional Maturity) and job performance in context of Indian manufacturing sector

RESEARCH METHODOLOGY

To fulfill the above mentioned objectives, following research methodology was used:

SAMPLE

A sample of 382 respondents working in manufacturing sector of Madhya Pradesh was drawn by Convenient Sampling Method. The age of the respondents ranged between 25 to 60 years Majority of the respondents were graduates in different disciplines.

TOOLS

A. EMOTIONAL INTELLIGENCE

The questionnaire for Emotional Intelligence consisting of 15 items measuring three dimensions of emotional intelligence (emotional sensitivity, emotional maturity, emotional competency) & overall emotional intelligence by Chadha & Singh, 2003 was used.

Emotional Intelligence test was prepared by compiling 15 real life situations experienced by individuals in their day to day life. The situations were selected to avoid response bias such as faking good or social desirability tendency by the respondents. Each statement was followed by 4 alternatives and the score were given from 0 to 20. The total score of 8 statements constituted the total score of emotional competence, similarly the total score of 4 statements constituted the score of emotional sensitivity and the total score of 3 statements constituted the score of emotional maturity. Finally, the total score of emotional competence, emotional sensitivity and emotional maturity was added to form the overall EQ score. Norms for interpretations of the score are shown in table 1 as mentioned below:

TABLE 1: SHOWS NORMS OF MEAN SCORE FOR EMOTIONAL INTELLIGENCE

Mean Score Range	Level of Emotional Intelligence
285 and above	Extremely High
250 to 274	High
200 to 249	Moderate
150 to 199	Low
149 and below	Try some other day

STATISTICAL ANALYSIS

The obtained data were processed for the computation of Mean, Standard Deviation, Skewness, Kurtosis, Pearson's Correlation.

B. JOB PERFORMANCE

The job performance of the subjects was assessed through Singh & Pestonjees (1988) Performance Rating Scale. It is a Likert type scale consisting of 14 items with five response alternatives. The Self perceived job performance of the employees on the job areas included in the scale. The scale covered 14 areas of work performance viz. quality of work performance, amount of effort expended on the job, speed on job, quality of the work, capacity of work performance, care in handling company property, ability to work without supervision, ability to handle different jobs, dependability, ability to get along with others, attendance & punctuality, planning ability, initiative on the job and overall work performance. The reported Cronbach's coefficient alpha of the scale is 0.99, which indicate high level reliability of the scale. The index of homogeneity and internal validity of the items were tested by point biserial correlation. The correlation between actual performance and the scores on this scale was found to be 0.84 (N =200).

ADMINISTRATION OF THE TESTS

The tests used in the present study were administered individually to all the subjects. The selected subjects were contacted at their respective working place as well as residence and their willingness to participate in the study was sought. Since subjects were interested to participate in the testing only during their vacant time, they were tested individually whenever they were free from their duties. At the initial stage, tests of Human capital and performance administered. The tests were administered in accordance with the procedure described by the test authors. The self-rating by the respondents was obtained regarding job performance. The performance rating scale (PRS) provided scores on a five-point rating scale. Raters provided rating of performance by assigning a score from 1 to 5 as per one's real performance on each of the 14 areas.

STATISTICAL ANALYSIS

The obtained data were processed for the computation of Mean, S.D., Skewness, Kurtosis, Pearson's correlation.

RESULTS & ANALYSIS

In order to fulfill the main research objectives of the present study, the obtained, data were processed for the computation of means, Standard Deviations, Skewness, Kurtosis and Pearson's correlation.

DESCRIPTIVE STATISTICS

The collected data were analyzed with the help of descriptive statistics. Skewness and Kurtosis describe the pattern of score of distribution. The scores of employees on 18 variables including 4 of Emotional Intelligence (i.e. emotional sensitivity, emotional maturity, emotional competency & overall emotional intelligence) and 14 of job performance (i.e. quality of work performance, amount of effort expended on the job, speed on job, quality of the work, capacity of work performance, care in handling company property, ability to work without supervision, ability to handle different jobs, dependability, ability to get along with others, attendance & punctuality, planning ability, initiative on the job and overall work performance) have been shown in table 2. All the measures of Emotional Intelligence (i.e. emotional sensitivity, emotional maturity, emotional competence & overall emotional intelligence) and job performance (i.e. quality of work performance, amount of effort expended on the job, speed on job, quality of the work, capacity of work performance, care in handling company property, ability to work without supervision, ability to handle different jobs, dependability, ability to get along with others, attendance & punctuality, planning ability, initiative on the job and overall work performance) are negatively skewed. Careful inspection of job performance variables shows that employees working in manufacturing sector region of Madhya Pradesh are scoring above then average on all the variables, suggesting thereby that they are better on almost all the variables of job performance whereas mean of emotional intelligence tend to be in moderate level (M = 215).

INTER CORRELATIONS BETWEEN EMOTIONAL INTELLIGENCE AND JOB PERFORMANCE

The obtained correlations between the measures of emotional intelligence variables and job performance have been presented in the inter correlation matrix (table 3). Inspection of table reveals that out of 56 inter correlations between the variables of emotional intelligence and and job performance, 12 are significant at.01 level and 6 are significant at.05 level and 38 are non-significant. The inter correlations ranges between -.002 to.309.

Emotional Competence correlates.091 (p <.05) with speed on job,.138 (p <.01) with quality of the work,.182 (p <.01) with care in handling company property,.110 (p <.05) with ability to work without supervision,.114 (p <.01) with ability to handle others,.309 (p <.01) with ability to get along with others,.157 (p <.01) with attendance and punctuality,.087 (p <.05) with planning ability. Emotional Sensitivity correlates.113 (p <.05) with care in handling company property. Emotional Maturity correlates.124 (p <.01) with capacity of work performance,.199 (p <.01) with ability to get along with others,.116 (p <.01) with attendance and punctuality,.089 (p <.05) with overall work performance. Emotional Intelligence correlates.128 (p <.01) with quality of work,.101 (p <.05) with capacity of work performance,.175 (p <.01) with care in handling company properties,.248 (p <.01) with ability to get along with others,.116 (p <.01) with attendance and punctuality.

The significant inter correlations between four measures of Emotional Intelligence (i.e. emotional sensitivity, emotional maturity, emotional competence & overall emotional intelligence) and 14 of job performance viz. quality of work performance, amount of effort expended on the job, speed on job, quality of the work, capacity of work performance, care in handling company property, ability to work without supervision, ability to handle different jobs, dependability, ability to get along with others, attendance & punctuality, planning ability, initiative on the job and overall work performance reveals that these measures share lesser of their variances with fourteen measures of job performance.

FINDINGS

Emotional competence an emotional intelligence variable is found to be positively associated with speed on job, quality of the work, care in handling company property, ability to work without supervision, with ability to handle others, with ability to get along with others, attendance and punctuality planning ability. Emotional Sensitivity shows positive association with only one dimension out of fourteen dimensions of job performance i.e. care in handling company property. However, it does not share its variances with other thirteen dimensions of the job performance. Emotional Maturity express positive association with capacity of work performance, ability to get along with others, attendance and punctuality, overall work performance. Overall Emotional Intelligence have positive association with quality of work, capacity of work performance, care in handling company properties, ability to get along with others, attendance and punctuality.

DISCUSSIONS & CONCLUSIONS

The previous studies also support the current study that there occurs a significant positive relationship between emotional intelligence and job performance (Carmeli, 2003; Jennings & Palmer, 2007; Sy et al., 2006). The study of Yoke et al. (2015) that all the four dimensions (self-emotional appraisal, others' emotional appraisal, use of emotion, and regulation of emotion) were significantly correlated with job performance.

DESCRIPTIVE STATISTICS:

TABLE 2: MEANS, STANDARD DEVIATIONS, SKEWNESS & KURTOSIS (N= 382) ON MEASURES OF EMOTIONAL INTELLIGENCE AND JOB PERFORMANCE

Dimensions	Mean	Standard Deviation	Skewness	Kurtosis
Emotional Competence	120.1172	19.46913	-.538	-.082
Emotional Sensitivity	45.7031	13.54466	-.358	-.308
Emotional Maturity	49.2969	11.69967	-1.537	2.004
Emotional Intelligence	215.1172	33.07742	-.810	.511
Quality of the work Performance	3.8672	.80479	-.840	.581
Amount of Effort expanded on the job	4.0469	.76988	-1.217	3.030
Speed on Job	3.9844	.83920	-.928	1.414
Quality of the work	4.0391	.87050	-.862	.285
Capacity of work Performance	4.0938	.82464	-.764	.200
Care in Handling Company Property	4.1484	.87666	-.923	.562
Ability to work without Supervision	3.9922	.89789	-.571	-.175
Ability to handle different Jobs	3.8437	.88861	-.630	.107
Dependability	3.5000	1.06904	-.521	-.368
Ability to get along with others	4.1016	.83785	-.674	-.158
Attendance and Punctuality	4.2031	.85193	-.859	.015
Planning ability	4.0703	.80297	-.674	.584
Initiative on the Job	4.0234	.90629	-.680	-.028
Overall Work Performance	4.1094	.71039	-.818	1.264

TABLE 3: CORRELATIONS MATRIX OF EMOTIONAL INTELLIGENCE & JOB PERFORMANCE

Variables	Emotional Competence	Emotional Sensitivity	Emotional Maturity	Emotional Intelligence
Quality of work Performance	.058	.037	.061	.071
Amount of effort expanded on the job	.078	.031	-.048	.041
Speed on Job	.091*	-.030	.047	.058
Quality of the work	.138**	.041	.083	.128**
Capacity of work performance	.080	.026	.124**	.101*
Care in Handling company property	.182**	.113*	.060	.175**
Ability to work without supervision	.110*	.058	-.038	.076
Ability to handle different jobs	.114**	-.014	.035	.074
Dependability	.035	-.022	-.003	.011
Ability to get along with others	.309**	-.010	.199**	.248**
Attendance & Punctuality	.157**	-.043	.116**	.116**
Planning Ability	.087*	.060	.009	.079
Initiative on Job	.046	.046	-.002	.046
Overall Work Performance	.047	-.061	.089*	.034

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

*Correlation is significant at the 0.05 level (2 tailed).

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A STUDY OF CUSTOMER PERCEPTIONS TOWARDS SELECT MALLS IN INDIA**GRISHMA PATEL****RESEARCH SCHOLAR****SHRI VAISHNAV INSTITUTE OF MANAGEMENT
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INDORE****ABSTRACT**

India, a fast developing nation. Traditional markets to Mall culture now. Malls familiarizing Indian consumers with an implausible experience while utilizing its services for entertainment and shopping. This study is conducted in the selected four malls of India. The four malls are C-21 mall, DB city mall, Alpha One mall and In orbit mall. The aim of the study is to identify the perception of customers with respect to frequency of visit towards dimension of Service Quality of malls in India. Along with this research effort have been made to identify the Service Quality dimensions of mall to understand customer's view point. This study focuses on the frequency of visits of mall customers to give a clear view about the acceptance of malls in Indian society. It is concluded that Mall respondent's frequency of visit is mostly on monthly basis in the selected four malls in India. This indicates their experience, understanding and maturity on the perceived service quality that mall management offer them and their acceptance of the mall culture in Indian society. The mall management needs to devise the policies to magnetize more number of people to visit malls.

KEYWORDS

shopping malls, Frequency of visits, customer perceptions, service quality.

INTRODUCTION

Indian retail is moving towards the modernization. The change of the attitude of customers is seen due to changing life styles and shopping habits of customers. Traditional markets to Mall culture now. It is a need to understand service quality of malls to meet Customers demand.

"A shopping mall or popularly referred simply as a mall, is a building or set of building that contains store and has interconnecting walkways enabling visitors to easily walk from one store to another. The walkways may or may not be enclosed. Malls are also referred as shopping centre or shopping arcade. They have a super market/ hypermarket, a multiplex, stores, play zone, a food-court as well as options for different categories of merchandise."

Mall culture can be seen in metro cities as well as in tier-II cities in India. There has been a considerable development of new retail formats such as malls, hypermarkets, supermarkets and lifestyle stores. This changing pattern establishing a baseline for today and future as development continues specially in India. Hence this study focuses on the frequency of visits of mall customers to give a clear view about the acceptance of malls in Indian society. It is important to understand and view the footfalls fundamentally shifting towards malls. services will vary from one shopping mall to another an excellent Service Quality could be a key for prospering in the competitive environment. The modern architectural designs of the malls attract Indians to explore new cities in the country. This study is conducted among the four malls in India. C-21 mall of Indore, DB city mall of Bhopal, Alpha one mall of Ahmedabad and Inorbit mall of Vadodara.

REVIEW OF LITERATURE

Dabholkar, Thorpe and Rentz (1996) developed and empirically validated a scale to measure retail service quality distinctively. The authors highlighted to capture customers' perceptions of service quality for retail stores. In retail setting, especially retail stores where there is a mix of product and service, retailers are likely to have impact on service quality more than on product quality. Their research examines the applicability of the RSQS (Retail Service Quality Scale), a revised SERVQUAL instrument for the Retail sector. Seventeen of the original 22 SERVQUAL items were selected. RSQS consist of five dimensions- physical aspects, reliability, personal interaction, problem solving and policy.

North & Kotze (2004) investigated the perceptions of patrons regarding the attractiveness of shopping centres in Pretoria in South Africa. The results of this study indicate that male and female respondents do not differ significantly in their perceptions of the general atmosphere like lighting, music, use of color and the attractiveness of decor in the centre. It can be argued that the young adults and consumers are more exposed to interior aspects in the centre than older people and regard shopping also as a leisure and social activity.

Verhoef, Lemon, Parasuraman, Roggeveen, Tsiros, Schlesinger (2009) examined the creation of a customer experience from a holistic perspective. The authors proposed a conceptual model in which they discussed the determinants of customer experience and importance of the social environment, self-service technologies and the store brand.

The authors are in opinion that retailers around the globe have embraced the concept of customer experience management, by focusing on convenience, value and quality. They argue that prior customer experiences will influence future customer experiences and in practice suggest that experience-based strategies can create growth and would be helpful for big retailers.

Creating superior Customer experience management should be a retailer's strategy in such a way as to create value to both the customer and the firm.

The authors of this paper theorize several determinants of customer experience. These include the social environment, the service interface, the retail atmosphere, the assortment, the price and promotions and Branding. They assert that Self-service technologies are becoming an integral part of shopping, and hence are critical to examine in terms of their impact on customer experience. The manifestation of such technology enabled shopping mode to online retailing, self service, check-out counters. Customer experience management differs from customer relationship management as the focus is on the current experience of the customer, rather than the recorded history of the customer.

UBEJA S.K. AND. BEDIA, D.D (2012) investigated the effects of sales promotion mix on customer satisfaction in shopping malls of Jabalpur and Gwalior city of Madhya Pradesh. They have included sales promotion mix factors like Lucky by chance offers, Frequent and Warranty Offers, Monetary and Quantity Benefit Offers, Gift and Exchange offers. The authors concluded that Jabalpur and Gwalior city's customers are not much aware about sales promotion mix applicable in shopping malls. Customers are most recreational in their shopping but they are not sales promotion conscious. They want variety of products but with quality and good services. They do not attract to any type of sales promotion mix, which is available in shopping malls. The authors noted that Organizations need to retain existing customers while targeting non-customers.

Zia & Ghaswyne (2013) studied in their paper three dimensions on consumer loyalty. They are Execution Related Excellence, Expediting and problem recovery. The data was collected from Delhi NCR region. Their finding shows that expediting has the highest impact on consumer loyalty, which signifies this fact that quick and error free transactions is the one most important factor in organized retail setup which attracts consumers and make them loyal. Further it has been observed

that Shopping experience is an important determinant factor of consumer's loyalty. Thus, moving towards the new shopping environment where quality management, staff attention, new formats available for achieving shopper satisfaction and feeling of enjoyment is on the whole a good shopping experience. The author confirms that Indian consumers familiarizing with Mall culture not only in metro cities but as well as in tier-II cities.

Gudonavičienė, Aljosiene. (2013). develops suggestions of what factors affect the customer's selection of one or another shopping centre most and how to improve the perceptions of shopping centre patrons of the overall centre image. A review of the retailing literature reveals several attributes in shopping centre image studies: merchandising, accessibility, service, facilities, atmosphere, amenities, ambulance, entertainment, security and other.

The main aim of this paper is to identify the main image attributes that determine selection of shopping centre in Lithuania. Their Empirical study revealed the following results that merchandising, Macro accessibility, Entertainment, Micro accessibility, Atmosphere as five most important image attributes that make the highest impact on choosing the shopping centre. They also found in their study a large part of Lithuanian customers intends to visit shopping centres on weekends, once a week and they prefer shopping centres with their favourite shop.

Nagra Gagandeep & Gopal R, (2013) states that the western culture has affected each and every aspect of Indian Society. The online shopping is very common outside India and the authors are in the opinion that On-line shopping will be the future of shopping in the world. The retail strategies to provide services has now moved from advance payment to cash on delivery (COD).

Dnyandeo, N.K. (2014) focused Barter system is known as a first form of retail. With the emergence of mall culture the knowledge of the factors affecting buying behavior such as availability, variety, service, discounts and price, quality of products and promotion will prove to be helpful to the retailers to formulate new strategies and attract more consumers.

By studying out in Phoenix market city pune, Author concludes that Advertisements & offers provided by mall effects on customer buying decisions. The customer considers Location, Product Variety, Product Quality and price criteria while shopping. House women make the major part of the population visits mall, followed by working professionals and students. The author emphasized that malls are providing customer with 3 'V' i.e. value, variety and volume. hence in such a cut throat competition scenario these retailers should learn and understand the buying behavior as well as the preference of the customers.

Kumar Ajay, Thakur Yashwant Singh (2014) in their research article indicated that the shopping mall is a global phenomenon. The shopping malls that we know and have in India today were birthed in the beginning of the 20th century and have since then grew to cover all the major cities of India. safety and security is a factor which affect to customers to shopping in mall with family and children. The main affecting factors towards mall are availability of branded, quality and variety of product, alternative and ease of find product. The authors discussed that the competitions among the shopping centres become violent. Today The shopping centre is now not only a place for shopping, but also for a form of family entertainment, satisfying a social need and cultural hot spot where people of all ages can come to interact.

Aggarwal Manav (2014) studies the importance and growth of online shopping in India. The author strongly believes that the prospect of online marketing is growing in India. The increasing internet literacy, easy availability of internet and wifi facility in India has enlarged this trend. The trend of online shopping has many benefits and is increasing especially in the youth. They prefer their shopping at home and avail discounts benefits, saving of fuel, time and energy and home delivery facility which saves time as well as 24*7 shopping.

NEED AND IMPORTANCE OF STUDY

On-line shopping is a recent phenomenon. in the Business. Many malls in North America and other western countries are considered "dead" for the purposes of leasing. Without the pedestrian traffic, decline in sales volumes for almost all stores and hence the untimely payment of rent by store owners and gradually could not sustain the costly maintenance of the malls. The study is vital to understand customer perceptions towards malls service quality with respect to frequency of visits. The mall management needs to plan or make some new marketing strategies especially for bringing more footfalls in the malls. They should devise the policies to magnetize more number of people to visit malls.

STATEMENT OF THE PROBLEM

Mall development and its maintenance is expensive. Malls and the, stores in the malls need enough revenue to meet its expenditure. Ease of shopping, availability of brands, quality and variety of product and services under one roof and a place where civilians can move in safely is a mall concept. Even in sweltering heat of 40 degree people can enjoy shopping and entertainment. hence it is essential that customers visit malls regularly and frequently.

OBJECTIVES

1. To know the frequency of visit of customers in select malls in India.
2. To study Demographic variable of frequency of visit on basis of customer perceptions towards service quality dimensions of the selected shopping malls in India.
3. To suggest ways to improve the service quality of shopping malls in India.

HYPOTHESES

H01- There is no significant difference in the perception of customers with respect to frequency of visit towards Aesthetics dimension of Service Quality of malls in India.

H11- There is significant difference in the perception of customers with respect to frequency of visit towards Aesthetics dimension of Service Quality of malls in India.

H02- There is no significant difference in the perception of customers with respect to frequency of visit towards **Convenience** dimension of Service Quality of malls in India.

H12- There is significant difference in the perception of customers with respect to frequency of visit towards **Convenience** dimension of Service Quality of malls in India.

H03- There is no significant difference in the perception of customers with respect to frequency of visit towards **Policy** dimension of Service Quality of malls in India.

H13- There is significant difference in the perception of customers with respect to frequency of visit towards **Policy** dimension of Service Quality of malls in India.

H04- There is no significant difference in the perception of customers with respect to frequency of visit towards **Customer Service** dimension of Service Quality of malls in India.

H14- There is significant difference in the perception of customers with respect to frequency of visit towards **Customer Service** dimension of Service Quality of malls in India.

RESEARCH METHODOLOGY

THE STUDY

The study is exploratory in nature. Customers were surveyed in mall and interactive conversation was done with the mall visitors of the select Malls in India.

THE SAMPLE

The sample of the study constituted of 400 respondents of the selected malls in India.

SAMPLE UNIT

This study is conducted among the four malls in India. C-21 mall of Indore, DB city mall of Bhopal, Alpha one mall of Ahmedabad and Inorbit mall of Vadodara are taken as the sample unit.

SAMPLING TECHNIQUE

Simple Random Sampling technique was used for the selection of malls whereas judgmental Sampling Technique was used for selection of respondents from the malls.

TOOLS FOR DATA COLLECTION

The primary data were collected by means of a self designed structured questionnaire and interviews with the customers of the selected Malls. Secondary data have been collected from books, magazines, websites and research articles from journals.

TOOLS FOR DATA ANALYSIS

A questionnaire comprising 22 items has been developed to study with respect to customer perceptions of the service quality in select malls in India. The data was collected through the questionnaire on five-point likert- scale. The four dimensions of mall service quality comprise **Aesthetics, Convenience, Policy and Customer Service**. SPSS 20. (Statistical package for Social Science) software used to analyze the primary data. Questionnaire for measuring service quality is quite reliable as the alpha value is 0.852 and as the data values is normally distributed, The One-Way ANOVA (analysis of variance) are used to compute the result. Pie Charts, Bar Charts, are used to represent the results.

RESULTS & DISCUSSION

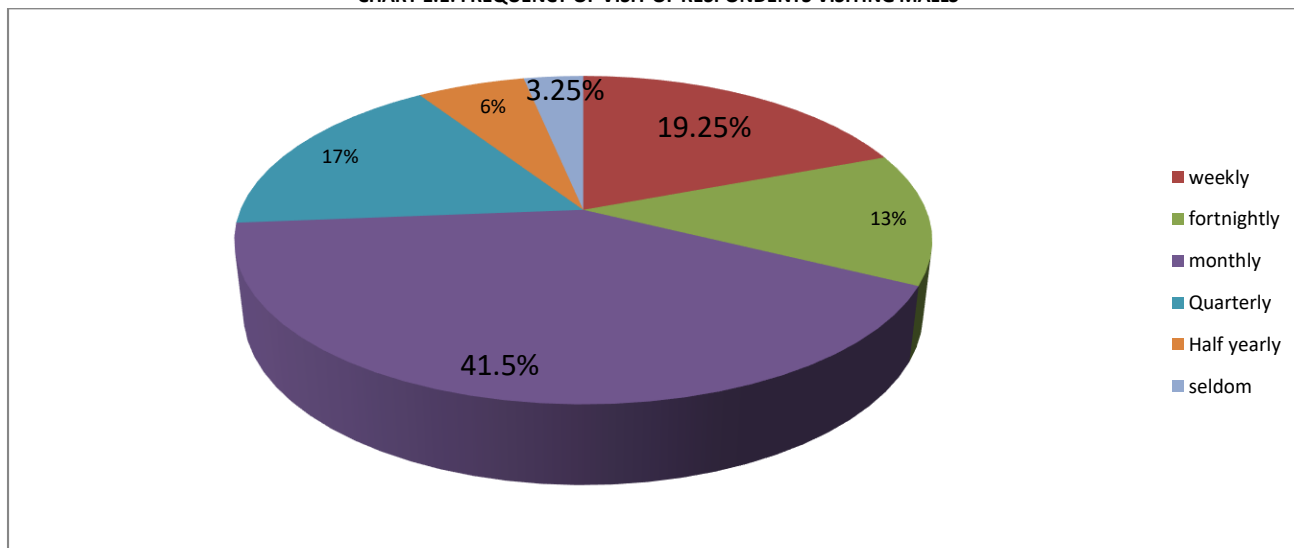
TABLE 1: FREQUENCY OF VISIT OF MALL CUSTOMERS

Frequency of visit	C-21	DB City	Alpha One	In orbit	Total	
					Frequency	Percent
weekly	20	18	26	13	77	19.25
fortnightly	5	14	14	19	52	13
monthly	52	39	39	36	166	41.5
Quarterly	10	17	16	25	68	17
Half yearly	5	8	5	6	24	6
seldom	8	4	0	1	13	3.25
Total	100	100	100	100	400	100

Frequency of visits of mall customers is one of the important profile variables of the customers. It shows their level of understanding, experience and maturity on the perceived service quality of Malls. The above table depicts that 166 out of 400 respondents visits malls on monthly basis. i.e. which constitutes 41.5%. 19.25% respondents visits mall weekly, 17% mall respondents visits on quarterly basis and 13% respondents visit fortnightly. The respondents under this study visits half yearly or seldom constitutes 6% and 3.25% respectively. This gives a clear indication that only 41.5% in the survey among 400 respondents visit malls on monthly basis and mall management have to put efforts to increase footfalls in the malls.

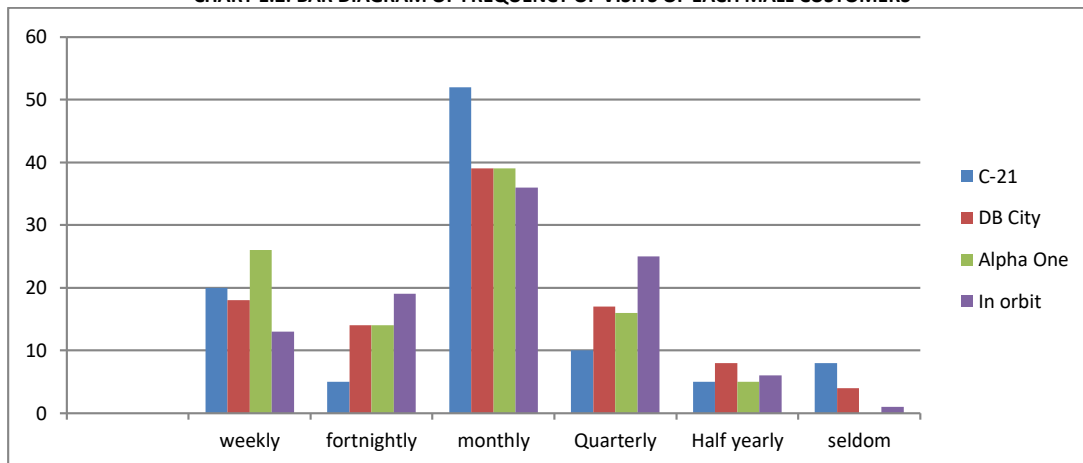
The pie chart shows the percentage of each Frequency of visit of respondents visiting malls in India.

CHART 1.1: FREQUENCY OF VISIT OF RESPONDENTS VISITING MALLS



The bar diagram below shows the Frequency of visits of respondents visiting malls. it can be explored that respondents of C- 21 mall, DB City mall, Alpha One mall and In orbit mall visit mostly on monthly basis.

CHART 1.2: BAR DIAGRAM OF FREQUENCY OF VISITS OF EACH MALL CUSTOMERS



In order to test the hypotheses, One way analysis of variance (ANOVA) is applied to study the Service Quality dimensions (Aesthetics, Convenience, Policy and Customer Service) of malls in India with respect to frequency of visit.

TABLE 2: ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
Mall Aesthetics	Between Groups	2.879	5	0.576	2.152	0.059
	Within Groups	105.412	394	0.268		
	Total	108.292	399			
Mall Convenience	Between Groups	3.675	5	0.735	1.551	0.173
	Within Groups	186.701	394	0.474		
	Total	190.375	399			
Mall Policy	Between Groups	1.053	5	0.211	0.567	0.726
	Within Groups	146.524	394	0.372		
	Total	147.577	399			
Mall customer Service	Between Groups	0.873	5	0.175	0.487	0.786
	Within Groups	141.315	394	0.359		
	Total	142.188	399			

Above table shows that p value is greater than 0.05 for all service quality dimensions. It represents that p value in service quality dimension of Aesthetics 0.059, Convenience 0.173, Policy 0.726 and Customer Service 0.786. This means that null hypothesis H_{01} , H_{02} , H_{03} , H_{04} are accepted at 5% significance level and it can be inferred that There is no significant difference in the perception of customers with respect to Frequency of visits viz., weekly, Fortnightly, monthly, Quarterly, Half yearly and seldom towards services quality dimensions of the malls in India. The alternate hypothesis H_{11} , H_{12} , H_{13} , H_{14} stands rejected. Hence, it exhibited that none of the dimensions differed significantly on the basis of Frequency of visits. It concludes that perceptions of customers with respect to Frequency of visits do not significantly differ towards service quality dimensions (Aesthetics, Convenience, Policy and Customer service) of the selected malls in India.

FINDINGS

This study is conducted in the selected four malls of India. The four malls are C-21 mall, DB city mall, Alpha One mall and in orbit mall. The Demographic factor of frequency of visit of mall respondents does not differ over shopping malls service quality dimensions. It concludes that frequency of visit of mall respondents does not differ significantly towards service quality dimensions of the selected four malls in India. Their attitudes and opinions view almost the same.

CONCLUSIONS

Customer perception of service quality is essential in order to attract the customers on a longer basis. Mall respondents frequency of visit is mostly on monthly basis in the selected four malls in India which indicates their experience, understanding and maturity on the perceived service quality that mall management offer them and their acceptance of the mall culture in Indian society. Mall management has to create and develop strategies and interest to improve more traffic in the malls.

RECOMMENDATIONS / SUGGESTIONS

Right now in India mall culture is in boom. More national and international real estate group are interested. Malls in the cities involve Architects, government and Indian society. A Lot of employment is generated. Government can help to the mall authorities by making law, policy and control. Employees of malls should be trained to handle customer's complaints effectively. Management should encourage promotions like random lucky draws for entrants and surprise children and a family group to encourage more and frequent footfalls in the malls. Malls should increase social activities and events to develop interests in the people to visit frequently.

LIMITATIONS & SCOPE FOR FURTHER RESEARCH

Further this study needs to be carried in festive season and long weekend holiday. It would be interesting to understand the mall traffic and frequency of visit of mall customers. To apply the concept of this research in shopping malls focus on all the four service quality dimensions (Aesthetics, Convenience, Policy and Customer service) as a tool to encourage management performance score. This study provides more meaningful ways to identify and explore more focused marketing strategies to increase footfalls in the malls.

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ANNEXURE
ANNEXURE 1

TABLE 3

Descriptive		N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
						Lower Bound	Upper Bound		
Aesthetics	weekly	77	3.5102	0.6306	0.07186	3.3671	3.6533	1.57	4.86
	fortnightly	52	3.7775	0.43681	0.06058	3.6559	3.8991	2.86	4.86
	monthly	166	3.6407	0.46607	0.03617	3.5693	3.7121	2.14	5
	Quarterly	68	3.6723	0.51777	0.06279	3.5469	3.7976	2	4.71
	Half yearly	24	3.7917	0.60606	0.12371	3.5357	4.0476	2.43	4.71
	seldom	13	3.6374	0.51711	0.14342	3.3249	3.9498	2.43	4.29
	Total	400	3.6477	0.52097	0.02605	3.5965	3.6989	1.57	5
Mall Convenience	weekly	77	3.3636	0.67724	0.07718	3.2099	3.5174	1.4	4.4
	fortnightly	52	3.5038	0.71124	0.09863	3.3058	3.7019	2.2	5
	monthly	166	3.2578	0.66899	0.05192	3.1553	3.3604	1.6	5
	Quarterly	68	3.4441	0.72552	0.08798	3.2685	3.6197	2	4.8
	Half yearly	24	3.4583	0.78348	0.15993	3.1275	3.7892	2	5
	seldom	13	3.2462	0.48411	0.13427	2.9536	3.5387	2.4	3.8
	Total	400	3.3535	0.69075	0.03454	3.2856	3.4214	1.4	5
Mall Policy	weekly	77	3.4987	0.62713	0.07147	3.3564	3.641	2	4.6
	fortnightly	52	3.55	0.62356	0.08647	3.3764	3.7236	2	4.8
	monthly	166	3.406	0.55505	0.04308	3.321	3.4911	1.4	4.8
	Quarterly	68	3.4324	0.69421	0.08418	3.2643	3.6004	2	4.6
	Half yearly	24	3.4583	0.72106	0.14719	3.1539	3.7628	1.8	4.8
	seldom	13	3.4769	0.37893	0.1051	3.2479	3.7059	2.8	4
	Total	400	3.4525	0.60817	0.03041	3.3927	3.5123	1.4	4.8
Mall Customer Service	weekly	77	3.4961	0.73528	0.08379	3.3292	3.663	2	4.6
	fortnightly	52	3.4654	0.5844	0.08104	3.3027	3.6281	2	4.6
	monthly	166	3.3831	0.52173	0.04049	3.3032	3.4631	1.6	4.6
	Quarterly	68	3.45	0.60285	0.07311	3.3041	3.5959	1.8	4.8
	Half yearly	24	3.3917	0.7089	0.1447	3.0923	3.691	2.4	4.8
	seldom	13	3.3692	0.40699	0.11288	3.1233	3.6152	2.6	4
	Total	400	3.427	0.59696	0.02985	3.3683	3.4857	1.6	4.8

ANNEXURE 2

QUESTIONNAIRE

Below mentioned are the four malls amongst the four different cities. You are requested to select any one mall that you visit. please tick on the appropriate answer:

- C-21 mall, Indore
- DB city mall, Bhopal
- Alphaone mall, Ahmedabad
- Inorbit mall, Vadodara

PART-A

1. Name (Optional): _____
2. Age (Years): (i) Below 25 (ii) 26-40 (iii) 41-55 (iv) 56 & above
3. Gender: (i) Male (ii) Female

4. How frequently do you visit this shopping mall ?

(i) Weekly (ii) Fortnightly (iii) Monthly (iv) Quarterly (v) Half yearly (vi) Seldom

PERCEPTION: The following statements relate to your feelings about the Particular Mall that you visit. Please show the extent to which you believe this Mall has the feature described in the statement. Here, we are interested in a number from 1 to 5 that shows your perceptions about the mall. You should rank each statement as follows:

Strongly Disagree 1 Disagree 2 Neutral 3 Agree 4 Strongly Agree 5

Aesthetics	
1.This mall has modern looking equipment and fixtures.	
2.The physical facilities at this mall are visually appealing.	
3.The materials associated with this mall's service (such as Brochures, pamphlets etc) are visually appealing.	
4.The mall ambience, air-ventilation, sound proof etc are comfortable for visitors to spend time.	
5.This mall has clean, attractive and convenient sitting areas and restrooms.	
6.The mall layout at this mall makes it easy for customers to find what they need.	
7.The employees of this mall are decent and neat appearing.	
Mall Convenience	
8. This mall provides plenty of convenient parking for customers.	
9. This mall provides easy accessibility to public transport.	
10. The website of this mall is well organized and simple to use	
11. This mall has operating hours convenient to all its customers.	
12. The mall layout at this mall makes it easy for customers to move around in the mall.	
Mall Policy	
13. This mall offers high quality Indian and International brands.	
14. This mall insists on computerized and well-maintained records.	
15. Special event programmer information is communicated timely and accurately by this mall.	
16. You feel safe and secured in your transactions within this mall.	
17. This mall provides a sense of responsibility in serving society	
Mall Customer Service	
18. The employees of this mall are able to handle customer complaints immediately and efficiently.	
19. Inquires are answered promptly in this mall.	
20. Employees in this mall are always willing and ready to respond to your needs.	
21. Employees in this mall are consistently courteous with customers.	
22. When you have a problem, the mall management shows a sincere interest in solving it.	

TIME VALUE OF MONEY: ISSUES & CHALLENGES WITH REFERENCE TO E-PAYMENT SERVICES IN PRIVATE BANKING COMPANIES IN BANGALORE

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ABSTRACT

India is one of the fastest growing countries in the plastic money segment, there are 130 million cards in circulation, which is likely to increase at a very fast pace due to rampant consumerism. India's card market has been recording a growth rate of 30% in the last 5 years. Card payments form an integral part of e-payments in India because customers make many payments on their card-paying their bills, transferring funds and shopping. Ever since Debit cards entered India, in 1998 they have been growing in number and today they consist of nearly 3/4th of the total number of cards in circulation. Credit cards have shown a relatively slower growth even though they entered the market one decade before debit cards. Only in the last 5 years has there been an impressive growth in the number of credit cards- by 74.3% between 2004 and 2008. It is expected to grow at a rate of about 60% considering levels of employment and disposable income. Majority of credit card purchases come from expenses on jewelry, dining and shopping. Another recent innovation in the field of plastic money is co-branded credit cards, which combine many services into one card-where banks and other retail stores, airlines, telecom companies enter into business partnerships. This increases the utility of these cards and hence they are used not only in ATM's but also at Point of sale(POS) terminals and while making payments on the net.

KEYWORDS

Indian economy, money, e-payment, private banks, internet banking, Bangalore.

INTRODUCTION

Online banking transaction in India was first started in 1980's. After that, most of the private commercial bank in India plays a vital role in Indian Banking system, through that the country moved towards an online banking system that is compatible with international standards. In India, online E-payment provides various services like internet banking, mobile banking, online banking, ATM services, debit card, and credit card services, telebanking, etc. India stands in one of the top 10 economies in the world, where in the banking sector has incredible potential to grow. The last decade saw customers are addicted to use of ATM, internet and mobile banking because its saves time. The India's banking sector is presently valued at ₹ 81 trillion (US\$ 1.31 trillion). & now banks are using the latest technologies like mobile device & internet to carry banking transaction & to communicate with the masses. India's banking sector has the potential to become the 5th largest banking industry in the world by 2020 and the 3rd largest by 2025, according to a KPMG report. E-Payment Systems are more important to online business process innovations as companies search a for ways to serve customers earlier/faster and at lesser price. If the claims and debits of the different customers i.e., individual person, firms, banks and non- banks are not composed because of delay in payment or even bad debts then the complete business process is disturbed. E-payment services are blooming in banking, health care, retail, service industry, online markets and even government. Companies are encouraged by the need to transfer products and services more effectively with less cost & to provide a better quality of service to their customers. Under E-payment moneys transfer is an e-transfer of information that equals to moving funds from one financial institution to another. E-payment systems are substitute for cash or credit payment methods by using several electronic technologies to pay for products and services in e-commerce. E-payment system involved many security issues.

REVIEW OF LITERATURE

The review of literature reveals the various research have been conducted so far related to population statistics and acceptance of e-banking therefore thoroughly banking literature has been reviewed.

- Sournata, Mattila and Munnukka (2005), Al Sabbagh and Molla (2004)** - opine that, internet banking, online banking, e banking and m banking are relative less popular among the Indian customer as they are not aware of technology. Due the advent of technology and digital India revolution has made sweep among Indian banks and shift and ease in customer mind-set characterised Indian banking system.
- Selvam and Nanjappa (2011)** in their research, examined customers awareness and satisfaction about E-banking. It shows that customers are aware of E-banking compare to other groups. The study also revealed that customer's whose income level above ₹ 10,000 per month is using E-banking transactions as compared to other less income groups. It was shown that it depend on the size of family. Education is the crucial factor for the acceptance of internet banking.
- Ongkasuwan and Tantichattanon (2002)** Says that E-banking helps to banks save time, cost, increase customer services, allow bulk customization for E- business services, spread marketing & communication channels. It also stated that customer's ability to use the E - based banking services depend on various factors like level of internet experience, type of service provided, access & delivery time, attitude and perception.
- Musiime (2011), Amin (2007) and Davis (1989)** observed various factors in their research that affected the customer's choice in adoption of E- banking / new technology in banking services. These aspects incorporated perceived security, internet experience, trust, skills & time, exposure on marketing, reliability and demographic characteristics of the customer.
- Laukkanen, (2007)** identified in their research that in spite of benefits and tailor made E- banking services offered by the banks, some customer still pay bills in through the bank branches because there are various factors that act as the walls on the customer's adoption of E- banking such as internet experience, education & age.
- Vishal Goyal and Sonia Goyal, (2012)**, observed that perception among bank customer who are using e-banking technology and those who do not use e- banking. They found risk in transferring finances, emotional and security was more among the customer who do not use than those who use. Customers who do not wish to use e- banking had be afraid that their money could be tricked during transfer of money. Some customers use internet banking because of convenience during

shopping and found safety measure. Also state that internet banking is not much popular in India and more customers not prefer to activate internet banking for their account.

According to Kaleem and Ahmed, 2008, the main benefit of e-banking transaction is reducing the inconvenience, transaction time & cost taken in an operation, whereas, key concerns are chances of government entree & lack of information safety. Now banks started implementing more and more technological improvements and that impact on enhancement of its competence. Nowadays online banking is becoming more essential & integral part of banking services.

BACKGROUND OF THE STUDY

The origin of electronic payment related to the beginning of the internet. After that there is no world wide web. The internet starts in 1969 with ARPANET, the military information which was intended to be communication network in the Vietnam War. But the main turning point in 1989 when Tim Berners-Lee presented the solution of making information easier to access on the internet by using the "sites" or "pages".

Online payment transaction was started to operate in the mid half of the 90s. In 1994 Stanford Federal Credit Union was started – the first financial institution offered e- banking services to all of its customers. The important players on the online-payment were Millicent (founded in 1995), Cyber Coin or electronic cash (in 1996). The most of the first online transactions were using for micropayment and their common element was the attempt to adopt the electronic cash alternatives (such as, digital cash or tokens, e-money).

NEED FOR THE STUDY

Banking customers have been significantly affected in a positive manner by electronic banking. Customer’s account is accesses able with an online; it can save time & money for the individual customers. Now all transactions or tasks have been fully automated resulting in better efficiency, better time usage and enhanced control. E-banking has greater help to the banking industry to reduce paper work, thus helping them to move the paper less environment; less transaction cost & E-payment make corporate services economically feasible for the society

IMPORTANCE OF THE STUDY

E-payment is the electronic alternative to cash. E-payment is monetary value that is stored electronically, and which is used for making payment transactions. With the development in telecommunication, E-payment systems are rapidly replacing the traditional method of payment that involved personal contact between borrowers and lenders. E-payment systems entail online financial transactions that utilize some form of financial devices, such as e-cash, cheques & mobile banking etc.

Businesses depend on efficient and quick access to banks for cash flow reviews, auditing and daily financial transactions. Online banking offers ease of access, secured transactions and 24/7hour banking options from small start-up firm to more established entities

SCOPE OF THE STUDY

The study is limited only to private banking sector in Bangalore with reference to issues & challenges of e-payment system.

OBJECTIVES OF THE STUDY

1. To study the issues and challenges in e- payment services in private banks
2. To study the problems faced by customer during e payments

RESEARCH METHODOLOGY

This study has been carried out on time value of money: Issues & challenges with reference to e-payment services in private banking.

SOURCES OF DATA

For this study data collected mainly from the secondary sources. Through the personal interview primary data from ICICI, KMBL, HDFC, YESB, AXIS & KVBL be collected. Secondary data have been collected from various sources including newspapers, websites, articles etc.

METHOD OF DATA COLLECTION

SURVEY METHOD

RESEARCH DESIGN

The study is based mainly on primary data and supported by the secondary data. The primary data is collected from the customers with the help of questionnaire to evaluate the customers prospective. For this purpose, a structured questionnaire is prepared and used by the researcher regarding five parameters of the customers prospective. Information regarding the respondents is classified into two major groupings.

Section-1 belongs to challenges in e- payment services in private banks provided by the respondent’s bank.

Section-2 is about customers prospective of problems faced by customer during e payments different criteria.

The customer prospective section is addition to this five point scale have been used as an when it was required in the study.

SAMPLE SIZE

The study is exploratory in nature and it is based on the selected sample of the banks from both the public sector as well as private sector banks. The banks include the scheduled commercial banks.

The study is concerned with Indian Banking Industry, which comprises four major Bank groups: Private Sector Banks

LIMITATIONS OF THE STUDY

1. The study is limited to area of Bangalore region only.
2. Only customer prospective studied by the researcher.
3. Factors effect on the smooth any secure e-banking services which are not covered.
4. Limitation of primary data and sampling will remain with study.

ANALYSIS

Table 1. Mean averages - σ calculated S D & calculated Statistics of challenges in e- payment services towards creating customer satisfaction.

NULL HYPOTHESIS - - There is no significant (statistically) difference in preferences between set of respondents in Banking companies with respect to challenges in e- payment services towards creating customer satisfaction.

ALTERNATE HYPOTHESIS - - There is a significant (statistically) difference in preferences between set of respondents in Banking companies with respect to challenges in e- payment services towards creating customer satisfaction.

$$H_0 = \mu_{ICICI} = \mu_{KMBL} = \mu_{HDFC} = \mu_{YESB} = \mu_{AXIS} = \mu_{KVBL}$$

$H_1 \neq$ Atleast one of them differ (service providers differ significantly).

alpha = 0.05 variation Significance level.

TABLE 1.1: CHALLENGES IN E- PAYMENT SERVICES

No.	Descriptive Statistics			Test Statistics ^{a,b}	
	Factor	Mean	SD	Asymp. Sig.	Decision
epa1	challenges in e- payment services	4.213	0.847	0.4171	No Sig.Diff
Df=5	a. Kruskal Wallis Test		b. Grouping Variable: Sectorial Belonging		

Source: Primary data.

Table-1, calculated average (mean) of epa1 values 4.213 correspondingly, which specify that the classifications of target group differ significantly with respect to challenges in e- payment services towards creating customer satisfaction.

The matrix 1, indicated less than 0.05 shows, there is no factual confirmation to state there is a critical contrast in rank requests by the arrangement of respondents in banking companies with reference to variable challenges in e- payment services towards creating customer satisfaction.

Subsequently, there exists no compelling reason to verify whether they possess critical distinction among themselves in rank requests by the arrangement of respondents in banking companies with reference to variable challenges in e- payment services towards creating customer satisfaction.

At this point of statistical treatment, it becomes curious to understand amongst identified respondents set of arrangement in banking organizations, which of them have critical contrast among themselves in ranks/opinion with reference to challenges in e- payment services towards creating customer satisfaction.

From the Table number 1 with respect to challenges in e- payment services towards creating customer satisfaction “p” values which are under 0.05 shows factually huge contrasts in their reaction among respondents and others are not measurably critical contrasts as they would like to think between themselves.

The ‘p’-value with reference to ICICI and KMBL is 0.4450, is less than 0.05, it can be summarized that there is a significant difference in ranking orders/preference of respondents of ICICI and KMBL with respect to the statement in the factor “challenges in e- payment services towards creating customer satisfaction”.

Again, since the p-value with reference to ICICI and AXIS is 0.0665, which is more than 0.05, it can be summarized that there is no significant difference in ranking orders/preference of set of respondent’s factor “challenges in e- payment services towards creating customer satisfaction”.

Remaining other are statements under this variable “challenges in e- payment services towards creating customer satisfaction” administered with the same tool, it has been found having similar values; outcome can be drawn on similar lines and considered in findings with reference to the respective variable.

TABLE 1.2: TABLE SHOWS RESULTS AS PER MWU-TEST, CALCULATIONS: P-VALUES ARE BRIEFED IN THE BELOW GRID

Consolidated “p” values of challenges in e- payment services towards creating customer satisfaction Factors.

		PRIVATE BANKS					
		ICICI	KMBL	HDFC	YESB	AXIS	KVBL
PRIVATE BANKS	ICICI	...	...		
	KMBL	0.0448	...				
	HDFC	0.0775	0.0778	...	...
	YESB	0.0503	0.0918	0.0159	...		
	AXIS	0.0182	0.0093	0.0429	0.0339	...	...
	KVBL	0.0943	0.0768	0.0188	0.0141	0.0897	...

Source-- Primary data.

Table 2. Mean averages - σ calculated S D & calculated Statistics of challenges in problems faced by customer during e payments towards creating customer satisfaction.

NULL HYPOTHESIS - - There is no significant (statistically) difference in preferences between set of respondents in Banking companies with respect to problems faced by customer during e payments.

ALTERNATE HYPOTHESIS - - There is a significant (statistically) difference in preferences between set of respondents in Banking companies with respect to problems faced by customer during e payments.

$$H_0 = \mu_{ICICI} = \mu_{KMBL} = \mu_{HDFC} = \mu_{YESB} = \mu_{AXIS} = \mu_{KVBL}$$

$H_1 \neq$ Atleast one of them differ (service providers differ significantly).

alpha = 0.05 variation Significance level.

TABLE 2.1 PROBLEMS FACED BY CUSTOMER DURING E PAYMENTS

No.	Descriptive Statistics			Test Statistics ^{a,b}	
	Factor	Mean	SD	Asymp. Sig.	Decision
epa2	Problems faced by customer during e payments.	4.721	0.821	0.4571	No Sig.Diff
Df=5	a. Kruskal Wallis Test			b. Grouping Variable: Sectorial Belonging	

Source: Primary data.

Table-2, calculated average (mean) of epa2 values 4.721 correspondingly, which specify that the classifications of target group differ significantly with respect to Problems faced by customer during e payments towards creating customer satisfaction.

The matrix 1, indicated less than 0.05 shows, there is no factual confirmation to state there is a critical contrast in rank requests by the arrangement of respondents in banking companies with reference to variable Problems faced by customer during e payments towards creating customer satisfaction

Subsequently, there exists no compelling reason to verify whether they possess critical distinction among themselves in rank requests by the arrangement of respondents in banking companies with reference to variable Problems faced by customer during e payments towards creating customer satisfaction.

At this point of statistical treatment, it becomes curious to understand amongst identified respondents set of arrangement in banking organizations, which of them have critical contrast among themselves in ranks/opinion with reference to Problems faced by customer during e payments towards creating customer satisfaction.

From the Table number 2 with respect to Problems faced by customer during e payments towards creating customer satisfaction “p” values which are under 0.05 shows factually huge contrasts in their reaction among respondents and others are not measurably critical contrasts as they would like to think between themselves.

The ‘p’-value with reference to ICICI and KMBL is 0.4450, is less than 0.05, it can be summarized that there is a significant difference in ranking orders/preference of respondents of ICICI and KMBL with respect to the statement in the factor “Problems faced by customer during e payments towards creating customer satisfaction”.

Again, since the p-value with reference to ICICI and AXIS is 0.0665, which is more than 0.05, it can be summarized that there is no significant difference in ranking orders/preference of set of respondent’s factor “Problems faced by customer during e payments towards creating customer satisfaction”.

Remaining other are statements under this variable “Problems faced by customer during e payments towards creating customer satisfaction” administered with the same tool, it has been found having similar values; outcome can be drawn on similar lines and considered in findings with reference to the respective variable. Table shows results as per MWU-test, calculations: P-values are briefed in the below grid.

Consolidated “p” values of Problems faced by customer during e payments towards creating customer satisfaction Factors.

TABLE 2.2

		PRIVATE BANKS					
		ICICI	KMBL	HDFC	YESB	AXIS	KVBL
Private banks	ICICI	...	...		
	KMBL	0.0060	...				
	HDFC	0.0477	0.0428	...	...
	YESB	0.0484	0.0721	0.0239	...		
	AXIS	0.0992	0.0113	0.0119	0.0239	...	...
	KVBL	0.0537	0.0288	0.0988	0.0981	0.0117	...

Source-- Primary data.

SUMMARY OF FINDINGS

Researcher has studied customers' acceptance of electronic banking services in India. The researcher identified ten factors such as convenience of usage, accessibility, availability of features, bank management and image, security, privacy, design, content, speed and fees and charges.

The result showed that out of ten factors accessibility, convenience of usage, design and content are the major sources of satisfaction privacy and security are the main sources of dissatisfaction.

Whereas, the availability of features, speed, service charges and bank management are dangerous to the success of the E- payment services. Hence, the researcher is to identify that satisfaction level of security point in E-payment services.

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THE EFFECT OF REAL EXCHANGE RATE ON INDIA'S TRADE BALANCE

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ABSTRACT

The main aim of present paper is to examine the relationship between India's trade balance and real exchange rate over the period 1974 -2013. The determining factors of trade balance are domestic income, foreign income and real exchange rate. The time series property shows that all variables are non-stationary in level. If the traditional method of estimation like OLS is used, it would provide the spurious relationship among the variables. The present study, therefore, has employed the bound test of cointegration as advocated by Pesaran et al. The result suggests that there exists a long-run equilibrium between trade balance and it's determinants. Further, the effect of devaluation on trade balance is positive and statistically significant. From, ARDL model, the paper reports the elasticities of trade balance both in long and short run. Finally, the study does not reveal any evidence of J-curve phenomenon in case of India.

KEYWORDS

ARDL, bound test, devaluation, real exchange rate, elasticity.

JEL CODES

C22, F31, F32.

INTRODUCTION

The policy of devaluation has often accepted as a mean of improving trade balance for a country. But, this policy may not fruitful in an economy. As per Marshall-Lerner condition, the devaluation will improve the balance of trade if the sum of absolute value of price elasticities of export and import demand exceeds unity. The devaluation will improve trade balance from two sides. Firstly, this policy makes exports cheaper in terms of foreign currency. As a result, it is expected that this policy will raise a country's export demand from the rest of the world. Secondly, this policy makes imports expensive implying a reduction in the demand for a country's imports. Because of these two sides, the trade balance will improve in the long-run.

In Section II, a brief review has been made on existing literature while in Section III, theoretical framework of the model is prescribed. The research methodology and database are analysed in Section IV. The results and finding from this paper have been analysed in Section V. The final section makes some summary and conclusions.

REVIEW OF LITERATURE

Miles (1979) used the pooled data to study the impact of devaluation on trade balance for fourteen countries. Using annual data from 1956-1972, he found that the devaluation did not improve the trade balance. He did not found any evidence of J curve. Using direct method, Bahmani-Oskooee (1985) studied the effect of devaluation on trade balance for developing countries. In the case of India, the effect of devaluation was negative on trade balance both in the short run as well as in the long run. Using the indirect method, Bahmani-Oskooee (1986) studied the effect of devaluation on trade balance for developing countries including India. He found the effect of devaluation was positive on India's trade balance in the long run. In contrast, Himarios (1989) showed that the policy of devaluation had positive and significant effect on India's trade balance. Bahmani-Oskooee (1991) applied the cointegration techniques to find the long run relationship between trade balance and exchange rate. In his study, no cointegration was found for India. Another study on this area was made by Bahmani-Oskooee and Malixy (1992) for 13 developing countries including India. Their result shows that the effect of devaluation was negative on India's trade balance. However, the above mentioned studies had employed non-stationary data. Therefore, their results are likely to suffer from spurious relationship. Bahmani-Oskooee and Alse (1994) studied the relationship between trade balance and real effective exchange rate for nineteen developed and twenty-two less developed countries including India. Using the quarterly data from 1971 to 1991, no cointegration was found for India. Further, they found the occurrence of the J curve phenomenon only for four countries (Costa Rica, Ireland, the Netherlands and Turkey).

Buluswar et al. (1996) study did not found any cointegration between India's trade balance and exchange rate. Jhang (1996) used the monthly data 1991-1996 to study the effect of devaluation on trade balance for China. He did not found the evidence of J curve for this country. Gupta-Kapoor and Ramkrishnan (1999) used the VAR model for Japan. The trade balance was defined as the ratio of imports to exports. The explanatory variables in their study are domestic and foreign income, and exchange rate. Using quarterly data from 1975-1996, they found the evidence of J curve for Japan. The effect of devaluation on trade balance in Middle-east countries was studied by Bahmani-Oskooee (2001). Using the Engle-Granger (1987) and Johansen-Juselius cointegration methods, he found the positive impact of devaluation on trade balance.

In recent past, Hsing (2008) has made an important study for seven Latin American countries. He has specified the trade balance as a function of home country's income, foreign income and real exchange rate. He found the cointegration relationship for all countries under the study. The trade balance was positively related with real exchange rate for Argentina, Brazil, Ecuador, Peru and Uruguay, but negatively related in the case of Chile. In case of Columbia, it is not significantly related with exchange rate. So far as home country income is concerned, it affected positively the trade balance for Brazil and Ecuador, but negatively for Chile, Columbia, Peru and Uruguay. The foreign income had positive effect on trade balance for Argentina, Chile, Columbia, Peru and Uruguay, but negative effect for Brazil and Ecuador. Following devaluation, the trade balance had followed the J-curve pattern for only three countries, namely Chile, Ecuador and Uruguay. The inverse J-curve pattern was observed for Argentina and Columbia. For these two countries, the trade balance increased initially, but later it declined.

NEED OF THE STUDY

There exist some studies on this research area in case of India. However, most of the existing studies did not employ co-integration technique which is needed for non-stationary data. As the time series data likely to suffers from the problem of non-stationarity, the application of ordinary least square (OLS) method will give the spurious relationship between real exchange rate and trade balance. The conventional methods of cointegration like Engle-Granger (1987), Johansen-Juselius multivariate (1990) are not suitable for small sample period. In such case, they suffer from small sample bias (Mah, 2000). However, Pesaran has advised the ARDL-based bound test to overcome this problem (Pesaran et al., 2001). This method can be applied if either the variables follows the different orders of integration or the same order of integration. The present study employs the ARDL-based bound test to cointegration (Pesaran and Shin, 1999). Further, most of them used the quarterly data to find the long-run relationship between trade balance and exchange rate. In this background, the paper uses the annual data using longer time span (1974-2013).

STATEMENT OF THE PROBLEM

There exist two types of studies measuring the impact of devaluation on trade balance. First is the indirect method in terms of Marshall-Lerner condition. In such studies, both the price elasticities of import and export demand are estimated (Houthakker and Magee, 1969; Khan, 1974; Goldstein and Khan, 1978; Wilson and

Takacs, 1979; Warner and Kreinin, 1983). The second method is the direct linking of trade balance with exchange rate (Himarios, 1989; Miles, 1979; Bahmani-Oskooe, 1985). While considering the exchange rate policy, the policy makers must know the responsiveness of trade balance to changes in terms of trade or the real exchange rate. From depreciation, trade balance may worsen in the short-run due to inelastic nature of exports and imports. However, the trade balance is likely to increase in the long-run. In other words, it is likely to follow the J-curve pattern.

OBJECTIVES OF THE STUDY

The main objective of this paper is to determine whether there exists a long-run equilibrium relationship between India’s trade balance and its determinants. The existence of a co-integration is tested using the recently developed bound test approach. Secondly, an attempt has made to estimate an error correction model to integrate the short-run dynamics with the long-run through the inclusion of lagged level of error term. Thirdly, the structural stability of the model has also been tested for the entire sample period.

RESEARCH METHODOLOGY

In the present study, the trade balance is defined as a ratio of exports to imports. The real exchange rate is defined as the ratio of foreign price to domestic price multiplied by the nominal exchange rate. Following Allen and Rose (1989), the trade balance (TB) is specified as a function of domestic income (QGDP), foreign income (QYW) and real exchange rate (RER). In order to measure the elasticities, all variables are measured in logarithm terms. The model is specified below:

$$LTB_t = \alpha_1 + \alpha_2 LQGDP_t + \alpha_3 LQYW_t + \alpha_4 LRER_t + U_t \dots (1)$$

Where, RER= (CPIW/CPID) * ER; CPIW: Consumer Price Index in the world; CPID: Consumer Price Index in India; ER: India’s nominal exchange rate, defined as the number of domestic currency per unit of US dollar. and

α_2 : elasticity of trade balance with respect to domestic income.

α_3 : elasticity of trade balance with respect to foreign income.

α_4 : elasticity of trade balance with respect to real exchange rate.

If $\alpha_2 > 0$, then higher domestic income implies higher production of import substitutes.

If $\alpha_2 < 0$, then higher domestic income implies higher import demand.

If $\alpha_3 > 0$, then higher world income would bring higher demand for exports.

If $\alpha_3 < 0$, then higher world income would bring higher production of import substitutes in the rest of the world.

If $\alpha_4 > 0$, then devaluation would improve the trade balance.

If $\alpha_4 < 0$, then devaluation would reduce the trade balance.

The general specification of ARDL model may be prescribed in the following manner:

$$\Delta LTB_t = \alpha_0 + \beta_1 LTB_{t-1} + \beta_2 LQGDP_{t-1} + \beta_3 LQYW_{t-1} + \beta_4 LRER_{t-1} + \sum \gamma_1 \Delta LTB_{t-i} + \sum \gamma_2 \Delta LQGDP_{t-i} + \sum \gamma_3 \Delta LQYW_{t-i} + \sum \gamma_4 \Delta LRER_{t-i} + ut \dots (2)$$

Where, the symbol Δ represents the variables in difference form. In the above equation, the coefficients ‘ γ ’ represent the short-term dynamism while the coefficients ‘ β ’ represent the long-term mechanism.

In the bound testing approach to cointegration, at first, the null hypothesis of zero restriction is imposed on all lagged variables in equation 2 using F-statistics. Under the null hypothesis, there does not exist any long-run equilibrium relation among the variables in the model as mentioned in equation 2. The F-statistics has the asymptotic distribution which is non-standard. Pesaran et al (2001) have tabulated the critical values of F-statistics for lower as well as upper bounds. As per the bound test approach, if the calculated value of F-statistics is greater than the upper value of F-statistics, then the null hypothesis of no-cointegration is rejected. In other words, the variables in the model are cointegrated.

In the second stage, the long-run equation is derived from the restricted version of ARDL model (equation 2) of the following manner:

$$LTB_t = \alpha_1 + \sum \beta_1 LTB_{t-i} + \sum \beta_2 LQGDP_{t-1} + \sum \beta_3 LQYW_{t-1} + \sum \beta_4 LRER_{t-1} + \epsilon_t \dots (3)$$

where, all variables are as previously defined.

Finally, the error correction model is specified using the regression of variables in the difference form with the lagged error term. The coefficient of one period lagged term (δ) reveals the speed of adjustment towards the long-run equilibrium when a shock affects the existing equilibrium situation.

$$\Delta LTB_t = \alpha_2 + \sum \gamma_1 \Delta LTB_{t-i} + \sum \gamma_2 \Delta LQGDP_{t-i} + \sum \gamma_3 \Delta LQYW_{t-i} + \sum \gamma_4 \Delta LRER_{t-i} + \delta Ecm_{t-1} + \epsilon_t \dots (4)$$

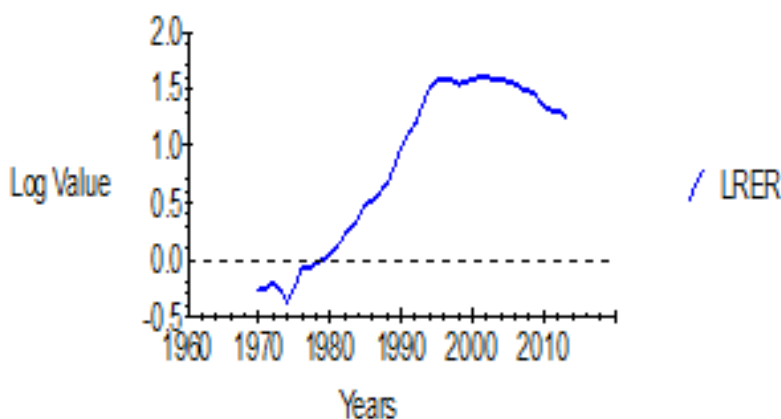
Where, Δ : 1st difference operator.

DATA ANALYSIS

For the present study, annual time series data are used from 1970 to 2013. All the data series have been collected from IMF’s International Statistics. Gross domestic product is used as a proxy both for India’s income (QGDP) and world income (QYW). India’s exports and imports are available in current US dollars. The trade balance (TB) is constructed as a ratio of exports to imports. The real exchange (REER) is calculated as a ratio of world CPI to domestic CPI multiplied by India’s nominal exchange rate.

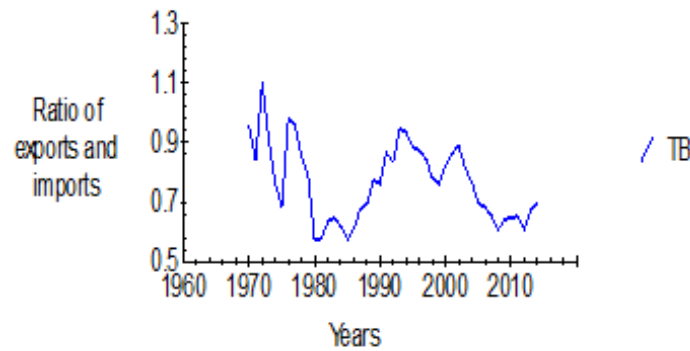
The overall sample period ranges from 1970 to 2013. In graph 1, the movement of real exchange rate is presented over the sample period. It shows that a significant depreciation in real exchange rate was occurred in 1970s and 1980s before the liberalisation programmes started. From 1990s, there was a real appreciation of India’s rupee.

Figure 1. India’s Real Exchange Rate: 1970-2013



In graph 2, the trend of trade balance (TB) in India is presented, where it is defined as the ratio of exports to imports. It is clear from the graph that India’s trade balance reached the minimum level during 1980-1985. There was no specific trend in its movement over time. Rather, it fluctuated over the years.

Figure 2. India's Trade Balance Movement



UNIT-ROOT TEST

The results of the unit root test in term of augmented Dicky-Fuller statistics (ADF) are presented table 1. The table shows that all the variables are non-stationary in level form both with and without trend. In other words, all variables have unit root of one. When I calculate the ADF statistics for the same variables in first difference, they are found to be stationary both with trend and without trend.

TABLE 1: ADF-STATISTICS UNIT ROOT TEST

Variables	Level/First Difference	Without Trend	I (r)	With Trend	I (r)
LTB _t	Level	-2.620	I (1)	2.580	I (1)
	First Difference	-5.072*	I (0)	-5.011*	I (0)
LQGDY _t	Level	2.592	I (1)	-0.626	I (1)
	First Difference	-4.553*	I (0)	-5.784*	I (0)
LQYW _t	Level	-0.485	I (1)	-3.000	I (1)
	First Difference	-4.971*	I (0)	-5.131*	I (0)
LREER _t	Level	-2.200	I (1)	0.118	I (1)
	First Difference	-2.975*	I (0)	-3.935*	I (0)

Note: (1). 95% Critical value for ADF statistics without trend = -2.935; (2). 95% Critical value for ADF statistics with trend = -3.524; and (3). I(r): r is the order of integration. (2) * indicates the variable is statistically significant at 5 % level.

RESULTS AND FINDINGS

In the bound testing approach to cointegration, at first, the null hypothesis of zero restriction on all lagged variables in the model is tested using F-statistics. The results from the bound test shows that the India's trade balance and the real exchange are well co-integrated (Table 2). As the tabulated value of F-statistics (11.848) is greater than the critical value of upper bound at 10 per cent (-3.46), 5 per cent (-3.78) and 1 per cent (-4.37) significant levels, the alternative hypothesis of cointegration is accepted for the present study. In other words, there exists a long-run relationship between India's trade balance and it's determinants.

TABLE 2: BOUND COINTEGRATION TEST*

Critical values (intercept+ no trend)	Lower Bound: I(0)	Upper Bound: I(1)
90 per cent level	-2.57	-3.46
95 per cent level	-2.86	-3.78
99 per cent level	-3.43	-4.37
Joint test of zero restrictions on the coefficients of all variables		
Calculated F-Statistics (Dependent variable: Trade balance):		
F (4/21) = 11.848*		

*Note: Critical values of F-statistics are extracted from Pesaran, Shin and Smith (2001), table C2.iii; Case III with unrestricted intercept and no trend, page T.4. As the trade balance is cointegrated with its determinants, we proceed to estimate the long-run elasticities. The results have been derived from the ARDL model using the Micro-fit software (Pesaran and Pesaran, 2002). The results of the ARDL model depend on the order of the distributed lag function. Schwarz Bayesian Criterion has been selected for this purpose.

TABLE 3: LONG-RUN ELASTICITIES OF TRADE BALANCE

Dependent variable: LTB _t ; Period: 1974-2013		
Regressors	Elasticity	't'-Statistics'
LQGDY _t	1.19	2.198*
LQYW _t	-3.36	-2.61*
LRER _t	0.64	3.88*
Intercept	9.34	2.70*

Note: (1) ARDL Model (1,2,0,2) is based on Schwarz Bayesian Criterion, (2) all the variables are expressed in logarithm terms; and measured in real quantity except the relative price and (2) *: significant at 5 % significant level.

Table 3 shows the long-run elasticities of trade balance with respect to different regressors. All the variables are statistically significant at 5 percent significance level. The results reveal that 1 percent increase in domestic income would increase India's trade balance by 1.9 percent. The positive relationship may be attributed towards the significant growth in domestic production of import-substitutes. The elasticity of trade balance with respect to world income is negative and statistically significant. This reveals that higher growth in income in the rest of the world would not improve India's trade balance. Finally, the table 3 shows that the effect of devaluation on trade balance is positive and statistically significant at 5 per cent level. One per cent increase in real exchange rate would raise the trade balance by 0.64 per cent.

TABLE 4: SHORT-RUN ELASTICITIES OF TRADE BALANCE

Dependent variable: ΔLTB_t		
Regressors	Elasticity	't'-Statistics'
$\Delta LQGDY_t$	1.023	1.89*
$\Delta LQWY_t$	-1.57	-2.53*
$\Delta LREER_t$	0.30	3.50*
Intercept	4.38	2.59*
ECM (-1)	-0.46	-4.70*

R-Squared.43203 R-Bar-Squared.35090
 S.E. of Regression.087994 F-stat. F(4, 36) 6.6559[.000]
 Akaike Info. Criterion 38.7169 Schwarz Bayesian Criterion 33.5762
 DW-statistic 1.3312

@ *: significant at 5 % significant level.

The short-run elasticities have been estimated from the error correction model (Table 4). The elasticities of trade balance with respect to its determinants are smaller in short-run than that in the long-run. The elasticity with respect to real exchange rate also bears positive sign, and statistically significant in the short-run. One percent increase in real exchange rate would raise India's trade balance by 0.30 percent. The co-efficient of error correction term lagged by one year measures the speed of adjustment at which trade balance adjusts to changes in the explanatory towards equilibrium level. The estimated coefficient of this term is negative, and statistically significance at one percent level confirming the model to be stable at equilibrium. The value (-0.46) of this term reveals that the model would converge towards equilibrium by 0.46 percent within a year.

VALIDATION OF THE MODEL

The plot of actual and fitted values confirms that the model captures the historical database very well (Figures 3). Further, the diagrams for stability test both in terms of cumulative sum of recursive residuals (CUSUM) and cumulative sum of square of recursive residuals (CUSUMQ) confirm that the parameters of the model are quite stable over the sample period ((Figures 4 & 5).

Figure 3. Plot of Actual and Fitted Values

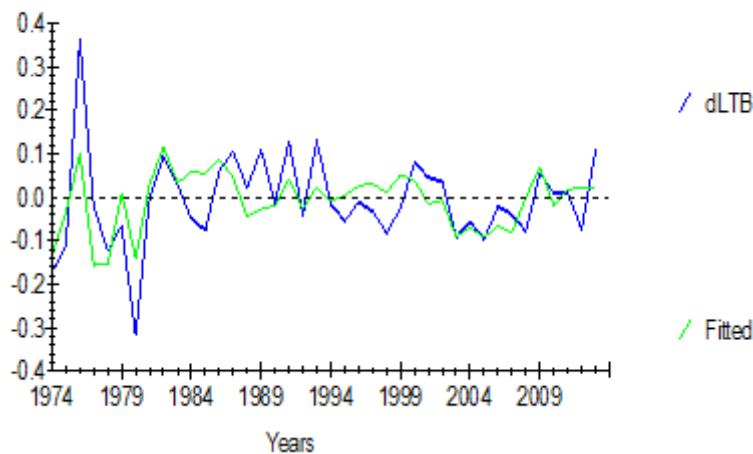


Figure 4. Plot of Cumulative Sum of Recursive Residuals

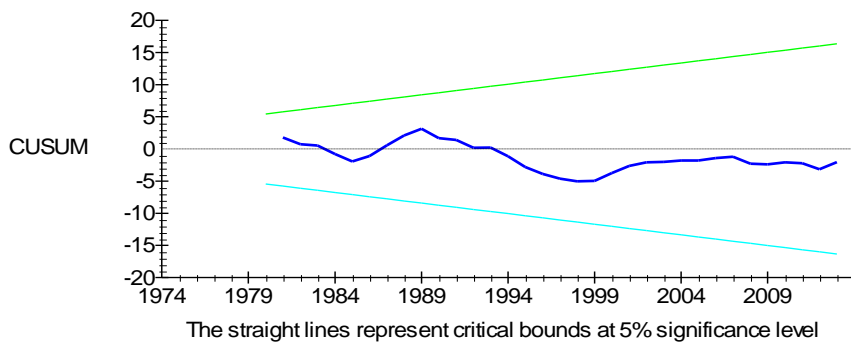
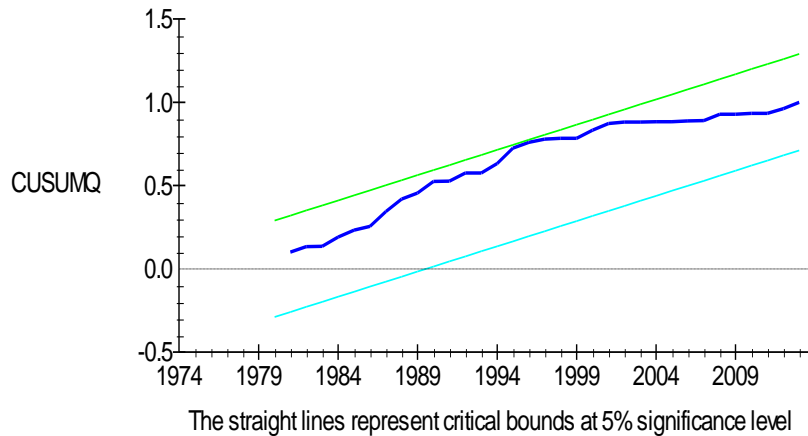


Figure 5. Plot of Cumulative Sum of Squares of Recursive Residuals



J-CURVE PHENOMENON

In order to study the behaviour of the trade balance over time following the depreciation, the ARDL model from equation 2 is estimated using lag order three. It is clear from the table 5 that the trade balance initially improves in the current year and the next year. However, the trade balance worsens in the third year. In other words, following depreciation, the India’s trade balance did not follow the J-curve pattern, rather it followed the inverse J-curve pattern.

TABLE 5: ESTIMATED COEFFICIENT OF REAL EXCHANGE RATE FROM ARDL MODEL

Explanatory variable	Dependent variable: Trade balance ARDL (1,2,0,2) selected based on Schwarz Bayesian Criterion	
	Co-efficient estimates	t-ratio
LRER	0.23	1.08
LRER(-1)	0.56	1.34
LRER(-2)	-0.63	-2.612

SUMMARY AND CONCLUSIONS

The policy of depreciation often used as an instrument by the monetary authority to reduce the trade deficit, particularly in developing countries. However, the success of such policy depends on the level of development and the structure of an economy. The study shows a strong association between India’s trade balance and the real exchange rate. Therefore, the policy of depreciation would helpful for reducing India’s trade deficit. Further, an economic growth in the country would raise the production of import-substitute goods in the country. As a result, the country’s acute trade deficit is expected to decline with higher economic growth. Finally, the study reveals the absence of J-curve phenomenon for India. The result from the present study differs from the results of the previous research because of the differences in methodology, estimation period and the nature of database.

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TEAM-LEVEL ANALYSIS OF STUDENT TEAMS ON CRUCIAL CHARACTERISTIC FACTORS FOR CREATIVITY**YEH, YU-MEI****ASST. PROFESSOR****DEPARTMENT OF MARKETING & DISTRIBUTION MANAGEMENT****HSING WU UNIVERSITY****TAIWAN****LI, FENG-CHIA****ASST. PROFESSOR****DEPARTMENT OF DISTRIBUTION MANAGEMENT****NATIONAL CHIN-YI UNIVERSITY OF TECHNOLOGY****TAIWAN****LIN, HUNG-YUAN****ASSOCIATE PROFESSOR****DEPARTMENT OF INFORMATION MANAGEMENT****SHIH HSIN UNIVERSITY****TAIWAN****ABSTRACT**

To produce the creative process usually transpires in the team stages. Modern firms closely rely on creativity and innovation as crucial strategies for ensuring high performance and survival. This research aims at the point of interaction between contextual and individual factors in the team level via the interactionist perspective and social cognitive theory. This research explored how team contextual factors (team-task-required creativity and team time management) interact with individual cognition (individualistic self-construal) and contribute to facilitate team creativity. Not only examined 85 creative marketing task teams comprising a total of 338 junior students, but led by teachers at universities of science and technology in Taiwan. The structural equation modeling (SEM) analyses were also used to show that team-task-required creativity, team time management, and individualistic self-construal benefit team creativity. In addition, team time management and individualistic self-construal mediate the relationship between team-task-required creativity and team creativity.

KEYWORDS

team-task-required creativity, team time management, individualistic self-construal, team creativity

INTRODUCTION

Creativity is regarded as a means for obtaining and maintaining competitive advantages (Amabile, Conti, Coon, Lazenby & Herron, 1996; Wang, Tsai, & Tsai, 2014). Previous studies have found that perceptions of the work environment influence individual creative performance (Amabile et al., 1996; Choi, 2012; Shalley, Gilson & Blum, 2000; Sung & Choi, 2009). Creativity as a job requirement is an obvious antecedent and predictor of individual creative job performance (Hon, 2013; Shin, 2014). To enrich creativity theory and determine the mediating mechanism between job creativity requirements and performance (Hon, 2013; Shin, 2014). Recent studies have suggested that, in the context of the work environment, task characteristics, the work setting, and team members' relationships are suitable examples of contextual factors (Choi, 2012; Chae, Seo, & Lee, 2013; Shin, 2014; Tierney & Farmer, 2011). Thus, this study examined the mediating processes that transform the interactive relationships among team-task-required creativity, team time management, and individualistic self-construal into team creativity.

LITERATURE REVIEW

Recently, job-required creativity as a component of job design has begun to be empirically examined (Shalley et al., 2000; Gilson & Shalley, 2004). Job creativity requirements have theoretical consequence and can potentially enhance individual creativity, as well as the relevant literature does not describe whether the creativity requirement relates to individual performance (Amabile et al., 1996; Hon, 2013; Mathisen, 2011; Shin, 2014). Thus, this study proposed Hypothesis 1: Team-task-required creativity is positively related to team creativity.

Accomplishing creative activities requires a substantial amount of time and effort (Hon & Kim, 2007; Hon, 2013; Shin, 2014; Zhou & George, 2003). People are more creative when they have high levels of autonomy over how their daily work is conducted, such as a sense of control over how their time is allocated and how tasks are to be performed (Amabile et al., 1996; Mathisen, 2011). Thus, this study proposed Hypothesis 2: Team time management is positively related to team creativity.

The originality of groups can highly benefit from group members with individualistic self-construal (Bechtoldt, Choi & Nijstad, 2012). People with individualistic self-construal are likely to think divergently and differentiate themselves from others, thereby reducing conformity and increasing idea originality (Edmondson & Mogelof, 2006; Bechtoldt et al., 2012). Goncalo and Staw (2006) showed that individualism may foster creativity. And individualistic groups generate more original ideas than collectivistic groups do (Bechtoldt et al., 2012; Goncalo & Staw, 2006). Thus, this study proposed Hypothesis 3: The more members with individualistic self-construal a team has, the greater team creativity will be.

Creative tasks require individuals willing to invest considerable time in gathering or exchanging knowledge and to develop or enhance the exchange of novel ideas to address unexpected events (Chae et al., 2013). When tasks are challenging and require ingenuity, individuals focus their attention and effort on their task, making them more persistent and more likely to consider different alternatives, possibly resulting in creative outcomes and enabling them to overcome challenges (Mathisen, 2011). Thus, this study proposed Hypothesis 4: Team time management mediates the positive relationship between team-task-required creativity and team creativity.

Individuals in complex and creative tasks could have a tendency toward individualistic self-construal to arouse more recognition of their creative role identity, more confidence in their creative self-efficacy, and a clearer focus on creative ideas (Wang et al., 2014). Specifically, individuals with more creative task complexity and autonomy can enhance the positive relationship between creative role identity and creativity (Shin, 2014; Wang et al., 2014). Thus, this study proposed Hypothesis 5: Individualistic self-construal mediates the positive relationship between team-task-required creativity and team creativity.

METHOD

In participants, 338 third-year students (age mean=21 years old; male=115 and female=123) were participated with 85 teams. The average size of the 85 teams was 5.8 members (SD= 2.4), and the team size ranged from three to five members. The average response rate in the participating teams was 72.0% (SD=11.7). These teams varied in functional areas: business administration (78.1%); information management (83.5%); and communication, tourism, and hospitality (72.2%). In procedure of participant recruitment, we randomly selected 10 universities focus on cultivating the professional functions required of talented personnel in service industries (such as retail and wholesale, franchising, information services, and tourism and leisure). And then selected faculties (business administration, information management and communication, and tourism and hospitality) within these universities, from which five teachers who guided student projects were also randomly selected. A total of 346 questionnaires with third-year students from 85 creative marketing task teams were recovered, and eight were invalid. The 338 valid questionnaires were collected, and the valid recovery rate was 34%. Then in procedure of survey collection, firstly, we collected the independent variable at one point in time and both the mediators and the dependent variable at another point in time, with a lag of 10 weeks between Time 1 and Time 2. This approach reduces the potential bias associated with collecting data at one point in time. Secondly, because the mediators (team members with individualistic self-construal and team time management) and the dependent variable (team creativity) were collected at the same point in time, we used a CFA to compare two models: 1) a one-factor model with all observed items of both the mediator variable and the dependent variable loaded onto one latent variable, the results following fit indices: a chi-square of 1129.2 with 134 degrees of freedom, CFI=.73, IFI=.73, TLI=.69, and RMSEA=.15. And 2) a two-factor solution where all observed items of the mediator variable were specified to one latent variable and all observed items of the dependent variable were specified to another latent variable, the results showed a much better fit indices: a chi-square of 195.45 with 87 degrees of freedom, CFI=.95, IFI=.95, TLI=.94, and RMSEA=.06. Because of the cross-sectional nature of the data, several procedures were used to reduce common method variance (Ostroff, Kinicki, & Clark, 2002).

In measures, we designed two questionnaires, team creativity is completed from the teachers and the collaborative industry supervisors (the external experts). And team-task-required creativity, team members with individualistic self-construal, and team time management are answered from the students. To avoid ambiguity and uncertainty in the respondents' answers, we used a 6-point Likert-type scale for all of our measurements, with 1 representing *strongly disagree* (or extremely low) and 6 representing *strongly agree* (or extremely high). And we used HLM to test intergroup variability to compared median r_{wg} scores and intraclass correlation coefficients (ICC[1] and ICC[2]). 1) *Team-Task-Required Creativity (TTRC)* adapted three items from Mathisen (2011) scale for tasks requiring creativity. TTRC were scored as a function of "The tasks in my team are such that they require us to be creative." High scores indicated a high level of TTRC. We summed and averaged the three items for each team; Cronbach's α was .79, $r_{wg(i)} = .87$, ICC(1)=.152, ICC(2)=.61, $F=144.3$, and $p < .001$. 2) *Team Individualistic Self-Construal Value Orientation (TISVO)* : Team members with individualistic self-construal are strongly aware of their distinctive features and perceive themselves as different from their team members. Therefore, the study adopted four items developed by Bechtoldt et al. (2012) for determining the extent to which participants perceived themselves as unique compared with their team members. The participants rated their responses to the four items on a scale ranging from 1 (*not at all*) to 6 (*very much*), and an example item is listed as follows: "Compared to your team members, to what extent are your attitudes special?" We averaged the four items; Cronbach's α was .88, $r_{wg(i)} = .85$, ICC(1)=.116, ICC(2)=.536, $F= 125.52$, and $p < .005$. 3) *Team Time Management (TTM)* developed 10 items through a focus group. We invited five management experts to discuss, develop, and revise 10 items. After exploratory factor analysis, we deleted three items. We summed the averages of the scores for the seven assessment items for each team, as provided by the team members, to measure TTM. An example item is provided as follows: "My team members can arrange for their own time outside of school to learn other professional competences." High scores indicated a high level of TTM. We summed and averaged the seven items for each team; Cronbach's $\alpha = .78$, $r_{wg(i)} = .91$, ICC(1)=.19, ICC(2)=.673, $F=163.2$, and $p < .001$. 4) *Team Creativity (TC)* adopted four items developed by Zhou and George (2001). We summed the averages of the scores for the four assessment items for each team. High scores indicated a high level of TC. An example item is listed as follows: "This team used novel and feasible ideas to solve team problems." The Cronbach's $\alpha = .87$, $r_{wg(i)} = 0.81$, ICC(1)=.115, ICC(2)=.63, $F=125.53$, and $p < .005$. In addition, we adapted back-translation from English to Chinese and back to English procedure for all of the scales. With three assistance of qualified researchers in the field subsequently reviewed the translations and revisions to ensure the suitability of the items for our subjects and the content validity of the scales. To assess the discriminant validity, we conducted a CFA for the items of TTRC, TISVO, and TTM. As presented in Table 1, the hypothesized three-factor model (Model 0) demonstrated a significantly better fit than any of the alternative models (Model 1 and 2) did.

TABLE 1: RESULTS OF CONFIRMATORY FACTOR ANALYSIS AND CHI-SQUARE DIFFERENCE TESTS

Measurement models	χ^2	df	CFI	AIC	AGFI	TLI	RMSEA	$\Delta\chi^2$	p value of $\Delta\chi^2$
Model 0: Hypothesized three-factor model	461.6	164	.93	553.58	.85	.92	.07	----	----
Model 1: Two-factor model(Combining TTRC and TISVO into a single factor)	656.4	167	.88	742.39	.78	.87	.09	194.8	<.001
Model 2: Two-factor model(Combining TTM and ISVO into a single factor)	683.1	167	.87	769.07	.76	.86	.09	221.5	<.001

In data analysis, as shown in Figure 1, the direct effect of team-task-required creativity was tested through SEM analysis with Amos 18, and the results indicated that it has a significant, positive relationship with TC ($\beta = .11$, $p < .001$); thus, Hypothesis 1 was supported. TTRC had a direct effect on TTM ($\beta = .74$, $p < .001$), and TTRC had a highly positive effect on TISVO ($\beta = .84$, $p < .001$), lending support to Hypotheses 2 and 3. In mediating effects analysis of Hypotheses 4 and 5, the effect of TTRC on team creativity through the indirect effect of TTM ($\beta = .74 * .28 = .21$, $p < .001$) was superior to that of the direct effect of TTRC on TC ($\beta = .11$, $p < .001$). In other, the effect of TTRC on TC through the significant mediating effect of TISVO ($\beta = .84 * .62 = .52$, $p < .001$) was superior to the direct effect of TTRC on TC ($\beta = .11$, $p < .001$). TTRC exerted a significant indirect effect on TC through TTM [point estimate = 0.234, $p < .1$, confidence interval (CI) = (-0.011, 0.550)]. TTRC exerted a significant indirect effect on TC through TISVO [point estimate = 0.598, $p < .05$, CI = (-0.084, 0.282)]. These findings, coupled with the results of the SEM analyses, provide support for Hypotheses 4 and 5.

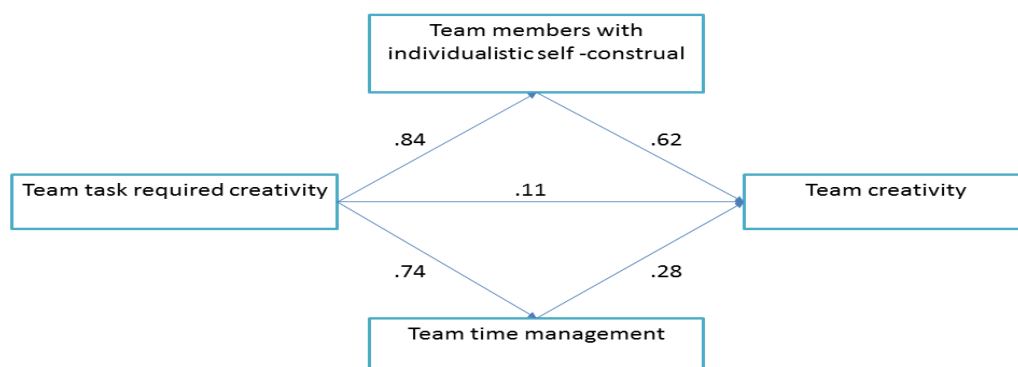


Fig. 1. The hypothesized four-factor model

CONCLUSION

This study concludes that team-task-required creativity, team time management, and individualistic self-construal benefit team creativity. In addition, team time management and individualistic self-construal mediate the relationship between team-task-required creativity and team creativity. The purpose of this study was to profoundly understand how team contextual factors interact with individual cognition and contribute and facilitate team creativity. First, the testing results of this study provide empirical support for previous theories regarding work environment characteristics facilitating creativity (Shalley, et al., 2000). In addition, this study focused on the team context, supplementing the research gap discussed in the introduction and extending the research on team-level contexts. This study facilitates testing the potential link between individualistic self-construal and creativity, to which insufficient attention has been directed in the context of creativity (Tierney & Farmer, 2011), and realizing the factors causing creativity requirements to relate to individual performance. This study provides evidence that combining individualistic self-construal and team characteristics as well as team-task-required creativity and team time management is highly beneficial to group creativity (Bechtoldt et al., 2012). The combinations more adequately explain task design features, attitudes towards team activities, and team characteristics and interactions associated with teams more likely to be engaged in creative processes. Finally, this study supports recent studies that developing a sense of individualistic self-construal is plausible in the workplace and that the means for accomplishing this are present within the individual, their team tasks, and the social context in which they operate (Tierney & Farmer, 2011). The study contributes to an understanding of the joint or combinational influences of cross-level factors, team contextual factors, and individual factors on creativity (Choi, 2012; Chae et al., 2013; Shin, 2014; Tierney & Farmer, 2011).

By understanding the antecedents of the creative process, researchers and managers should be more capable of ensuring that creativity is fostered rather than stifled by assisting teams in being creative. The impact of creative performance on changes in individualistic self-construal should be considered and explored in a future study. As discussed in the literature review section, numerous studies have discussed the contextual factors that interact with creative role identity and creative self-efficacy; however, few studies have focused on how self-construal interacts with creative role identity and creative self-efficacy. Although probable relationships among individualistic self-construal, creative role identity, creative self-efficacy, and creativity were proposed, the causal paths among these variables were not tested in this study. The causal paths should be examined in a future study. Finally, although the model in this study was designed to combine the influences of cross-level factors (i.e., team contextual factors and individual factors of creativity), but not explore personal values, ability and interactive experience to enhance team creativity. Longitudinal study and case study should be performed in future study.

ACKNOWLEDGMENT

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A COMPARATIVE STUDY OF PROFITABILITY OF PUBLIC AND PRIVATE SECTOR BANKS

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ABSTRACT

Banks play important role in economy of any country. So we can say that banks are basic premise of Indian economy. There has been a lot of change in banking structure for the past few years. Due to these changes, there has been a difference in the profitability of banks. With the increasing competition in the banking sector, profitability and productivity has become a greatest challenge to Indian commercial banks. The objective is to study of profitability of public and private sector banks with reference of selected public sector banks (State Bank of India & Punjab National Bank) and private sector banks (ICICI & AXIS bank). Therefore, in this study we will compare public and private banks.

KEYWORDS

private sector banks, profitability, public sector banks.

INTRODUCTION

In India, the banking sector is divided into three parts - the first, the public sector bank (These commercial banks can also say) which include nationalized banks and State Bank of India and its subsidiaries banks, second private sector banks which include new private sector banks and old private sector banks and third foreign banks. Apart from these almost 80 regional rural banks are also operating in India. RBI is a central bank of India and regulates all banks. Therefore, all banks work under the Reserve Bank of India.

After nationalization, the Indian banking system listed incredible growth in volume. Banks enjoyed little conventionality as both lending and deposit rates were controlled until the end of the 1980s. Although, nationalization of banks helped in spreading of banking to the rural and uncovered areas, the monopoly granted to the public sector and lack of competition led to overall inadequacy and low productivity on the other side. By 1991, banking sector was inefficient and financially unsound. Based on recommendations of Narasimham committee report (1991), the RBI introduced several reforms that included deregulation of interest rates, introduction of prudential norms, reduction of reserve requirements, strengthening of bank administration and improving the competitiveness of the system by allowing entry of private banks. The RBI also introduced Basel II norms of minimum capital requirements for banks. It was found that only changes were able to incarceration the deterioration of the system. Narasimham Committee 1998 was presented for improving the banks. It focused on issues like strengthening of the banking system, upgrading of technology and human resource development. The report put emphasis proceeding two aspects of banking regulation, viz., assets classification and capital adequacy and resolution of NPA-related problems and this committee have resulted in significant improvements, as reflected in various parameters relating to capital adequacy, asset quality, profitability and operational efficiency of the Indian banking sector. The current study is undertaken to analysis the profitability of public and private sector commercial banks in India during the period of 2012-2013 to 2015-2016.

REVIEW OF LITERATURE

Chand Suresh (1986) studies the cost and profitability of Indian commercial banks from 1970 to 1982. The study provides broad pattern of cost of different services in relation to total cost, the cost per unit of monetary output, cost per physical transaction, and cost per account for each of the services rendered by the banks. The comparison of services costs reveals some interesting variations mainly due to hike in export credit interest rate, fall in establishment expenditure etc. and concludes that monetary policy measures have significant impact on profitability of all the banks. Secondly, study analyzes the profitability of bank groups and observes a declining trend. Foreign banks fare better than the Indian banks in terms of most profitability ratios. Their performance, particularly in 1977 are much better than various Indian bank groups. The study suggests the banks to evolve a profit planning machinery so as to ensure efficient management of funds through financial produce and appropriate methods.

Vyas (1992) made an attempt to measure, compare and analyze the profitability of public sector banks, private sector banks and foreign sector banks operating in India. The study evidenced that public sector banks had low profitability as compared to private sector banks and foreign banks. Public sector banks suffered from poor asset management and low exposure on non-fund based activities. The study evaluated that non-interest income was very high in the case of foreign banks as compared to Indian public sector banks and private sector banks.

Garg M. (1994) compares the profitability of Indian scheduled commercial banks with foreign banks for the period of 1970 to 1990. The study reveals that Indian scheduled commercial banks have achieved remarkable progress in last two decades under study, particularly in branch expansion in rural areas, deposits mobilization and credit deployment to priority sector and small borrowers but their profits have not kept pace with their growth and hence, their share in profits have come down, whereas foreign banks with a much smaller geographical spread and resources base, earn almost as much as by way of profits as the 20 nationalized banks put together. It is concluded that there is a lot of difference in the pattern of advances and investments and even lending rates of Indian and foreign banks. The study suggests giving more autonomy to Indian commercial banks in their functioning.

T. Padamasai (2000) evaluates the profitability, productivity and efficiency of Indian five big public sector banks i.e. SBI, PNB, BOB, BOI, Canara Bank as these are big five banks among the Indian nationalized commercial banks and have places in world's top 40 banks also. Six parameters such as deposits, advances, investments, profits, net NPAs and CAR of five banks have been analyzed separately for all the selected countries and the various parameters of productivity, profitability and efficiency are compared by naming it as B-Efficiency Model. The study concludes that productivity and profitability of five big banks has increased throughout the post-reforms period in terms of selected ratios of each parameter, but on account of efficiency, the performance of the top five banks is very dismissal as inefficiency has increased during the study period. It suggests that if the government sells its share in the profit making banks, it will be able to bail out the weak banks.

Swamy B.N.A. (2001) analyzes the comparative performance of different bank groups in India over the period 1995 to 2000 and studies the impact of deregulation and competition in a liberalized economy. The study concludes that share of public sector banks in assets of all scheduled commercial banks is the highest but recorded steady decline whereas new private sector banks have succeeded to enhance their share in assets witnessed deterioration in the profit performance.

Singh I. and P. Kumar (2005) analyze the efficiency of Indian banking sector from 1991 to 2003 in terms of technical and allocation efficiency with the use of Data Envelopment Analysis (DEA). The study concludes that relative efficiency is the highest in SBI group followed by nationalized banks and foreign banks whereas lower level of labour efficiency is associated with private sector banks. Technical efficiency is also better in public sector banks than the private sector banks and is comparable to foreign banks.

Singh B. and Malhotra P. (2005) investigates the profile of commercial banks that offer Internet banking by employing univariate statistical analysis, relative to other commercial banks with respect to profitability, cost efficiency, and other characteristics. The study finds that among all banks, 51.6 pc are transactional internet banks with 75.4 pc assets and 73.3 pc deposits share. Foreign banks are providing all services followed by Indian private sector banks whereas public sector banks provide only 30.8 pc services through internet banking. It is also found that internet banking has significant impact on profitability of private sector banks while insignificant in public and foreign banks. It also suggests some measures to enhance and improve internet banking in India.

Chakrabarti R. and Chawla G. (2005) employ DEA approach to evaluate relative efficiency of Indian banks during 1990-2002. The study concludes that efficiency in terms of ROA, operating profits, net interest margin, turnover per rupee of employee expense is higher and NPAs are lower in foreign banks. It also reveals that foreign banks are considerably more efficient on value basis than all other bank groups followed by Indian private sector banks but from quantity perspective, Indian private banks seem to be doing the best while foreign banks are the worst performers while the public sector banks are the laggards.

Uppal R.K. and Kaur R. (2007) analyze the efficiency of all the bank groups in the post banking sector reforms era. Time period of study is related to second post banking sector reforms (1999-2000 to 2004-05). The study concludes that the efficiency of all the bank groups has increased in the second post banking sector reforms period but these banking sector reforms are more beneficial for new private sector banks and foreign banks. This study also suggests some measures for the improvement of efficiency of Indian nationalized banks.

Sunil Kumar (2008) analyzes efficiency–profitability relationship in Indian Public sector banks and argued that the experience of the Asian financial crisis of 1997–98 has confirmed the fact that a sound and well-regulated financial system, of which the banking system is the most crucial part, is a sine qua non for macroeconomic stability and sustainable economic growth.

Rao N. and Tiwari S. (2009) study the efficiency of 5 public sector banks selected on the basis of deposits size in 2005. The study concludes that all employee efficiency factors have insignificant influence on deposits, assets and advances, from branch efficiency, only operating profits per branch and from operating efficiency, cost of deposits have significant and positive impact. Liquidity influencing factors and ultimate profit factors do not influence deposits, assets and advances significantly although all profit factors have negative effect. The study also suggests some measures to improve efficiency.

Bansal (2010) studied the impact of liberalization on productivity and profitability of public sector banks in India. The study has been conducted on the basis of primary as well as secondary data for the period 1996-07. The study concluded that the ability of banks to face competition was dependent on their determined efforts at technological up gradation and improvement in operational and managerial efficiency, improvement in customer service, internal control and augmenting productivity and profitability. The study found that public sector banks have to pay great attention to strategic management, strategic planning and to greater specialization in the technical aspect of lending and credit evaluation.

Goel and Chitwan Bhutani Rekhi (2013) Efficiency and profitability of the banking sector in India has assumed primal importance due to intense competition, greater customer demands and changing banking reforms. Since competition cannot be observed directly, various indirect measures in the form of simple indicators or complex models have been devised and used both in theory and in practice. This study attempts to measure the relative performance of Indian banks. For this study, he has used public sector banks and private sector banks. We know that in the service sector, it is difficult to quantify the output because it is intangible. Hence different proxy indicators are used for measuring productivity of banking sector. Segmentation of the banking sector in India was done on bank assets size. Overall, the analysis supports the conclusion that new banks are more efficient than old ones. The public sector banks are not as profitable as other sectors. It means that efficiency and profitability are interrelated. The key to increase performance depends upon ROA, ROE and NIM.

Malaya Ranjan Mohapatra, Avizeet Lenka, Subrat Kumar Pradhan (2015) have analyzed the operational efficiency of commercial banks in India and challenges faced by public sector banks. The parameters considered for study are labour productivity, branch expansion and profitability ratios. The study concluded that internal management and employee efficiency of foreign banks are far better than other sectors of commercial banks. Public sector banks are lagging behind in various financial parameters.

OBJECTIVES OF THE STUDY

1. To Analysis the profitability of public and private sector banks.
2. To compare the profitability performance of banks (which are selected).

SAMPLE OF THE STUDY

In this paper some selected public sector banks and private sector banks have been taken for study:

Public sector banks: State Bank of India, Punjab National Bank.

Private sector banks: ICICI bank, Axis bank.

HYPOTHESIS

H1: There is significance difference between profitability of public sector banks and private sector banks.

H0: There is no significance difference between profitability of public sector banks and private sector banks.

DATA COLLECTION

The study is based on secondary data and data has been collected from various bank's websites and from annual reports of banks. The study period is 2012-2013 to 2016-2017.

LIMITATIONS OF STUDY

1. The study is related with selected public sector banks and private sector banks.
2. The study is based on secondary data and data collected from various bank's websites and annual reports.
3. The study is related to period of 2012-13 to 2016-17.
4. Some limited variable used (ROE, ROA, NPM, Operating margin) for study.

DATA ANALYSIS

1) RETURN ON EQUITY

Return on assets is the ratio of annual net income to average total assets of a business during a financial year. It measures efficiency of the business in using its assets to generate net income.

ROE= Net Income/ Shareholders Fund

TABLE 1

YEAR	SBI	PNB	ICICI	AXIS
2016-17	6.69	3.47	10.11	7.19
2015-16	6.89	-11.20	11.19	15.46
2014-15	10.20	8.12	13.89	16.46
2013-14	9.20	9.69	13.40	16.26
2012-13	14.26	15.19	12.48	15.64
Average	9.45	9.53	12.21	14.20
SD	3.08	4.29	1.56	3.94
CV	0.18	0.40	0.11	0.25

Source: Annual reports of banks and moneycontrol.com

As shown in table that ROE is maximum of AXIS bank (14.20). PNB has more variation and ICICI has least variation.

2) RETURN ON ASSETS

Return on assets is the ratio of annual net income to average total assets of a business during a financial year. It measures efficiency of the business in using its assets to generate net income.

ROA = Net income / Total assets

TABLE 2

YEAR	SBI	PNB	ICICI	AXIS
2016-17	0.43	0.19	1.32	0.69
2015-16	0.46	0.63	1.43	1.67
2014-15	0.68	0.53	1.80	1.74
2013-14	0.65	0.65	1.73	1.72
2012-13	0.97	1.02	1.65	1.65
Average	0.64	0.60	1.59	1.50
SD	0.22	0.30	0.20	0.45
CV	0.30	0.44	0.11	0.27

Source: Annual Reports of banks and moneycontrol.com

In this table as shown ROA is highest of ICICI (1.59) and lowest of PNB. This return is related with overall profitability.

3) NET PROFIT MARGIN

Net profit margin is the percentage of revenue remaining after all operating expenses, interest, taxes and preferred stock dividends (but not common stock dividends) have been deducted from a company's total revenue.

Net Profit Margin = Net Profit/Total Revenue

TABLE 3

YEAR	SBI	PNB	ICICI	AXIS
2016-17	5.97	2.80	18.09	12.88
2015-16	6.07	8.38	18.44	20.06
2014-15	8.59	6.51	22.76	20.73
2013-14	7.98	7.73	22.20	20.29
2012-13	11.78	11.33	20.77	19.05
Average	8.08	7.35	20.45	18.60
SD	2.37	3.10	2.13	3.26
CV	0.27	0.38	0.10	0.16

Source: Annual Reports of banks and moneycontrol.com

There is highest Net Profit Margin of ICICI bank - 20.45, after that AXIS bank, SBI and then PNB and variation is also least in case of ICICI bank and much higher variation in PNB.

4) OPERATING MARGIN RATIO

Operating margin ratio or return on sales ratio is the ratio of operating income of a business to its revenue. It is profitability ratio showing operating income as a percentage of revenue.

Operating margin = Operating Profit/ Total Revenue

TABLE 4

YEAR	SBI	PNB	ICICI	AXIS
2016-17	10.07	12.77	13.33	19.33
2015-16	10.26	12.09	15.26	17.50
2014-15	11.45	13.89	16.70	15.29
2013-14	10.92	16.56	17.51	14.40
2012-13	13.52	16.73	14.29	11.41
Average	11.24	14.41	15.42	15.59
SD	1.39	2.14	1.71	3.03
CV	0.11	0.13	0.10	0.17

Source: Annual Reports of banks and moneycontrol.com

As shown in table operating margin of AXIS is maximum 15.59 followed by ICICI 24.81 operating margin is directly concerned with profitability. ICICI least variable and AXIS is more variable which states that ICICI bank's profitability doesn't change much.

CONCLUSION AND FINDINGS

We considered in study of 2012-13 to 2016-17 that Return On Equity was highest of AXIS bank. Average of this ratio was lowest of SBI i.e. 9.45%. Return On Assets is highest of ICICI bank and this ratio is lowest of PNB. In case of Net Profit Margin ICICI bank is on high position (at 20.45%) and PNB is on lowest position (7.35%). Now we discuss about Operating Margin, so it would be right to say that operating margin is highest of AXIS bank and lowest of SBI bank. Overall study comes out that the private sector banks are better than the public sector banks, where ICICI Bank is at 1st position and AXIS bank is also high profile bank. Study time period 2012-13 to 2016-17 indicates that the private sector banks are better than public sector banks in profitability. Which is not suitable for the public sector banks. Therefore, public sector banks should improve their condition so that they can prove themselves better.

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SURVIVAL OF EARTHEN DOLL PRODUCTS AND THE CONTEMPORARY TRADE - AN ARGUMENT ON POTENCY OF BENGAL POTTERY

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ABSTRACT

In the era of globalization, every product is facing high level of competition as the market is becoming very unpredictable day by day. The predominant factor become how it is stand up to satisfy the consume and can survive with other product of same genre. So, priority is given, how a product is successful in its appeal to the consumer. In this fast changing and unstable market situation, when we concentrate deeply on market demand, we sometime became ignorant about our native product of significant potentiality. A little more nourishment can give that product a neck to neck competition with contemporary goods. In addition to that we have the age old historical heritage with this product, as earthen dolls in West Bengal. Earthen Doll is not only enriched with age old tradition, but also singular in its symbolic representation. We can derive the socio historical context through this art form, which can raise interest of different field of studies. A careful examination can turn the fate of clay doll art to its present miserable condition, shifting to prosperous product with cultural and economic importance.

KEYWORDS

earthen doll, heritage, craftsman condition, product, urban market.

INTRODUCTION

The Dolls were an attitude. If nothing else, they were a great attitude.

-Johnny Thunders

Earthen doll industry is a craft of age old tradition. In West Bengal it has developed mainly in two different ways. The clay prepared to develop a doll by drying it, mainly different types of God and Geddes are made, and another one is made of burn clay. Different types of household or domestic decorative are made in this type. Clay doll has fought to survive with the changing demand for its economic purpose. Not only clay doll art developed because of economic condition but different types of societal practice of rural Bengal also helped to hold its importance with the passing age. Presentation is the essential characteristics of this art, it has been claimed in many ways. The established mutual exchange need of extended rural life has given the necessary air to breathe the art so long to prove its importance. In West Bengal almost 5000 colony of doll makers exist of nearly 40,000 villages. The depressing fact is that the domestic demand of earthen product is reducing very fast and it is replaced by modern materialist product.

TABLE 1: NAMES OF DISTRICT WITH DIVISION MAKES CLAY DOLLS

Bardhaman Division	Jalpaiguri Division	Presidency Division
Bankura	Koch Bihar	Howrah
Bardhaman	Darjeeling	Kolkata
Birbhum	Jalpaiguri	Murshidabad
Hugli	Malda	Nadia
Purulia	Uttar Dinajpur	North 24 Parganas
Purba Medinipur	Dakshin Dinajpur	South 24 Parganas
Paschim Medinipur		

CONSTRAINTS AGAINST FLOURISHING THE ART

There is a significant influence in socio cultural practice of earthen doll in west Bengal. The geographical diversity has influenced to evolve the doll industry with multiplicity. Clay doll industry flourished in different villages of west Bengal according to the local need of that particular area, and there is also some technical differences of making, from areas to areas. Different type of constraints being faced by households engaged in this pottery as their profession. Though clay dolls makers are trying to continue their livelihood among lot many adversities, but we can broadly categorized in two main constraints that should address very quickly. One is infrastructural & economic constraints and other is marketing constraints. Clay work is labour intensive and time consuming.

After spending a whole day to make a doll, they got a very little price. Then they have to think where they going to sell it. Most of the makers depend on the village near by market, which they called "haat", held biweekly or tri-weekly in an adjoining place near village. Sometimes we can see the lot number of earthen products in different village fare held in different occasions. Those village fair (mela), artesian also expect to earn some extra money. It is not only the unavailability of proper market, for which earthen doll industry is lacking to emerge. A conscious scrutiny reveals several other reasons also. Some problems that creating hindrance to evolve pottery as industry, are mentioned below:

Infrastructural and Economic Constraints Non-availability of proper soil
Low performance of co-operative society Production depends on weather
High cost for modern technology High cost for modern technology
High cost for modern technology Next generation less interested
Marketing constraint Transportable cost high
High packing cost for large products Limited market for sale

PIC 1



Source: Artesian inherited the form making through generations (pic,goole image)

Earthen doll making industry is trying to survive amidst lot many adversities. An absence of proper marketing strategy has been pushing silently this trade and profession to the lap of gradual death. Though some of the craftsman with their personal enthusiasm trying to expand the scope of marketing, but efforts in personal label perhaps not enough to establish the deserving position of the clay art. A very few artists sending their crafts to Kolkata-Delhi through their personal endeavor, most of the people only opt for the local markets. Some of the businessmen from Kolkata come with their own interest to buy these crafts. The local crafts men cannot market their products properly because there is no proper centre or fixed place for trading of clay product and despite the assurance from government no marketing centre has been still set up. In the recent globalised market where substitute product like plastic dolls, printed pots made of stone, are securing their position in market, the demand for clay craft has also declined rapidly. Many of the artists are using artificial color to coat the items. They have no formal training for coloring and it is expensive too.

Pottery of west Bengal is well known because of its traditional history, most of which symbolizes the religious practices. Many of the objects prepared are used for religious purposes. Different types of pots are prepared for particularly for the purpose worshipping. One of them, is worth mentioning is Bankura horse. These horses are made of rich red clay and are offered to the gods and goddesses at religious ceremonies. The Bankura horse also known as Panchmura horse after the name of the place where it is made. Panchmura has gained popularity as a distinct decorative item in upper middle class family drawing rooms. The clay art is primarily an expression of the folk culture of the different regions. These highly expressive designs are the ceremonial forms of the indigenous gods and goddesses and linked to their religious beliefs (Ghose,1981). Durga in Hindu culture and belief is most celebrated goddess, so undoubtedly the most popular figure that is made by artisan., it is not only the most popular figure even the rank of artists is made during the time of Durga puja by several media houses and authorities. Craftsmen also got some publicity during this time. Saraswati, the Goddess of music and creative art, also have a popular demand because Saraswati Puja is a domestic observance, and many Bengali parents worship Goddess Saraswati, for the academic prosperity of their children and they continue to do the ritual (puja) every year. Festival brings the glimpse of smile to faces of craftsman, because this period is few among those time when they can earn some economic comfort for them and their families. Rest of the year they undergo through a really miserable time.

TABLE 2: DISTRICT WISE LOCATION OF TERRACOTTA AND EARTHEN DOLLS

Name of the districts	Name of the sites
North 24 Parganas	Chandraketugarh
South 24 Parganas	Deulpota, Dhosa, Tilpi, Atghara, Gosaba, Harinarayanpur
Purba Medinipur	Tamluk, Natsal
Paschim Medinipur	Panna, Tilda
Bankura	Dihar, Pokhanna
Birbhum	Bahiri, Kotasur, Nanur
Bardhaman	Mangalkot, Pandu Rajar Dhibi, Banewardanga, Bharatpur
Murshidabad	Rajbaridanga, Farakka
Maldah	Mahanad
Dakshin Dinajpur	Bangarh

Ceremonial pottery is another category which involves the making of pots and vessels to be used for ritualistic offerings. Mainly for domestic uses. The mass production of such items is noticeable during the different ceremonial occasions that happen at several points of time during the whole year. Of these one popularly practiced is the Bnkura, particularly in Bisnupur, Krishna nagar, North 24 parganas etc.

INTENTION FOR IMPROVEMENT THE SITUATION OF POTTERY

It is obvious that if you want eat fruit from your tree the first you have to pour water to its root. The pathetic fallacy is that though that these art forms are in a miserable dying condition as in most parts of India but the earthen dolls and earthen products are sold in high prices in different showrooms in metropolis. Government is not reluctant to improve the condition of this art but that is still not become instrumental for noticeable improvement where we can feel a satisfactory growth in near future for the people engaged in this art. Some of the artisan curse the fate, and started to accept the on the long run they will not survive if they farther engage themselves in this course of profession which they inherited from their father or for father.

An eager step from administration and conscious civilian should take that will help to rejuvenate that enriched art. Proper sales promotion and advertisement can be conducted in front of interested businessman that will perhaps help to improvising the sales and reveals the possibilities of the product. Some awareness and aggressive promotional activities both in the part stakeholders and government necessarily take to established earthen product side by side modern glass or stone product of that category. At the same time a conscious scrutiny about the policy that can address the where we lacking behind. The present enquiry will help to explore the need to organize the earthen doll sector both in national and international, keeping in mind that there it noticeable demand of the product. The study also highlights the necessity to adopt new approach to survive as a product being flexible with conventional methods of manufacturing to marketing.

Tradition has its own importance. It is also applicable when we talked about the art and crafts also. Times have its own rules, that is why new thing happens and few fade out with the passage of time. This is hard reality to eternal time cycle. The superficial discussion why the clay doll is not able to survive in completion first

we have to accept the fact that it is failing to fulfill the consumer satisfaction with other goods present in market on that genre. Fantasizing is pathetic fate of this age old art more importance demand to resolve it. Ultimately, this type of sympathetic discussion is not going to help the art and artisan.

PICTURE 2 & 3: THE TRANSITION TO MATCH WITH PRESENT CONSUMER DEMAND



Source: goole image,www.goole image.com

A lot many discussion has been already made by honest intension to find out proper solution. But we cannot claim that those analyses brought any noticeable changes to the fate of people engaged in this art. Quite astonishingly, people who have spent their time and energy on this work and made field survey most of them has experienced such type of experience from the respondent. Artisans in Bengal, scattered in different areas working on clay doll, they sometimes become impulsive when people of various field or persons of academic interest want to investigate the underneath story of them. As they all know that this conversation will not help them to earn some extra money. We all know that, to solve a problem the initial steps are to understand the problem with honest intention to solve it. After that, a thorough investigation of wide area, can direct the proper and long lasting solution. But unfortunately those people engaged in the craft became untruthful about all those stuff and that is a real hindrance to develop and reestablishing the importance of clay doll industry.

Attitude for Treating as a Product: Government has been criticized a lot, for not being active or sympathetic enough and does the needful. We understand that, only government help or some extra funding possibly not able to make any permanent differences. If we want to see the clay dolls products will establish its place with dignity and its heritage, first we have to treat it as a product. And after that we have to follow the marketing vision which we did with other product, when it is falling from its demand. We have treat pottery industry not as a Bengal traditional art, but as a product of artistic value. We have to embark direct into to evaluate its rural limitation to universal exposition. This is the high time when the earthen doll industry needs to prepare contemporarily by leaving its traditional non technicality. For that we can get the help of marketing vivisection and management refusal, and reformation.

Proper study on clay pottery can help the enhance the rural economy in a large extent. More such works are needed for deeper understanding of the rich traditions of West Bengal. **First**, that most of the studies focus on Bengal and its district where there the trend of manufacturing and tendency of buying behavior of clay material is present, it can be small in sample but why and which socio –economic conditions is responsible should be a great help to prepare to make a new policy either accepting it or denying it too. On the other hand, there are no satisfactory or long term possible methods to promote or overall development for the craft. Most of the scholars opt for different approach of various kinds, but there is hardly any potential suggestion for permanent upliftment of age old craft. Clay pottery is association with religion and usage in religious ceremonies has given a deeper significance and a wider dimension.

Second, Other products made of glass even foreign product also have a demand in urban market which was once monopoly of clay product. but now earthen doll industry is failing to having attention of consumer. From consumer point of view, the product is lacking behind because of finish, its colour. It is also not attractive in newness with other product present in market. But we sometime failed to promote that it’s may failed in terms of newness but it is the product of uniqueness. In context of discussion about Bengal folk culture, famous poet Rabindranath Thakur, truly shared his views to Gurusday Datta, one of the leading personality of art and culture, that we feel very excited when we talked about foreign art and craft, and we also convey our scholarly opinion about that but when we talked about the art of out next door, that is nurtured in every day household we failed to give deserving importance to them. (Ghosh, D. 2012, Paschimbonger mrit shilpo).

But no craft can survive without the support of his native support. The immediate support and inspiration that gives art the reason of celebration depends on the atmosphere and social health where it is nurtured. A helpful socio economic ambiance is necessary to exist the art and evolve the art.

TABLE 3: PRICE OF PRODUCTS SOLD IN RURAL MARKET BY PRAJAPATI COMMUNITY

Sl. No.	Name of the article	Vessel type	Percentage of total no of product produce	Purpose of use	Price in local market (in Rupees) per piece
1.	Lota	Tumbler		To take out water from the storage pot	Rs. 2/- to Rs. 3/-
2.	Chhota ghara	Small pot	5%	During ritual	Rs. 10/-
3.	Bada ghara	Big pot	30%	To store water	Rs. 20/-
4.	Bade matki/ matla	Water pot	15%	To store water	Rs. 70/- to Rs. 80/-
5.	Chhota matki	Small water pot	10%	To store water	Rs. 40/- to Rs. 50/-
6.	Dhochki	Pitcher		During ritual	Rs. 5/-
7.	Degra	Medium sized water container	15%	To store water	Rs. 40/- to Rs. 50/-
8.	Maan	Large sized water container	10%	To store water	Rs. 60/-
9.	Kalari	Plate	5%	To bake chapatti	Rs. 10/-

PAST SIGNIFICANCE AND FUTURE HOPE

Bengal pottery development is very old phenomena. It is as old as human civilization. So in ancient writing from Vedic age we got the reference of pottery or kumvakar class. In wrik Veda we got the reference of clay pot. In our sub continent it is almost 5000 years old art, in support we got the archeological evidence also. And the same time the wheel of potters are became symbol of life. So it has been significantly used in many philosophical ways also.

In present days few members of potter’s family have able to establish the beauty of the art in world platform. Even they are placing their work side by side with French craft. In China, Japan clay art of this land drew the attention to art lovers Those inspiring incident definitely helps to understand the potency of that age old art, but these god is not so kind for many craftsman. But people of the area have different opinion about those who have got better opportunity. There are lot many others reason who have reached the top. According to them there are lot many other condition helped them to reached there; it’s not about only good craftsmanship. Though that is not new, in every form of art, serving the art and establishment through art, are two different things. But it is significant that the particular art form is successfully proving its capability in global market.

CONCLUSION

Many suggested that necessary technical research and should require that how can the form of art be represented with its essential reality with modern demand. Fusion is necessary not only inter cultural spectrum but also in its making, in its basic ingredients and manufacturing. Experts of traditional doll makers with mutual exchange modern professional knowledge with modern technicians can emerge new form of making and products. Critic says that it will be an unethical shift from the original one, but priority of steps demand first to established the economic relevance of the product first and to create a environment of surviving of the artists. The unhealthy difference between the price of rural and urban area should be balanced. Makers have to depend on the hat, which is the adjoining market near village held two or three days in a week. They can't afford to go the urban market for communication and its mater of expense. The whole sets of product they have to bring in nearby city, which needs a proper transport, with scientific packaging and after that a proper place to sell, it is not difficult to understand that all are became utopian thoughts for them. So they chose the immediate safe policy, sell it on near market or give it to the middleman.

So there is an all round unorganized system gradually killing the possibilities. Easy way to solve the problem is to urge to solve it. This is our duty to preserving the age old form of art and its basic beauty of nativity. All over the world, every civilized country chose the way to marching ahead in a balance of protecting their basic culture. We are also not different. We have to fight together to establish the potency of craftsman in contemporary signficance.

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CELEBRITY ENDORSEMENT: A REVIEW AND RESEARCH AGENDA

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ABSTRACT

The purpose of this paper is twofold. First, review of the theoretical background in existing literature. Second, it attempts to find a direction for future research. The literature review is based on 74 papers published in forty-two peer reviewed journals, few books, and dissertations etc. in the fields of Business, Management, and Marketing. Due to large number of papers in the topic of celebrity endorsement, few papers have been missed and some papers are inaccessible. Although, all papers are not included in the review, the author believes that the overall picture presented is trustworthy. The article identified trends and findings in the use of celebrity in advertisements to set research agenda in terms of research gap and potential areas for future research. The major research areas suggested are: Study on impact of celebrities like religious leaders, television stars, cartoon characters, and from other fields of life. The role of celebrity's communication language needs extensive study. Further study to assess the impact of celebrity endorsed advertisement in green and social marketing. The article provides academics with an updated review of existing literature in celebrity endorsement with focus on the evolution of it.

KEYWORDS

celebrity, endorsement, advertisement, consumer, behavior, attitude, marketer, product, effect, influence, message, attractiveness, credibility, match-up.

1. INTRODUCTION

The concept of celebrity endorsement has emerged as an effective marketing tool of promotion. The term celebrity is usually associated with individuals who are frequently in the public eye and have high profile mainly from sports and entertainment world. Marketing communication using celebrity is a widely used practice now days by the marketers. Advertisers' believe on celebrity endorsement across all product categories for promotion. The qualities such as attractiveness, likeability, and trustworthiness of celebrities are expected to generate desirable campaign outcomes. Despite the involvement of high cost and risk, it is used extensively in the field of marketing all over the world. Companies are spending in millions for the endorsement of their products and services by celebrities. Selecting the right celebrity for the right campaign has always been a challenge before the marketers. The effectiveness of a celebrity endorsed advertisement is influenced by many other factors which should be taken into consideration at the time of formulation of the campaign. It is widely accepted that advertisement effects are not limited to the information contained in it; rather effectiveness is a function of different appeals used in it. Every advertiser attempts to convey the full message to the target audience. The challenge before the advertiser is to hold the attention of the target audience. Celebrity endorsement in advertisements dates back to the late nineteenth century. Since then effectiveness of this practice in advertising has drawn attention of marketers and academicians. Most of the studies suggest that celebrities have influence on consumers through perceived attributes such as attractiveness, expertise, trustworthiness, likeability, and familiarity by the public (Ohanian, 1991). Indians always idolized the stars of the celluloid world. To motivate consumers to adopt product and services celebrity endorsement is a preferred strategy. Like other forms of communication, advertisement is also a form of communication to reach the targeted audience which may use celebrity to make it effective.

2. DEFINITIONS

Friedman and Friedman (1979) explain that "a celebrity is a person such as an actor, sportsman, entertainer, etc. who is different from the general public and is recognized by them, because of his or her achievements." The widespread use of celebrity endorsement in marketing is not an accident. Research has established that celebrity endorsed advertisement are more effective than other type of endorsers.

According to Schlecht (2003), "Celebrities are people enjoying public recognition by a specific group of people. Within a homogeneous social group celebrities generally enjoy a high degree of public awareness."

Roll (2006) provided a definition on celebrity and branding by stating that "Endorsement is a channel of communication for the brand in which a celebrity plays the role of a spokesperson of the brand certifying the brand's claim and helps to position the brand by extending his/her popularity and craze in the society or expertise in the profession."

3. REVIEW METHODOLOGY

This review is an exploratory study with a qualitative approach. Instead of searching the whole literature the focus of this review was to evaluate and analyze the content of publications relevant to celebrity endorsement. The study seeks to identify the definitions, models, and their effective use in marketing. To collect data 74 articles were selected from major journals, books, and dissertations. During study of the articles the main focus was to summarize the findings of research.

4. THEORETICAL BACKGROUND

Selection of celebrity has always been a difficult task before the advertisers. To help the advertisers, scholars have suggested Source Credibility Model, Source Attractiveness Model, the Product Match-up Hypothesis, and the Meaning Transfer Model.

THE SOURCE CREDIBILITY MODEL

According to Solomon (1996) effectiveness of a message depends on the perception of the people about the expertise and trustworthiness of the endorser. Internalization occurs when a message is accepted by a receiver in terms of own attitude, values and beliefs. Information from a credible source has the ability to influence the beliefs, opinions, behaviors, and attitudes of the targeted receiver through the process of internalization. Trustworthiness refers to honesty, integrity, and believability of the source messenger. Smith (1973) argues that trustworthiness of the endorser is more important than other qualities in view of consumers. To Friedman et al. (1978) trustworthiness is the major determinant of the source credibility and they found that likeability is the key attribute of trust. After this finding advertisers demanded for celebrities liked by the target consumer group when trusted celebrity was desired for brand endorsement. On the other hand, in Ohanian's (1991) view there is no significant relation between trustworthiness and consumers' intentions to buy a product. Deshpande and Satyam (1994) found that ethnic background of the endorser effect the trustworthiness, because people believe endorsers who belong to their ethnic group.

Expertise refers to the knowledge, skill, and experience possessed by a person. Expertise is not the knowledge, skill, and experience actually possessed by the endorser rather it is about the perception of the target population (Ohanian, 1991). An expert source is found to be more persuasive (Aaker and Myers, 1987). Whereas Speck et al (1988) had found that expert celebrities produce higher product recall than non-expert celebrities.

Maddux and Rogers (1980) examined the effect of expertise on the target audience and found that professional experts are more influential than non-experts. The argument posed by an expert is more accepted by the people. This way the impact of source expertise is established with examples. The impact of an expert celebrity can be enhanced with including supportive arguments with the message.

Ohanian (1991) highlight that although success of an advertisement depends upon the source credibility, but it is not the only factor, hence other influencing factors should also be considered at the time of formulating a message.

THE SOURCE ATTRACTIVENESS MODEL

Source attractiveness model is aimed at adding value to the product or service. Attractive physical features of endorser helps in increasing appeals in favor of products or services persuading consumers to purchase (Hosey et al., 2008). Source attractiveness is an important strategy used in advertising to influence consumers. According to Solomon (2004) source attractiveness refers to perceived social value of the source and derived from attributes of a person's social status, personality, physique, ethnic background etc. Consumers get more attracted when they observe similarity in the endorser's lifestyle with their own. People place a very high premium on physical attractiveness. It is argued that physically attractive endorsers fulfill marketer's objective of bringing the message leading to desirable actions. This is not simply attitude change, rather positive attitude change. Most of the advertisements prefer to take attractive endorser to attract consumers. Research has shown that communicators who are physically attractive deliver message in a more effective manner. They are more successful in changing behavior and beliefs of people in comparison with unattractive personality (Debeved and Kernan, 1984). Attractiveness is not simply physical, rather it has broad meaning. Various attributes like, intellectual skills, personality, lifestyle etc. Physical attractiveness of a communicator determines the persuasive communication through a process called identification. Cohen and Golden (1972) found that through the process of identification information from an attractive source is accepted as a result of desire of the target audience to get identified with the endorser. Findings indicate that irrespective of gender of source endorser and receiver, the physical attractiveness plays a positive role in attracting toward the advertisement. In case of low-involvement products source attractiveness model have greater impact in buying intention in comparison with high-involvement product. Regarding product recognition and recall under low-involvement conditions, celebrity attractiveness plays a positive role.

Debevec and Kernan (1984) found that models with attractive personality are more liked by the audience. They also found that attractive female models are more effective in attitude change than attractive male models in both the genders. Joseph (1982) argued that for new and unknown brands celebrity endorser's attractiveness may be an important factor, but not for an established brand as people already know about it from their past experience. Ohanian (1991) correlated impact of source attractiveness with social background of consumers and said that western societies place a high premium on physical attractiveness. People in western society think that good looking people are smart. This is called halo effect, which occurs when one dimension excels other dimensions with an assumption of the people.

To sum up, it may be argued that source attractiveness model is suitable for some kind of advertisements with specific target audience. Source attractiveness helps in enhancing attitudes towards the advertisement, but how far it translates into buying intention need to be understood in details.

THE PRODUCT MATCH-UP HYPOTHESIS

The product match-up may be defined as an attempt to match the image of the product or service to that of the endorser (Misra and Beatty, 1990). They asserted that match-up between the product and endorser is an important dimension as it creates positive brand effects through better recall. In the absence of match-up between the product and the celebrity, consumers may presume that the endorser is bought by the advertiser. Hence, Evans (1988) claimed that absence of specific and distinct match-up between the product and celebrity endorser will cause in vampire effect. In that case the consumers enjoy the advertisement, remember the celebrity but not the product or service endorsed. As a result, whole effort made in the advertisement gives no return to the marketer. Kotler (1997) argues that celebrities will be effective when they personify a key product attribute. When product and the celebrity are matched perfectly, the endorser's believability and attractiveness gets enhanced (Kamins and Gupta, 1994). Study of Ohanian (1991) drew attention to select celebrity who has direct connections with the product or service. In the same study he narrated that trustworthiness and attractiveness of celebrity are not the key factors of consumers' likelihood to adopt the service or purchase of the product. These findings were once again supported by Till and Busler's (1998) study on match-up effect.

DeSarbo and Harshman (1985) suggest that source credibility and match-up hypothesis models are not sufficient to select a celebrity to endorse a product. They have pointed out three main issues with the above models. First, source has multidimensional effects; second, overlooking of interactions of meanings between the product and the celebrity; third, product match-up considering the relevant dimensions. It is a challenging task to find a perfect match between a product and celebrity. On the other hand, Hawkins et al, (1983) have suggested matching personality of celebrity with the product and the target customers simultaneously to enhance the impact of the endorsement. At the time of using match-up theory for selecting often the advertiser face the issue of selecting the perfect celebrity for the product. The degree of match between the product and the celebrity has always been a challenge before the advertiser. Although the match-up theory is used by the marketers in celebrity selection process, there is lack of clarity in the way it works. The match-up theory is not universally accepted because of differences among the practitioners. Hence further investigation is necessary to understand the match-up hypothesis.

Torn (2014) examined the Match-up hypothesis to investigate the effects of brand-incongruent on celebrity endorsed advertisements. The contribution of the study is mainly on three aspects. These are (1) Extension of match-up effects from newly introduced brands to existing brands, (2) Study of match-up hypothesis beyond attractiveness and expertise to enhance practical applicability, (3) Exploration of positive effects of mismatches. The finding was in favor of selecting a less perfect match for already established brands. The article suggested that impact of communication can be improved by a brand-incongruent endorser. Findings highlight that brand-incongruent leads to longer viewing of advertisement, higher brand interest, attitude & purchase intention along with positive communication. Earlier Lee and Thorson (2008) had studied on three levels of brand-celebrity incongruity. The levels are congruity, moderate incongruity, and extreme incongruity. After careful investigation it was found that moderate incongruent is more effective in comparison with other levels of incongruity. In other words using a less perfect match in an advertisement has higher impact at lower cost.

THE MEANING TRANSFER MODEL

The influence of the endorser depends upon the meanings brought by him or her to the endorsement process. Different meanings like age, sex, status, expertise, lifestyle etc. are contained in an endorser. It is important to understand about the specific meanings going to be transferred in the endorsement process. According to McCracken (1988) movement of cultural meaning from the endorser to the people follows a conventional path. In this process meaning first transfers from the product and then to the life of the consumer. In an advertisement meaning gets transferred in a simple manner. The transfer process begins with the identified cultural meanings intended for the product. In the beginning the advertiser search for the cultural meanings to incorporate into the message, then makes use of these to formulate an effective message. It may be noted that there is no concrete relationship between the product and meaning associated with it. Any product can carry any meaning, which depends upon the advertiser to decide on the specific meaning intended to use in the message. There is a need for careful control over the transfer process.

McCracken (1989) explains that advertiser can try for meaning transfer through the endorser, but actual transfer depends upon the consumer. For success of the advertisement meaning must should be transferred from the endorser to the goods and then from goods to the consumers. Celebrities play an important role in the meaning transfer process. They deliver meanings of extra depth and power. Celebrities own their meanings through their performance in respective professional fields. The celebrities contain a variety of meanings in them.

Fowles (1996) say that consumers do consume images of celebrities; hence advertisers hope that consumers will also consume products associated with celebrities. Domzal and Kernan (1992) claim that function of advertisement is to culturally constructed meaning of products to the consumers and consumers see meaning by interpreting definitions of the product. An endorser's perceived expertise have a positive effect on brand level outcomes (Till & Busler, 2000). McCracken (2005) with an example from North Americans say that although they are not star crazy, but meaning transfer model is successful there. So, it is called to understand

better methods to transfer meaning from celebrity to the product. Galli and Gorn (2011) studied on unconscious transfer of meaning found that semantic conditioning can occur unconsciously, and may influence attitudinal responses via conceptual dissimilarity process. Campbell and Warren (2012) have warned about the effects of the negative personality traits associated with celebrity endorser. Therefore, advised to be careful about the consumers' perception while selecting celebrity for advertisement.

5. REVIEW OF LITERATURE

Charbonneau and Garland (2005): In a crowded media environment where advertisers face an increasing challenge of attracting the attention of the targeted consumers, celebrity endorsements are said to have the ability to attract viewers' attention. According to Erdogan et al., 2001 consumers perceive that information coming from unknown persons have no or less similarities with their lifestyle and interest in comparison with the famous spokesperson. Celebrities draw powerful meaning from the role they play in their careers. Each role brings celebrity in contact with objects, and contexts. Through these roles meaning transfer takes place (McCracken, 1989). Meaning is first transferred to the product then must move to the consumer. Advertising is a powerful medium for meaning transfer. Any product can be made to transfer any meaning. According to him the process of meaning transfer starts with formation of celebrity image, then the meaning is transferred from celebrity to the product or service and finally through product meaning gets transferred to the consumer.

The studies showed that the benefit of celebrity endorsed advertisement is to create exposure and attention from the audience. Particular similarities and differences are there in the impact of celebrity endorsements on consumer perception. There celebrity endorsement has always a positive influence on attention, exposure, and attitude towards the brand by the consumer; whereas purchase intention of consumer is less understandable (Biswas, Hussain, and O'Donnell, 2009). Silvera & Austad (2004) highlight characteristics of effective advertisement. They propose that celebrity endorsed advertisement effectiveness can be strongly influenced by consumers' perceptions about the liking of the endorser of the product. It is suggested to select the endorser who actually likes the product or believes the message.

Mukherjee (2009) studied on the impact of celebrity endorsement on consumers' buying behavior and relationship between celebrity endorsement and brand. He found that celebrity endorsement is always like a double edged sword. It has positive impact if properly matched, or else there may have negative consequences to the brand and company. Gan (2006) investigated on behavior of Chinese consumers towards celebrity endorsed and non-celebrity advertisement and found that celebrities with more professional skills, appearances, and good communication skills are liked in China. Saleem (2007): Celebrity endorsement is becoming a very important part in fixing marketing strategy. Marketers should use celebrities in their advertisements when there is no or very little product differentiation. However, in diverse markets, option of multiple celebrity endorsement may be taken into consideration.

According to Erdogan, Baker, and Tag (2001) selecting an appropriate celebrity endorser for any product is an important and difficult task. Advertising professionals and their sponsor companies in US and UK emphasize on image, trustworthiness, familiarity, and fit between celebrity and product as key factors for selecting the appropriate endorser. Other highly ranked decision factors are celebrity-target audience congruence, cost of securing, associated risk in case of controversy, success of prior endorsement. They are of the opinion that actual endorser uses and selection criteria may vary from culture to culture. Whereas Taylor and Johnson (2002) advocates for standardized advertising across cultures as demands and tastes of consumers have become similar on a global scale. Hence, celebrities with worldwide recognition may be used to overcome the difficulties arising out of cultural differences (La Ferla, 2001). De Mooij (2003) claims that fundamental values among people around the world remain divergent across cultures. Hence, same advertising technique may not be equally effective in different cultures. Therefore, research on the influence of culture on celebrity endorsed advertisement is few and findings are not matching with one another. Hence it becomes important to understand the varied use of celebrity endorsement techniques across cultures.

Dix, Phau, and Pougnet (2010) investigated on the influence of sports celebrities on the young adult consumers' purchase and behavioral intentions and also examined to know whether influence differs between males and females. This study throws light on the behaviors of young consumers towards celebrity endorsed advertisement of sports goods. They found that athlete role model endorsers have a positive influence on young adults' product switching, complaint, word of mouth behaviors, and brand loyalty. This confirms the sports celebrities as important socialization agents and their significant impact on purchase intentions and behaviors. There is no significant difference in behavior of male and female adults towards celebrity athlete's endorsement. The impact and extent of sports celebrity influence on different type of consumers has different dimensions for which marketers have limited information.

It is believed that celebrity athletes would benefit brands by creating positive associations and meaning even for ordinary products (Charbonneau and Garland, 2005; Tingchi Liu et al., 2007).

Spry, Pappu, and Cornwell (2011) conducted research to examine the impact of credibility of the celebrity on endorsed brand by applying brand signaling theory to understand the mediating role of brand credibility. The results suggest that endorser credibility influences indirectly the brand equity when this relationship is mediated by brand credibility. It was also found that a endorser with moderately low credibility is able to establish the brand if presented effectively. The result of the research show that celebrities operating at the local level can also be successful in influencing brand credibility. Toncar, Reid, and Anderson (2007) investigated on the impact of using national, local celebrity and disaster victim as spokespersons in a public service radio announcement. The study finds that victim spokesperson was the most credible and believable in comparison with local and national celebrities. The national celebrity was the least credible. The local celebrity was viewed as credible, but less than the victim. Due to familiarity of local celebrity with the public, there were less cognitive reactions. In this study a small student sample was used in an experimental setting. According to Seno and Lukas (2007) image of both endorser and brand serve as mediators in the equity creation process of celebrity endorsement.

Rollins and Bhutada (2014) analyzed the effects on response of consumers between advertising using a celebrity compared to a non-celebrity endorser. Consumers paid more attention the celebrity endorsed advertisement, but there it was not reflected in their attitude.

Jain et al. (2011) studied to explore the relative effectiveness of human and a fictional or character endorser on the attitudes of teenage consumers. The study was restricted to advertisements published in print media. They assessed the variation in effectiveness depending on the nature of endorsed product. The study suggests that impact of human celebrity is more than a fictional celebrity in both food and non-food low-involvement product categories. However, human celebrity failed to create favorable consumer attitude in case of high-involvement products. They also suggest that celebrity endorsements are effective, but the success is depending upon the kind of product / service being endorsed. Jaikumar and Sahay (2015) highlight that the congruence between brand and celebrity has no impact on returns endorsements in India. However, impact of celebrity endorsement varies from culture to culture (Hung et al., 2011). Knight and Hurmerinta (2010) through a qualitative study examined the meaning transfer process in a real life situation. The celebrity endorsement should be considered as an alliance of equals. Singh and Kaur (2011) suggested advertisers to analyze the risks associated with the celebrity and endorsement of other products by the same person before finalizing contract. Choi and Rifon (2012) theoretically and empirically examined the connection between the consumer and celebrity and suggested to consider celebrity/product congruence & celebrity/consumer congruence for an accurate and full understanding of the effects of celebrity endorsement.

Apejaye (2013) studied on influence of celebrity endorsed advertisement on the students' purchase intention and suggested to scrutinize the endorser before using in an advertisement. The effectiveness of a message depends not only on attractiveness but also on other factors. Favorable response to a message depends upon the perception of the people about the expertise, knowledge, and trustworthiness of the source. Student consumer's recall of a celebrity endorsed advertisement is significantly higher over that not endorsed by celebrity. Ranjbarian et al (2010) studied on the effectiveness of celebrity endorsement on the attitude towards advertisements and brand. They found that celebrity endorser influences the attitude towards the brand. The influence may be direct or indirect. Attitude toward the advertisement play the role of a mediator between the brand and the celebrity endorser. However, attitude toward the celebrity endorser is not significantly transferred to purchase intention of the consumer. Limbu et al (2012) through an empirical study attempted to know the effects of emotional appeals on consumers and found that expert effect of the expert endorser is more in enhancing the credibility and acceptability of the advertisement.

Consumers have the perception that a celebrity endorsed product or service would have higher purchase value in comparison with other counterpart (Clark and Horstman, 2003). Celebrities have impact on the Indian consumers as to majority of them celebrities are role models (Balakrishnan and Kumar, 2011). Because of this reason companies prefer to use celebrities to endorse their products and services. Companies spent huge money to use celebrities as effective spokespersons for their product (Katyal, 2007). Celebrity endorsed advertisement has become ubiquitous feature of modern day marketing (McCracken, 1989). Celebrities are

believed to attract the audience and making the advertisement memorable, credible, and desirable (Spielman, 1981). Kaikati (1987) points out the advantages like; consumer attention, brand repositioning, global marketing, and boosting of sales through celebrity endorsement. Trip et al. (1994) studied on multiple product endorsement by same celebrity and found that when more than four products are endorsed by a single celebrity, then consumer's perception about credibility of the endorser may become negative. Daneshvary and Schwer (2000) studied on source credibility model and determined that product endorsement by a credible source has influence on purchase intention.

There may be both positive and negative effects of celebrity approval among the target audience about a product when appeal is made by a star especially for newly introduced brands. A new brand for penetration into the market depends upon consumers' trust. It has been observed that viewers sometimes forget the brand being advertised but remember the celebrity. This happens due to brand-celebrity disconnection. Hence, the advertiser needs to be careful about this aspect while formulating the advertising. Agarwal and Malhotra (2005) defining brand attitude highlight that consumers evaluate the brand on the basis of brand beliefs, and benefits of the product. Surana (2008) also finds that celebrity characters like, expertise, trustworthiness, and likeability make the communication effective. Malik and Gupta (2014) from their study on effectiveness of celebrity endorsements on consumer buying behavior found that celebrities play the role of initiator and influencer in the consumer's buying process. Celebrity endorsed products have leverage over products without celebrity name attached to it. It was ascertained that consumers consider the celebrity endorsed as a better brand which is definitely advantageous for a brand. Alwitt (2000) advises advertisers to focus on the interestingness of the advertisements to keep the viewers attached with during the course of the commercial. Celebrity endorsement has positive effects and it generates favourable attitudinal and behavioral responses among customers (Amos et al. 2008). Celebrities carry a variety of meanings to the audience (Thomson, 2006). People do possess different perceptions about celebrities. The effectiveness of a celebrity endorsed advertisement depends upon the consumer's perception about the celebrity. Therefore, a matching between the product and celebrity as well as a match between celebrity image and audience's self-image are essential for the success of the advertisement. Keel and Natarajan (2012) after examining the extant of research in celebrity endorsement have suggested for future research in the areas like ethical marketing to vulnerable consumers and social marketing.

Ilicic and Webster (2014) applying Gestalt psychology and associative network theory examined the effect of eclipsing in advertisement endorsed by celebrity. When celebrity overshadows a brand eclipsing occurs. High eclipsing occurs when celebrity is in focus, and low eclipsing occurs when both brand and celebrity are emphasized. Brand attitude is enhanced by high eclipsing for consumers with strong celebrity attachment. On the other hand, low eclipsing creates positive brand attitude when consumer has weak celebrity attachment. Ferris (2007) has drawn attention towards the sociology of celebrity. In the research article celebrity has been identified as pathology and as commodity. Meanings of celebrity to people who produce, consume, engage, and live with it need to be explored.

6. DISCUSSION

This review yields two main points of discussion. First Inconsistent use theory in practice. Second is limited use of different theories. The inconsistent use of theory in practice makes it difficult for marketers to interpret and use the research findings. So far the research and study are revolving around source credibility, attractiveness, match-up, and meaning transfer models. After extensive use of celebrities also new models are yet to be developed by the researchers.

7. CONCLUSION, LIMITATIONS, AND RESEARCH AGENDA

This paper has presented a review of the literature on celebrity endorsement definitions, theories, and applications. The paper consists of 74 articles from 42 scholarly journals, books, dissertations published since 1972. This review is an attempt to understand the research conducted so far in the field of celebrity endorsement and finding research gap to set agenda for future research. The objective of this paper was to summarize the literatures in celebrity endorsement. The findings demonstrate that celebrities are preferred in all types of commercial advertisements. The aim of this article is also to identify the unexplored areas in the application of celebrity endorsement.

Data for this review is mainly collected from scholarly journals including few conference proceeding papers, dissertations, and textbooks which is a limitation. An additional limitation is that only articles and papers published in English language are considered excluding scholarly works published in other languages and translation works. With the above limitations also the author believes the review is just enough to know about the trends to find research gaps and other areas having potential for successful application of celebrity endorsement.

In summary, scope of celebrity endorsement is wide and there is enough potential for its use for benefit of both consumers and marketers. The important point is to develop appropriate model to match the need. Future research may be conducted to examine effect of celebrities of other fields, which at present is dominated by stars from sports and movie world. The use, importance, and impact of language of communication in celebrity endorsement needs in-depth study specifically in Indian context where people understand regional, national, and international languages simultaneously. From the review it is observed that the use of celebrity is extensively in commercial marketing. Hence, other emerging areas like green, social marketing have the potential to take more advantage of celebrity endorsement. The differential impact of local, national, and international celebrity in the advertisement may be investigated.

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BEHAVIOURAL ACCOUNTING PRACTICES IN STEEL AUTHORITY OF INDIA LIMITED

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ABSTRACT

With the passage of time there is change in every aspect of knowledge. "Accounting" which was considered the method of recording only monetary transactions is the story of past. Business is transforming from production to service industry where the difference in two organizations is mainly of human resource. Today productive means working smarter than working harder. In the new era the time, talent and energy of the people of the company along with the ideas they generate is the foundation of the superior performance. The companies that apply real discipline in their management of human capital are on average 40% more productive than the rest. The article explores the voluntary disclosures by SAIL in its annual report with respect to human resources. This information is analyzed with the help of various ratios. It is observed that such information is of immense use for stakeholders and there is an urgent need to make strict rules for incorporation of such information in annual reports.

KEYWORDS

service industry, human resource accounting, voluntary disclosures.

INTRODUCTION

Research is an integral part of every development be it science art or commerce. Behavioral Accounting is the voluntary disclosure of information in its books of accounts which is not mandatory. Human resource accounting is one of such information. Such information is not made compulsory in any company till now. Although this concept is very old yet its implementation is still not made mandatory. Likert very rightly said "Every aspect of a firm's activities is determined by the competence, motivation and general effectiveness of human organization." It shows the ability, motivation, style of work, thinking etc. which makes an organization a success. In India few service industries have recognized the relevance and need of such accounting and they voluntarily had disclosed information related to human resources in their annual reports.

OBJECTIVES OF THE STUDY

1. To study the human resource Accounting of SAIL Ltd.
2. To study the effect of human resource accounting on the organizational growth by applying techniques of ratio analysis.

RESEARCH METHODOLOGY

To study the human resource accounting of the company the data is collected from the web site of the company, its annual reports for the period of 2014-15 and 2015-16.

REVIEW OF LITERATURE

The concept human resource accounting was for the first time was given by **Rensis Likert** in the year 1960 when it was realized by social scientist that beside other assets human resource also plays an important role in development of an organization. **The American Accounting Association** in the year 1973 defined human resource accounting as "The process of identifying and measuring data about human resources and communicating this information to the interested parties. With this definition it is evident that human resource accounting is not only concerned with recruitment, placement, training and development of employees but also measuring the economic value of people in the organization. In 1971 **Flamholtz** also has given a similar definition of HRA. According to him "HRA is the measurement and reporting of the cost and value of the people in the organization". **Dinesh Kumar** (1990) in his Ph.D. thesis concluded that HRA helps in taking managerial decisions. **European commission** (1995) prepared guidelines for the disclosure of human resource accounting information. **Dr. Yagnesh M Dalvadi (2010)** in his article concluded that there is significant difference between average disclosures of selected companies. **Dr. Nidhi Sharma and Hitendra Shukla (2012)** This paper also compares the public and private companies in context of human resource accounting and conclusion was made that there is significant difference between Public and Private in context of human resource accounting. **Daarsari Pandurangarao, Dr. S. Chand Basha and Devarapalli Rajasekh (2013)** the article describes the relevance of Human Resource above the other factors of production as the skills, creativity and ability of human being cannot be replaced by the machines. **Dinesh B. Raghuvanshi (2014)** This paper was an effort to study the use of HRA in Education sector in a similar way as it is used by corporate houses. It was concluded that when the corporate houses will actively participate in education industry where the motive could be earning profit then the use of Human Resource Accounting will be more clear and practical.

BASIC PREMISES OF HUMAN RESOURCE ACCOUNTING

1. Human are valuable resource of an enterprise.
2. The success of an organization is determined by the manpower in which way it is managed.
3. Information on investment and value of human resource is useful for stakeholders.

OBJECTIVES OF HUMAN RESOURCE ACCOUNTING

1. Identification of human resource value.
2. Measurement of cost and value of people to organization.
3. Investigation of the behavioral impact of such information.
4. To reflect fairness in presentation, distribution and disclosure of all material facts of the business enterprise.

DEVELOPING EMPLOYEES IN SAIL

The Credo of the company is to chart a challenging career for employees with opportunities for advancement and rewards. It values the opportunity and responsibility to make a meaningful difference in people's life. One of its guiding principles is to maintain commitment to business and people for quality, health and safety in every aspect.

SAIL PROVIDE**1. AMIABLE WORK PLACE**

Its human resource policy gives utmost importance to innovation, involvement and creative work culture for all human resources. It provides equal opportunity to employees irrespective of gender, caste, religion or marital status.

2. PARTICIPATIVE WORK CULTURE

All employees of SAIL are covered by collective bargaining agreements. National Joint committee for steel industry consists of worker's representatives from major central trade union organizations. Representatives from major central trade unions as well as representatives unions of plants/units meet periodically and jointly recommend action plans.

3. HUMAN RESOURCE SYSTEM AND PROCESS

The company provides monetary and non monetary benefit to its workforce with the help of National Joint committee for steel industry (NJCS) which is a bipartite forum comprising of members representing both the employer as well as employees. It decides wages and benefits of non executive employees.

SAIL also take care of the succession planning and career development aspect of its employees. Regular performance and career development reviews are done for all employees.

An employee is to serve three months notice before leaving the organization. Employees are also given appropriate leaves. All regular employees enjoy healthcare, disability coverage, maternity leave, retirement benefits etc. Company provides maternity leave of 180 days and 730 days child care leave to women employees. The company has developed fully fledged township over the years at all its plant locations with modern infrastructural facilities along with premier schools, super specialty hospitals, shopping malls etc.

Company strictly follows laws relating to child labour and trains its employees through workshops and seminars regarding this aspect.

4. GRIEVANCE REDRESSAL MECHANISM

Company is having three stage grievance handling system and employees are given an opportunity at every stage to raise grievances relating to wages matters, working conditions, leave, work assignments and welfare amenities etc.

5. WELL BEING OF EMPLOYEES

Company provides provident fund, gratuity and employees pension schemes.

6. MEDICAL FACILITIES TO SERVING EMPLOYEES

It provides medical facilities to all its employees and their dependents. The company has 18 multi speciality hospitals and more than 33 primary health care centers located across its plants.

Company provides life cover schemes to its employees. In such scheme monetary benefit is paid to the nominee of the employee in case of death.

HUMAN CAPITAL

In SAIL the work profile of all the roles are analyzed and gap between the job requirements and employee's skills are identified from employee's development programme.

The training programmes are to strengthen the organization. The training programme are identified under different heads

- (a) New entrants
- (b) Competence enhancement
- (c) Specific area
- (d) Other areas

Employees are required to undergo training once in three years.

QUANTITATIVE MEASURES TO ACCESS HUMAN RESOURCE EFFECTIVENESS**1. REVENUE FACTOR**

It is the aggregate result of all drivers of human resource management that influence employee behavior.

Revenue factor = Total revenue/Total number of employees

Revenue factor of Infosys

2014-15	2015-16
47083.79/93,352	40105.57/88,655
= 0.542	= 0.452

The revenue factor of Infosys shows that there is decrease in revenue factor from .542 crore to .452 crore this is due to decrease in total revenue. As it can be seen that number of employees in the year 2014-15 was 93,352 and it decreased to 88,655 in the year 2015-2016 even then the ratio has decreased. It is due to decrease in the total revenue.

2. EXPENSE FACTOR

It shows the operating expense per each employee in the organization.

Expense factor of Infosys = Total operating expense/Total number of Employees

2014-15	2015-16
= 41395/93352	= 33362/88655
= 0.443	= 0.367

The above ratio shows decrease in expense factor from 0.443 crore to 0.367 crore which is a good sign.

3. INCOME FACTOR

It measures the operating income of the organization for each employee.

Income factor of Infosys = Total operating profit before tax/ Total no. of Employees

2014-15	2015-16
= 3813/93352	= 5152/88655
= 0.0408	= 0.0581

In the above ratio the income factor of SAIL is showing an increasing trend from 0.0408 to 0.0581 crore.

4. PRODUCTION FACTOR

It measures the cost of production per employee of the organization.

Production factor of Infosys= Total cost of Production/ Total No. of Employees

2014-2015	2015-16
= 20,733.67/93352	= 18,533.5/88655
= 0.209	= 0.222

Production factor of SAIL is showing a decreasing trend because of the increase in total cost of production.

CONCLUSION AND SUGGESTIONS

From the above ratio It can be concluded that the fall in revenue factor from 2014-15 is due to fall in the steel prices. It also affected the profitability of the concern because of that the production has also decreased which reduced the production factor from 2014. In spite of these the company managed its expenses so the expense factor is showing decreasing trend whereas income factor is showing an increasing trend which is a good sign.

To conclude it can be said that Human Resource Accounting is not yet fully developed throughout the world; stress is needed for more research in this field to overcome the problems faced by corporate in Accounting of Human Resource. Steel Authority of India limited is one of the wonderful example in the field of Human Resource Accounting. It not only records information regarding human resource but also spend in training and development of its employees by considering it as an asset.

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IMPACT OF ORGANIZATIONAL COMMITMENT ON BURNOUT: A STUDY AMONG THE EMPLOYEES IN RETAIL SECTOR IN INDIA

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ABSTRACT

Retailing is one of the very important industries in the economy which includes all the activities involved in selling of goods and services to the final consumers for their personal and non-business uses. The Indian retail sector is the fifth largest sector and second largest consumer market in the world. The employees whose jobs are related with human interaction are exposed to burnout. The burnout has its negative impact on productivity, job satisfaction and commitment. The organizational commitment is one of the important factor influencing burnout. The present study is conducted to find out the impact of the organizational commitment on the burnout of the employees working in retail sector. The sample of 107 is collected to respond on two standardized questionnaires i.e. organizational commitment and job burnout. The results of the study revealed that organizational commitment is inversely related to burnout. Across the dimension's affective commitment and continuance commitment is inversely related to burnout but normative commitment is not having significant relationship with burnout. The emotional exhaustion and depersonalization dimensions of burnt out are inversely related to organizational commitment but personal achievement is positively related with organizational commitment. The normative commitment dimension of organizational commitment is not having significant relationship with the overall burnout and all the three dimensions of burnout viz. emotional exhaustion, depersonalization and personal achievement dimensions.

KEYWORDS

affective commitment, continuous commitment, normative commitment, burnout, retail sector.

INTRODUCTION

With high pace of globalization an increase in competition has led to stress among employees. To sustain themselves in this competitive world organizations maximize their productivity by putting extra stress on their employees. This led to burnout and lower down the level of organizational commitment. The Indian retail industry is the fifth largest sector and second largest consumer market in the world (Kamal and Kumar 2011). The retail sector in India is considered as one of the pillars of the economy, which contributes 10 percent to the country's GDP and 8 percent of employment opportunity. The total retail market size is US\$ 490 billion in 2013 which is expected to increase up to US\$ 950 billion by 2018. Indian retail sector comprises of both organized retailing (Modern retailing) and unorganized retailing (Traditional retailing). In 2012-13, 8 percent of Indian retail sector was constituted by organized retail sector and remaining 92 percent by unorganized retailing. The Indian retail industry is predominantly consisting of small independent and owner managed shops. There are around 15 million retail outlets in India apart from an accounted number of low cost kiosks and push cart or mobile vendors. As this sector is based on customer satisfaction it puts more pressure on employees to satisfy the needs of the customer they serve (ibef, 2015). With the rise of international players and a change in the expenditure pattern of the customers, retailing is gaining ground. Retailing activity mainly involves the buying of products from the wholesaler and selling them directly to the final consumers. Thus the success of this industry largely depends on its customers and employees. This sector intends to provide good quality products and services to increase their customer base. In retail industry, employees are internal customers who work together to attain a required sales target. They are the one who act as pillars and provide support to the retail industry. In today's environment the growing retail markets have a tremendous potential to heighten the competition to a new level (Mishra, 2009).

ORGANIZATIONAL COMMITMENT

In the recent years, organizational commitment has emerged a subject of significant importance as it leads to an emotional affection of the employee to the organization. The measure of organizational commitment yields the thinking and feeling of employee towards his organization which can lead to make decisions for making organization a comfortable place for working. Organizational commitment is defined as a degree to which a person identifies himself or herself with the organization and its goals (Stinglhamber et al. 2002). Organizational commitment is the employee's psychological attachment to the organization namely, the commitment to the entire organization as the employee perceived it (Morrow,1993) and the organization support for the employee (Whitener,2001). Bateman and Strasser (1984) defined organizational commitment as employee's loyalty to the organization, and aspire to preserve membership. Organizational commitment refers to the attitude towards the organization. This attitude is a psychological bond in the relationship between an employee and the organization that affects the degree to which the individual identifies with the goals and values of the organization, exerts effort to achieve organizational goals, and desires to remain in the organization (Sheldon (1971); Sivarajasingam et al. (2002). Organizational commitment identified by Meyer and Allen (1997) as having three models viz. affective commitment, continuance commitment and normative commitment. Affective commitment is defined as employee's psychological attachment and involvement to the organization. Continuance commitment is associated with the costs relevant to leaving the organization as employee's feelings to be dependent on the organization. Normative commitment is seen as perceived obligation to remain with the organization.

Organizational commitment has been studied by various researchers as a variable to increase performance of the employee in the field of organizational behaviour. It was taken as "the strength of an individual's identification with and involvement in a particular organization, characterized by a strong belief in an acceptance of an organization's goals and values; a willingness to exert considerable effort on behalf of the organization; and a definite desire to maintain organizational membership" (Porter, et al., 1974; Cook and Wall, 1980). Becker (1960) identified organizational commitment as "the tendency to engage in consistent lines of activity, such as intent to stay in the organization if they willingly continue with the organization and devote considerable effort to achieving its goals". The three essential components related to the definitions of organizational commitment have been found affective, continuance, and normative (Allen and Meyer, 1990, 1996; Greenberg, 2005; Karrasch, 2003; Turner and Chelladurai, 2005). Affective commitment referred as "a positive affection toward the organization, reflected in a desire to see the organization succeed in its goals and a feeling of pride at being part of the organization" (Cohen, 2003). Continuance commitment identified as "an individual's awareness of the costs of leaving the organization" (Meyer et al 1993). It is the experience on has given to the organization and felt while working in the organization. Wiener and Gechman (1977) attributed normative commitment to the organization as a result of a socialization process that individuals experience as a member of the family during their growing years.

BURNOUT

Maslach (1982) defined burnout as "a syndrome of emotional exhaustion, depersonalization and reduced personal accomplishment" that can occur among individuals who do 'people work' of some kind such as social work, counselling or nursing. It is related to measures of psychological and physiological strain, helplessness, and appraisals of performance (Lee and Ashforth, 1996). The nature of work is considered an important cause of burnout (Maslach and Jackson, 1981); as jobs involving greater physical exertion lead to higher burnout (Trinkoff, et al., 2003). Employees having high level of emotional involvement while dealing with

customers contributed to burnout (Leiter and Maslach, 1988). Apart from these factors individual factors of health, attitude and personality led to burnout (Beasley et al 2003). According to Maslach (1999) job factors are a bigger cause of burnout as compared to personality characteristics.

Maslach et al (1993) identified three dimensions of burnout viz. emotional exhaustion, depersonalization, and reduced personal accomplishment and described it as primary symptoms of burnout. Emotional exhaustion referred to "the energy depletion or draining of emotional resources and is characterized by mental, emotional and physical fatigue". The second component is depersonalization referred as "negative, cynical attitudes toward the recipient of one's services and is characterized as a dysfunctional kind of detached concern" (Maslach, et al., 1996) representing feelings of unresponsiveness in relation to the job. Reduced personal accomplishment or reduced efficacy referred as "feelings of incompetence, reduced ability to do the job, and a lack of accomplishment" often accompanied by a sense of poor self-esteem and ineptitude (Maslach, 1993). Burnout seems to be correlated with various self-reported indices of personal distress, including physical exhaustion, insomnia, depression, turnover, and unproductive work behaviours (Maslach and Jackson, 1981).

REVIEW OF LITERATURE

Organizational commitment and job burnout have received considerable attention and research has been done on them as independent variables but the relation between the two has received scant attention (Begley and Czajka, 1993). Organizational commitment protected the individual from negative outcomes experienced at work because those individuals who were committed to the organization have connected more closely to the individuals at work and found meaning of their work (Kobasa, 1982; Antosnovsky, 1979).

Organizational commitment served as a protective factor from negative health outcomes and decreased the negative effects of stressors on burnout (Schmidt, 2007). Günes et al (2009) by using MBI found a negative relation between job burnout levels and organizational commitments of employees. In their study, Marmaya et al. (2011) found that the affective commitment dimension of organizational commitment was the only one that affects job burnout. Chuo (2003) and Basami et al. (2013) studied the relationship between organizational commitment and job burnout found that normative commitment is a better predictor of job burnout in comparison with affective and continuance commitments. In addition, normative commitment played an important role in contributing to burnout. In their study (Halbesleben et al. 2004) found that increase in organizational commitment level of employees and involvement in the issues related to the organization decreased their chances of affliction with burnout.

Kalliath et al. 1998) in their study found that the low levels of organizational commitment influence job burnout in hospital employees. King and Sethi (1997) found that organizational commitment has a moderating effect on the relationship between stress and job burnout. Tan and Akhtar (1998) found that when age, tenure, organizational level, and work perceptions of Chinese employees were controlled, organizational commitment had a significant effect on experienced job burnout. Wright and Hobfoll (2004) found that organizational commitment has an effect on every dimension of job burnout. Burnout can lead to deterioration in the quality of service that is provided by the staff. Salahian et al, (2012) found that at the organizational level, the most important manifestations of burnout are lack of job satisfaction and organizational commitment. Ketchand and Strawser (2001) in their study found that organisational commitment had been identified to have significant relationships with job satisfaction, job involvement, stress, occupational commitment, and motivation. Mathieu and Zajac, (1990) found that employees having high level of organizational commitment experienced greater stress than those who are having low level of organizational commitment.

Nagar (2012) found that persistent stress can lead to decreased employee involvement with the job, decreased organizational commitment and decreased level of job satisfaction in her research on university teachers. Usman and Raja (2013) found that the public sector employees showed no stress in them related to the job and its counterparts, whereas, the employees of the private sector showed high level of stress in the job. Further, results showed that burnout and detachment in organizational commitment is shown in private sector employees than the public sector employees. Marmaya et al (2011) explored the impact of organizational Commitment (affective, continuous and normative commitment) on burnout among employees in Malaysia and results showed greater amount of stress is experienced by those individuals who have a high degree of commitment to their organization than those who are less committed and affective commitment has a negative relationship with Job Burnout. Yener (2014) explored that factors that impact burnout level of workers, as internal customers in logistics sector in Turkey and results showed that burnout is negatively correlated with job satisfaction and organizational commitment.

Srinivas (2002) explored organisational commitment and job burnout among employees of non-profit organisations and found that no particular relation was found between organizational commitment and stress. Sajid (2014) explored the impact of burnout on organisational commitment among teachers in private and public institutions with moderating effect of job satisfaction and found organisational commitment was negatively affected by burnout. Yasmin and Marzuki (2015) explored the direct effect of organizational commitment on job burnout among nurses and results showed only normative commitment had significant impact on nurses job burnout level.

OBJECTIVES OF THE STUDY

The objectives of the study are to measure the impact demographic variables of organizational commitment and burnout among the employees in retail sector. To study the impact of organisational commitment on burnout of employees of retail sector

HYPOTHESIS

Based on the objectives of the study following hypothesis were made for the research:

H1:-There is no significant difference between the demographic variables of the employees with regards to organisational commitment and burnout of employees of retail Sector.

H2:- There is a significant inverse relation between organisational commitment and burnout of the retail employees.

RESEARCH DESIGN AND METHODOLOGY

The purpose of the study is to determine the relationship between organizational commitment and burnout among employees working in retail sector in India. Since there is no academic study about organizational commitment and burnout that cover retail sector, this study can be considered as an exploratory research. A self-administered questionnaire was distributed in retail stores with the help of the contact person in each store. The snowball sampling technique was administered to collect the data. The research measured organizational commitment through scale adapted from Meyer and Allen (1993). The questionnaire seeks information on the organizational commitment of the employees in retail stores. The 18 items are based on the three dimensions namely the affective commitment, continuance commitment and normative commitment. All the 18 items are scored on a 5 point Likert scale with 1= strongly disagree to 5= strongly agree. The alpha coefficient is .702, suggesting that the items have relatively high internal consistency as reliability coefficient of .702 or higher is considered acceptable. The job burnout was measured through scale adapted from Maslach Burnout Inventory (MBI) (2007). The questionnaire seeks information on job burnout of the retail employees. The 22 items were based on the three dimensions namely the emotional exhaustion, depersonalization and personal accomplishment. All these items were scored scale namely Never = 0, A few times a year or less = 1, Once a month = 2, A few times a month = 3, Once a Week =4, A few times a week =5, Every day = 6. The alpha coefficient is .713, suggesting that the items have relatively high internal consistency as reliability coefficient of .702 or higher is considered acceptable. A sample size of 107 was taken from different retail companies in northern India.

ANALYSIS OF RESULTS

The difference among the gender and marital status was measured by administering t-test and results showed no significant difference ($p > .05$) among the employees across gender and marital status with regard to organizational commitment and burnout (Table 1).

TABLE 1: INDEPENDENT SAMPLES TEST

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
commtment	Equal variances assumed	2.217	.140	1.081	102	.282	.06532	.06044	-.05456	.18521
	Equal variances not assumed			1.092	101.148	.278	.06532	.05984	-.05339	.18403
mnbo	Equal variances assumed	1.387	.242	-1.615	102	.109	-.18713	.11586	-.41694	.04268
	Equal variances not assumed			-1.584	88.394	.117	-.18713	.11816	-.42193	.04767

The difference among the level of management was measured by administering ANOVA and results showed there is significant difference (p<.05) among the employees across level of management with regard to organizational commitment and burnout (Table 2). The mean score shows that employees at senior level are more committed and employees at lower level of management are more burnout.

TABLE 2: ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
commtment	Between Groups	1.474	2	.737	9.234	.000
	Within Groups	8.301	104	.080		
	Total	9.775	106			
mnbo	Between Groups	4.029	2	2.015	5.996	.003
	Within Groups	34.939	104	.336		
	Total	38.968	106			

The difference across the education was measured by administering ANOVA and results showed there is significant difference (p<.05) among the employees across education with regard to organizational commitment and burnout (Table 3). The mean score shows that employees at post graduation level are more committed and employees at under graduation level are more burnout.

TABLE 3: ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
commtment	Between Groups	2.330	3	.777	10.743	.000
	Within Groups	7.445	103	.072		
	Total	9.775	106			
mnbo	Between Groups	4.253	3	1.418	4.206	.008
	Within Groups	34.715	103	.337		
	Total	38.968	106			

Thus the hypothesis H1 is partially accepted as there is significant difference for level of management and academic qualification but no significant difference exists for age and gender across organizational commitment and burnout among employees working in retail sector.

To measure the relationship among organizational commitment and burnout across their dimensions Pearson correlation is administered (Table 4).

TABLE 4: CORRELATIONS

		commtment	mnbo	affectivecommittment	continuancecommittment	normativecommittment	mnboee	mnboopa	mnboodep
commtment	Pearson Correlation	1							
	Sig. (2-tailed)								
mnbo	Pearson Correlation	-.265**	1						
	Sig. (2-tailed)	.006							
affectivecommittment	Pearson Correlation	.882**	-.302**	1					
	Sig. (2-tailed)	.000	.002						
continuancecommittment	Pearson Correlation	.882**	-.302**	1.000**	1				
	Sig. (2-tailed)	.000	.002	0.000					
normativecommittment	Pearson Correlation	.520**	.032	.308**	.308**	1			
	Sig. (2-tailed)	.000	.740	.001	.001				
mnboee	Pearson Correlation	-.353**	.865**	-.381**	-.381**	-.049	1		
	Sig. (2-tailed)	.000	.000	.000	.000	.614			
mnboopa	Pearson Correlation	.294**	.197*	.304**	.304**	.154	-.172	1	
	Sig. (2-tailed)	.002	.042	.001	.001	.113	.076		
mnboodep	Pearson Correlation	-.310**	.671**	-.359**	-.359**	.009	.482**	-.235*	1
	Sig. (2-tailed)	.001	.000	.000	.000	.927	.000	.015	
N		107	107	107	107	107	107	107	107

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

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

The results showed that overall organizational commitment is inversely related to burnout (p<.05). Across the dimension's affective commitment and continuance commitment is inversely related to burnout but normative commitment is not having significant relationship (p>.05) with burnout. The emotional exhaustion and depersonalization dimensions of burnt out are inversely related to organizational commitment (p<.05) but personal achievement is positively related with organizational commitment. The normative commitment dimension of organizational commitment is not having significant relationship with the overall burnout and all the three dimensions of burnout viz. emotional exhaustion, depersonalization and personal achievement dimensions (p>.05). Thus hypotheses H2 is accepted i.e. there is a significant inverse relation between organisational commitment and burnout of the retail employees.

To measure the impact of organizational commitment on burnout, regression analysis was administered (Table 5).

TABLE 5: MODEL SUMMARY

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.265 ^a	.070	.061	.58747	.070	7.912	1	105	.006

a. Predictors: (Constant), commitment

The table 5 shows the model summary and overall fit statistics. It was found that the adjusted R^2 of this model is 0.06 with the $R^2=0.070$ that means the linear regression explains 7% of the variance in the data. Thus organizational commitment has 7% impact on burnout. Thus it is interpreted that organizational commitment is having no impact on burnout among the employees.

CONCLUSION AND RECOMMENDATIONS

The present study examined the relationship between organizational commitment and burnout in Indian retail sector. The results of Pearson correlation showed there is significant inverse relation among the variables and the hypothesis was accepted. However, with respect to demographic variables p-value were partially significant suggesting there is no significant difference among the employees with respect to gender and marital status, and significant difference existed across level of management and educational qualification in relation to organizational commitment and burnout. Thus, it can be said that organizational commitment is inversely related to burnout. The results are supported by the work done by Nagar (2012) that found that persistent stress can lead to decreased employee involvement with the job, decreased organizational commitment and decreased level of job satisfaction. The result confirmed the study of Kalliath et al (1998) that found that the low levels of organizational commitment influence job burnout in hospital employees. The result confirmed the study of King and Sethi (1997) that found that organizational commitment has a moderating effect on the relationship between stress and job burnout. The study was carried out with limited samples i.e. a total of 107 in number. An increase in the samples included in the research would have yielded better results. The study was limited in scope in the sense that the study was restricted only to one sector i.e. retail sector in northern India, it did not take into account the other sectors of the economy apart from the retail sector. Also, the participants were conveniently sampled based on easy accessibility and the employment of a cross-sectional design did not allow the establishment of causal direction of relationships between organizational commitment and burnout.

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TQM AND ECONOMIC PERFORMANCE AT WORKING IRON AND STEEL FIRMS OF HYDERABAD-KARNATAKA REGION

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ABSTRACT

Steel production is considered as the forefront indicator of the economy in the contemporary world. India has been fetching an impressive share in the steel market. However, techno-economic efficiency has been somewhere pro-castigating competitive advantage of Indian iron and steel sector over competitors like China. As proved by Japanese, the left option for enhancing competitive advantage is quality management through Total Quality Management. The present study focussed on extent of TQM practices and their impact on economic performance at iron and steel firms in Hyderabad –Karnataka region. The general objective of this research is to portray the picture of TQM at Iron and steel firms of India and it also intends to address the quality issues of the firms at the backward region like Hyderabad-Karnataka. In this regard, study emphasizes relationship between widely used TQM practices and economic performance indicators using correlation and regression analysis.

KEYWORDS

TQM practices, economic performance, economic performance indicators.

1. INTRODUCTION

Steel besides alloy is referred as the backbone of human civilization, as it has been serving mankind for its social, cultural, political and economic needs. At modern times, it is considered to be crucial for the development of any economy. Steel is shining up to the extent that any country's socio-economic development and standard of living is also determined by its per-capita consumption. According to World Steel Association, the global steel demand is estimated to realize 3000 million tons in 2025. The past growth in production and consumption of steel has largely been at the cornerstone of the heightened economic activity in the emerging economies, especially China, whose demand remains a pivotal factor driving the global steel industry.

The steel industry in India has also carved a rapid rise in production over the past few years through capacity enhancement. This resulted India becoming the third largest producer of crude steel (after China and Japan) and the largest producer of sponge iron in the world. However, India needs to further concentrate and improve its share in the major import markets, there are import markets where India has export competitiveness, but the exports are at relatively at lower levels. These markets are the potential growth drivers for iron and steel exports of India, which need to be strategically targeted.

However, the preceding facts in terms of techno economic efficiency of operations reveal that our steel making units are nowhere near their global competitors. In order to improve the sectoral performance and competitiveness there is an urgent need to address its basic structural and operational constraints irrespective of equity size and nature of operations. Therefore, in the epoch of buyer's market, irrespective of nature of organizations opened themselves to understand, learn and formulate a road map for quality is the only strategy left behind. This paved the way for the surge of quality and become the integral part of blood stream of the enterprises. The manifold competition of quality has pulled firms to search nitty-gritty to stay competitive. Accordingly, many enterprises made an attempt to adopt and implement a set of management practices that help them to improve the efficiency of organizational operations. One of the popular and effective management practices is TQM.

Though a lot of research work has been carried out in the field of ISO and TQM, it gives still an obscured picture of Indian iron and steel firms. This holds true too in case of regional industrial sector of Hyderabad- Karnataka region, where sponge iron firms attrition rate is high. If no effort is made to assist the said firms especially at the Hyderabad- Karnataka region, attrition rate overtime can increase the casualties in the current business environment and make the region still weaker. Hence it is decided to carry out a detailed research with the help of a survey of iron and steel firms with a view to assess as to how are they managing the issue of Quality? And help firms to implement and practice TQM successfully and allow them to reap the benefits always been embraced by developed economies. At the outset, steel industry of Hyderabad- Karnataka region is having more than 30 registered units is competent with other developed regions of the country and have the capability to take away the tagline of backward region with the help of competitive advantage supplemented by implementing TQM in their systems of practice. Hence, the research was incepted to address these problems.

2. NEED AND IMPORTANCE OF THE STUDY

After all, the issue in Indian steel industry is not the shortage of resources, rich scientific and technical manpower but quenching the thirst of assistance and nourishment of firms through understanding and implementing TQM and allowing them gain the sustainable competitive advantage as that of the developed economies. The following two needs of the study to be accomplished are presented.

- a. Upgrade the total quality aspect of iron and steel firms in terms of organizational effectiveness so as to improve the economy by meeting the growing demands of domestic and global markets, domestic consumption and exports.
- b. Provide quality impetus of quality to the iron and steel firms of the economically backward regions like the Hyderabad- Karnataka region so as to debug the economy oriented regional imbalance.
- c. Contribute to the knowledge of TQM effectiveness.

3. STATEMENT OF THE PROBLEM

The study makes an attempt to know the extent of TQM implementation in iron and steel firms. Accordingly, this study is embodied as 'Impact of TQM practices on economic performance at Working Iron and Steel Firms of Hyderabad-Karnataka Region'

4. OBJECTIVES OF THE STUDY

1. To perceive TQM perspective of Indian Iron and steel industry.
2. To examine TQM impact on economic performance at working iron and steel firms in the select districts of Hyderabad-Karnataka region.

5. HYPOTHESIS OF THE STUDY

H0: There is no significant impact of TQM practices on Economic Performance.

H1: There is a significant impact of TQM Practices on Economic Performance.

6. SCOPE OF THE STUDY

The scope of the study encompassed working steel industry, iron and steel firms, Total Quality Management, Implementation, Organizational Effectiveness, Respondents of all the twenty one working firms (out of 38 firms registered, 17 were locked out) in Ballari and Koppal districts of Hyderabad- Karnataka region. It also included the environment and ecosystem of steel industry in general and iron and steel firms in particular. Going further the causal relationship between TQM implementation and economic performance were measured by using established models and theories apart from scaling techniques. Specifically the geographical region of the study was confined to Ballari and Koppal districts of Hyderabad- Karnataka region, as iron and steel firms are located in these two districts only.

7. METHODOLOGY

1. TYPE OF RESEARCH

The proposed study adopted descriptive study, survey and cause and effect study.

2. SAMPLING

Universe:

i. Working iron and steel firms in Ballari and Koppal districts

Sample units:

i. Executives.

ii. Non executives.

COMPOSITION OF SAMPLES

Sl. No.	Categories of Respondents	Size	Sampling Technique
1.	Working iron and steel firms in Ballari and Koppal districts of Hyderabad Karnataka- region	21 firms	Purposive sampling
2.	Top Management and Executives. (05 respondents from each firm)	105	Judgemental Sampling
4.	Non- Executives (10 respondents from each firm)	210	

3. DATA COLLECTION

SECONDARY DATA

The secondary data for the study included books, articles, reports, journals, magazines, news papers, published and unpublished thesis, e-resources on the topic of the study.

PRIMARY DATA

The primary data was collected on the TQM implementation in the working iron and steel firms of Ballari and Koppal districts of Hyderabad Karnataka region under the study. It used the research instruments of questionnaire, schedule and personal interviewing of the respondents. E mail survey was also resorted to.

4. PLAN OF ANALYSIS

The collected data was analyzed with the help of statistical tools and techniques such as averages, percentages, dispersion, correlation, multiple regressions, factor analysis, cluster analysis, Cronbach alfa and the like. Wherever necessary, tables, charts, graphs, diagrams and figures were used. SPSS and AAR software were also used for statistical analysis.

5. LIMITATIONS OF THE STUDY

- The validity and reliability assessment and analysis performed are based on 30 selected companies only.
- For measuring TQM examination time tested and universally acceptable measurement tools are very rare. Therefore the measurement results under the study are only approximate are not accurate.
- At times "what is" (fact) is equated with "what should be" (value)

8. LITERATURE SURVEY

Zhihai Zhang (1993) in his research work investigated the effects of TQM implementation on overall business performance in Chinese manufacturing firms and obtained a TQM implementation model for Chinese manufacturing firms. The study was carried out by

- Developing TQM implementation constructs and TQM practices;
- Developing overall business performance constructs;
- Designing evaluation models, to measure the extent of TQM implementation, TQM practices and impact of TQM implementation on overall business performance.

The study found out that TQM implementation has positive effects on overall business performance and not necessarily all TQM elements to be present to ensure the success of the TQM programs and overall business performance

Shivraj kumar (2014) in his research work tried to determine the extent to which TQM and organizational effectiveness are correlated to each other and expounded how TQM impacts various phases of business planning. The study considered very general constructs of TQM implementation and organizational effectiveness in its way. TQM constructs encompass commitment, culture, continuous improvement, co-operation, customer focus and control. As per their nature, some do not confirm the characteristics of construct

Yogesh A Chauhan (2013) in his research work gave a detailed picture of quality management issue of manufacturing SMEs in terms of TQM apart from ISO 9000 and other off-record practices. It emphasized the exploration, development and ranking of constructs in TQM, benefits and difficulties and help the SMEs to grow in terms of their business, working system, employee satisfaction, customer satisfaction etc.

Darshana S Shiroya (2015) surveyed on "TQM practices and performance in ISO certified manufacturing facilities". The researcher was curious in exploring, developing and examining TQM practices/ critical factors and their impact on quality, business and organizational performances. Extensive literature was reviewed in exploring and developing the plausible 16 elements of 10 TQM practices.

Saraph et al. (1989) conducted a study on "A Instrument for Measuring the Critical Factors of Quality Management". They explored, examined and developed eight CSFs of quality management referring to twenty two manufacturing and service organizations in the USA.

Shekoufeh Nekouezadeh et al. (2013) conducted a research on 'the impact of TQM on organizational performance of telecommunication industry in Iran'. The principal aim was to determine the correlation between TQM practices and the organizational, quality and innovation performances. Researchers explored, examined and developed TQM practices and variables of package of performances.

Flynn et al. (1994) conducted a research on "A framework for quality management research and an associated measurement instrument". They explored and developed six CSFs of TQM which encompasses of quality information system, process management, product design, workforce management, supplier involvement and customer involvement. They expounded that top management support creates a congenial environment for quality activities to surge.

Ali Bakhit Jaafreh. (2012) in his research work 'the effect of quality management practices on organizational performance on Jordan banking sector' set an aim to examine the extent to which quality management practices and organizational performance are correlated and to determine the impact of the practices on organizational performance.

Powell (1995) made a study on "Total quality management as competitive advantage: A review and empirical study". He revealed that the successful implementation of TQM is dependent on certain tactics, behaviour, features and TQM tools and techniques like top management commitment, effective communications, employee involvement, training in quality, flexibility in manufacturing, process management, benchmarking and performance measurements for realizing competitive advantage.

S D Kalpande et al. (2013) conducted a survey on ‘Business performance of SMEs in Vidharabha and Khandesh region of India: A TQM implementation’. Researchers aimed at identifying importance of factors and sub-factors for successful implementation of TQM in SMEs. They explored and examined TQM components and factors influencing TQM implementation from the existing literature followed by using Analytic Hierarchy Process (AHP) for prioritization and operationalization. Fuzi Abusa (2011) conducted a study on ‘TQM implementation and its impact on organizational performance: a case study of Libya’. He examined the correlation among TQM elements, TQM and organizational performance, Size & ISO 9000 and TQM implementation. The result showed that none of the six TQM elements have correlated with all organizational performance indicators, except Supplier quality management.

Antony Jiju, et al. (2002) conducted a research study on “Critical success factors of TQM implementation in Hong Kong industries”. This is an empirical study on the identification of the critical success factors (CSFs) of TQM implementation in Hong Kong industries. Through a thorough and detailed analysis of the literature, 11 success factors with 72 elements were identified to develop a questionnaire.

Yogesh A Chauhan et al (2014) surveyed ‘Perceptions of SMEs towards the key elements of TQM’. They focussed on examining and exploring the level of awareness and the importance SMEs have over key elements of TQM.

Bayazit (2003) conducted a study on “Total quality management practices in Turkish manufacturing organizations”. He expounded that upper management support, employee involvement and commitment, customer focus, quality education and training, teamwork and use of statistical techniques are the most critical factors for the successful TQM implementation in Turkish manufacturing organizations.

A Al Nofal et al (2013) conducted a study on ‘Critical factors of TQM: an update on the literature’ with an objective to present the most important factors of TQM implementation often emphasized by researchers, supported by the discourses of quality gurus. A wide range of comprehensive elements of TQM have listed.

Z. Irani, et al. (2004) surveyed on “Total Quality Management and Corporate Culture: constructs of organizational excellence”. In this effort, the researchers discuss the concept of corporate culture, place this social construct within the arena of TQM and highlight the relationships that exist among culture quality and competitiveness. T

Faisal Talib et al (2012) conducted a research on ‘Pareto Analysis of TQM factors critical to success for service industries’. They made an attempt to sort out critical success factors of TQM according to frequencies of their occurrences by applying Pareto analysis tool and list out vital few critical success factors of TQM.

Phan Chi Anh & Yoshiki Matsui (2006) made a research on “An empirical analysis of Quality management practices in Japanese Manufacturing Companies”. The aim was to investigate the utilization of quality management practices and its impact on quality performance and competitive performance.

Kanagi Kanapathy (2013) surveyed on ‘Critical factors of quality management used in research questionnaires: a review of literature’. He opined that quality expounders and gurus have used different combinations of critical factors or constructs of TQM to design questionnaires and to measure quality management practices in different parts of the world.

9. RESULTS

1. **Descriptive statistics on TQM Practices:** The following table shows the distribution of the responses against the list of TQM practices.

TABLE 1: SHOWING FREQUENCY DISTRIBUTION OF RESPONSES AGAINST THE LIST OF TQM PRACTICES

ID	TQM Practices	Frequency (Yes)	Percentage	Frequency (No)	Percentage
A	Top Management Commitment	311	98.7	4	1.3
B	Customer Focus	299	94.9	16	5.1
C	Employee Empowerment/involvement	301	95.6	14	4.4
D	Supplier Partnership	247	78.4	68	21.6
E	Continuous improvement	269	85.4	46	14.6
F	Quality Management	302	95.1	13	4.1
G	Recognition and Reward	266	84.4	49	15.6
H	Education and Training	262	83.2	53	16.8
I	Process Management	279	88.6	36	11.4

CHART 1: SHOWING FREQUENCY DISTRIBUTION OF RESPONSES AGAINST THE LIST OF TQM PRACTICES

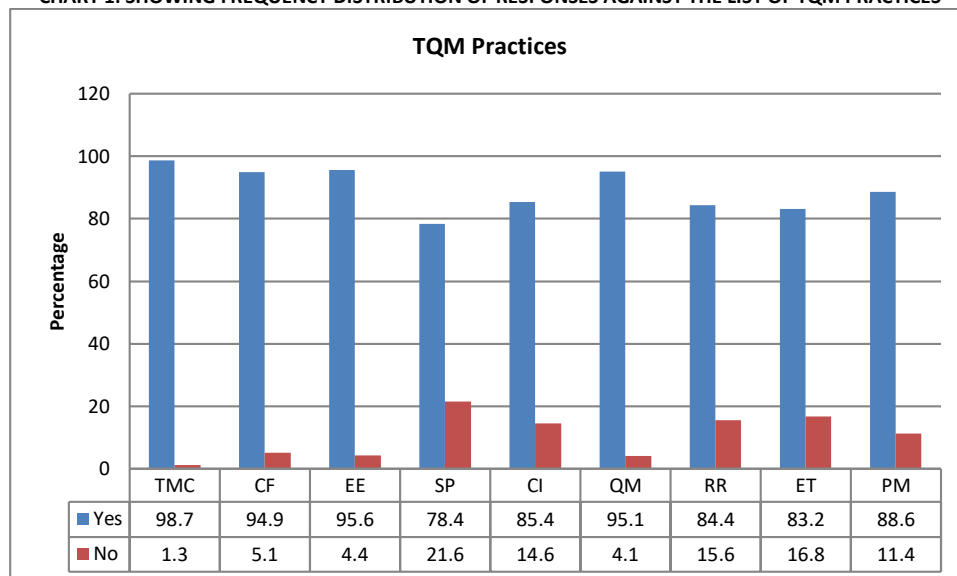


Table 1 illustrates the perception of respondents against list of TQM practices. On an average of approximately 90% of the respondents agreed that all the listed practices belonged to TQM. Among the practices, Top Management Commitment (TMC) led the response with 98.7% followed by Employee Empowerment (EE) and Quality Control (QM) with 95.6% and 95.1% respectively. The least response was given to Supplier Partnership (SP) with 78.4% followed by Education and Training (ET) and Recognition and Reward (RR) with 83.2% and 84.4% respectively. The remaining practices Customer Focus (CF), Process Management (PM) and Continuous Improvement (CI) placed in between with 94.9%, 88.6% and 85.4% respectively. This indicates most of the respondents are aware of TQM practices and have the ability to practically respond to the technicalities of TQM.

2. MEAN AND STANDARD DEVIATION OF TQM PRACTICES

TABLE 2

Variables	Maximum	Minimum	Mean	Standard Deviation
TQM Practices				
Top Management Commitment	5.00	3.14	4.24	0.35
Customer Focus	5.00	3.20	4.14	0.38
Employee Empowerment	5.00	2.25	4.07	0.42
Supplier Partnership	5.00	2.86	4.09	0.42
Continuous Improvement	5.00	3.00	4.18	0.40
Quality Control	5.00	3.00	4.34	0.52
Recognition and Reward	5.00	2.33	4.13	0.41
Education and Training	5.00	2.75	4.16	0.43
Process Management	5.00	2.71	4.08	0.36
TQM Practices (overall)	5.00	3.33	4.14	0.31

3. Correlation between TQM Practices and Quality Performance Measures

TABLE 3: CORRELATION BETWEEN TQM PRACTICES AND ECONOMIC PERFORMANCE MEASURES

TQM Practices (Independent Variables)	Economic Performance Measures					
	EcP1	EcP2	EcP3	EcP4	EcP5	EcP6
TMC	0.399**	0.290**	0.222**	0.026	0.262**	0.102
CF	0.311**	0.233**	0.059	0.036	0.157**	0.272**
EE	0.366**	0.277**	0.102	0.179**	0.233**	0.432**
SP	0.345**	0.276**	0.122*	0.305**	0.185**	0.198**
CI	0.350**	0.340**	0.145*	-0.096	0.292**	0.396**
QC	0.137*	0.163**	0.095	-0.154**	0.159**	0.023
RR	0.144*	0.092	0.028	0.052	0.133*	0.281**
ET	0.147**	0.087	0.196**	0.042	0.166**	0.134*
PM	0.176**	0.253**	0.121*	0.234**	0.237**	0.142*

** . Correlation is significant at the 0.01 level (2-tailed).
 * . Correlation is significant at the 0.05 level (2-tailed).

(EcP1-Productivity, EcP2-Profitability, EcP3- Shareholder value, EcP4-Earnings per share, EcP5-Market share and EcP6-Economic value addition)

Table 3 expounds that EcP1 and EcP5 led the preceding matrix by getting correlated with all the nine TQM practices followed by EcP2 and EcP5 with seven TQM practices each. The least correlation was achieved by EcP4 with four TQM practices followed by EcP3 with five practices. The Correlation matrix shows that highest correlation between variables is EE and EcP6 with r=0.432. The second highest correlation is between TMC and EcP1 with r= 0.399. The third highest correlation is between CI and EcP6 (r= 0.396). Among all independent variables SP and PM are correlated with all the six dependent variables followed by EE and CI with five each. TMC, CF, QC and ET are correlated with four variables each and RR with three variables only. Among all independent variables, QC is correlated with EcP with negative correlation coefficient (r= -.154).

4. REGRESSION ANALYSIS

To test the hypothesis, the first researcher has tested over all regression model by taking all the dependent variables (i.e. Productivity, Profitability, Shareholder value, Earnings per share, Market share and Economic value addition) and check that whether they are individually affected by conducting multiple regression analysis. The results are discussed below:

4.1 REGRESSION MODEL

H10: There is no significant effect of TQM practices on economic performance.

TABLE 4: SIGNIFICANT RELATIONSHIP BETWEEN TQM PRACTICES AND ORGANIZATIONAL EFFECTIVENESS IN TERMS OF ECONOMIC PERFORMANCE MEASURES

TQM Practices (Independent Variables)	Economic Performance Measure			
	B	Std. Error	B	t
Constant	1.441	0.299		4.826
Top Management Commitment (TMC)				
Customer Focus (CF)				
Employee Empowerment (EE)	.303	.085	.293	3.565*
Supplier Partnership (SP)	.225	.076	.217	2.984**
Continuous Improvement (CI)	.297	.081	.271	3.664**
Quality Control (QC)	-.111	.051	-.131	-2.167***
Recognition and Reward (RR)	-.390	.086	-.362	-4.546**
Education and Training (ET)				
Process Management (PM)	.170	.080	.140	2.131***
R	0.563			
R2	0.316			
F	15.690			
Sign. (p value)	0.000			

Note: Significance: * p<.001; ** p<.01; *** p<.05.

Table 4 shows that economic performance is explained by the regression model as evident from R-square value of 0.316. The model indicates that 31.6% of the variations in economic performance can be explained using TQM practices. The p-value is less than 0.05; it can be argued that the model is valid for using linear regression. Since p-value is less than 0.05, the null hypothesis has been rejected and there exists the relationship between defects rate and TQM practices. The regression coefficient expounds that the TQM practices are having capacity to predict defects rate and the extent of the contribution power. Employee Empowerment, Supplier Partnership, Continuous Improvement, Quality Control, Recognition and Reward and Process Management are statistically significant with p-value less than 0.05. So at 5% significance level of significance null hypothesis is rejected which shows that there is a relationship between these six practices and economic performance and alternative hypothesis is accepted which is as under:

H1: There is statistically significant impact of TQM practices on economic performance.

10. FINDINGS WITNESSED BETWEEN TQM PRACTICES AND ECONOMIC PERFORMANCE

In this study Economic performance improvement is measured by,

- a. Improved productivity (EcP1)
- b. Increased profitability (EcP2)
- c. Increased shareholder value (EcP3)
- d. Increased earnings per share (EcP4)
- e. Improved market share (EcP5)
- f. Increased economic value addition (EcP6)

Out of the nine TQM practices empirically identified in the study, the TQM practices which have influenced on economic performance are varied as discussed below:

TABLE 5: REGRESSION COEFFICIENT BETWEEN SIGNIFICANT TQM PRACTICES AND ECONOMIC PERFORMANCE

ID	Organizational Effectiveness Indicators	Regression coefficient (R Square)	Variance in%	Significant TQM Practices
EcP	Economic Performance	0.316	31.6	EE, CI
EcP1	Productivity	0.279	27.9	CF, CI, RR
EcP2	Profitability	0.238	23.8	CI, RR
EcP3	Shareholder value creation	0.95	9.5	TMC
EcP4	Earnings per share	0.288	28.8	SP, CI, QC
EcP5	Market share	0.132	13.2	CI
EcP6	Economic value addition	0.298	29.8	CI, TMC

1. TQM practice CI has an effect on economic performance in terms of:
 - a. Improved productivity (EcP1)
 - b. Increased profitability (EcP2)
 - c. Increased earnings per share (EcP4)
 - d. Improved market share (EcP5)
 - e. Increased economic value addition (EcP6)
2. TQM practice RR has an effect on economic performance in terms of:
 - a. Improved productivity (EcP1)
 - b. Increased profitability (EcP2)
 - c. Increased shareholder value (EcP3)
 - d. Improved market share (EcP5)
3. TQM practice PM has an effect on economic performance in terms of:
 - a. Increased profitability (EcP2)
 - b. Increased earnings per share (EcP4)
 - c. Improved market share (EcP5)
 - d. Increased economic value addition (EcP6)
4. TQM practice SP has an effect on economic performance in terms of:
 - a. Increased profitability (EcP2)
 - b. Increased earnings per share (EcP4)
 - c. Increased economic value addition (EcP6)
5. TQM practice TMC has an effect on economic performance in terms of:
 - a. Increased shareholder value (EcP3)
 - b. Increased economic value addition (EcP6)
6. TQM practice CF has an effect on economic performance in terms of:
 - a. Improved productivity (EcP1)
 - b. Increased economic value addition (EcP6)
7. TQM practice QC has an effect on economic performance in terms of:
 - a. Increased earnings per share (EcP4)
 - b. Increased economic value addition (EcP6)
8. TQM practice CI has an effect on economic performance in terms of:
 - a. Increased profitability (EcP2)
 - b. Increased shareholder value (EcP3)
9. TQM practice EE has an effect on economic performance in terms of:
 - a. Improved productivity (EcP1)

The overall regression model showing relationship of TQM practices and economic performance (Table 5) shows that out of the above nine TQM practices EE, SP, CI, QC, RR and PM are significant. TMC CF and ET are not statistically significant. They explain 31.6% variance ($F = 4.826$, $t = 7.372$ $p < .001$).

11. CONCLUSION

TQM is not confined to production process and production & quality departments only; instead it is beyond all these. The employees of Indian iron and steel industry are aware of the holistic and strategic nature of TQM and most of firms in the industry follow quality management practices, but with different natures. Among the contemporary TQM practices, Top management commitment and Employee empowerment are popular ones in the industry; but the firms have no idea of the impact of practices supplier partnership in quality management. Among the contemporary TQM tools and techniques, the firms still are fond of traditional tools such as cause and effect diagram, quality circles; but the modern and advanced techniques such as quality function deployment, failure mode effect analysis are remote in their knowledge base. The TQM practices namely Continuous Improvement, Process Management and Recognition and reward jointly helps to improvise organizational effectiveness in terms of economic performance of the firms by increased economic value addition in the products and productivity in the processes, thereby increased the market share and profitability and ultimately increased earnings per share and share holder value.

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THE EMERGING ORGANIZED JEWELRY RETAILERS IN INDIA AND THEIR CHALLENGES: A QUALITATIVE STUDY APPROACH

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ABSTRACT

As India makes rapid progress in the retail arena, the Indian Jewelry market is undergoing a gradual metamorphosis from unorganized to organized formats. Consumers are more quality conscious than ever before. The jewelry market is one of the largest consumer sectors in the country larger than telecom, automobiles, and apparel and perhaps second only to the foods sector. Interestingly, organized retailers have attempted to understand the market, anticipate social change and strategies appropriately. This Paper looks at understanding the branding and Innovation done by the Branded Jewelry retailers in order to deal with the local competition also understand the factors that appease the today's customers. Later a qualitative study conducted view in-depth interviews analysis these objectives and proposes certain recommendations accordingly.

KEYWORDS

customization, branding, new age buying.

INTRODUCTION

As India makes rapid progress in the retail arena, the Indian Jewelry market is undergoing a gradual metamorphosis from unorganized to organized formats. The jewelry business in India is estimated to beat Rs. 50,000 crores. According to the independent estimation studies conducted by World Gold Council & McKinsey, out of the overall market share, the share of organized jewelry market is less than Rs. 1,000 crores. This accounts to about 2-3 % of the total market share. But given that this is a relatively new segment of the market, it is poised to grow. Jewelry retailing is moving from a "Storehouse of value" to a "Precious fashion accessory". Consumers are more quality conscious than ever before. The jewelry market is one of the largest consumer sectors in the country larger than telecom, automobiles, and apparel and perhaps second only to the foods sector. Interestingly, organized retailers have attempted to understand the market, anticipate social change and strategies appropriately.

Today, goods and services offered by any retailer are strongly driven by their identified Target Group. There are several examples of retailers who are drawing in consumers either across a wide swath or a segment of socio-economic classification, clearly defined by them. This has been the first step towards organized jewelry retailing in India. In a short span of time, organized retailers have successfully implemented a change in the buying pattern of the Indian consumers. This is evident from the shift from the traditional jeweler to the jeweler with an identity. This shift clearly indicates a change in viewpoint of jewelry as a commodity to brand identification.

RESEARCH OBJECTIVES

The gems and jewelry industry occupies an important position in the Indian economy and is one of the fastest growing industries in the country. Hence the research conducted would help us to:

- 1) Understand if branding and Innovation play an important role in guiding the purchase decision of the consumers from the retailers perspective.
- 2) To understand the factors that appeases the customers for buying decision and the efforts taken by the retailers in this regard.

REVIEW OF LITERATURE

(Subhro Prakash Ghosh, 2011) reported in his article "Glistening upturn in branded luxury jewellery" that Indian jewellery retail is witnessing a huge transformation. It has transformed from being an investment to a fashionable accessory. The entry of large number of luxury brands into India is further contributing to this transformation during the past few years especially in luxury jewellery retail market that is expected to gear up its current share of 4 per cent to 18 per cent of the total retail sales by 2010. He says, despite having the potential of the customers of tier I or II cities to buy luxury jewellery, they end up purchasing the merchandise from the main metros.

(Preethi Chamikutty, 2012) in her article "Branded gold & diamond jewellery attracting Indian buyers" reported that India consumed 125 tonnes of gold in pure jewellery form in the April to June quarter of 2012. "That will be more than what the entire US market will consume this year," reckons David Lamb, managing director, jewelry, World Gold Council (WGC), an association of the world's leading gold mining companies. That, in an increasingly brand-obsessed market like India, would spell a huge opportunity for organized players. GenY is looking for contemporary designs, convenience and an enjoyable shopping experience. Brand building helps a product carve its niche and demand a premium in the market. Spending your money on jewelry is so much cleverer than clothing that you will throw away or get bored of. Most Indian brides already know that but the challenge is to convince them to pick up the branded stuff rather than ounces of it from their family-friendly neighborhood store.

(Deepa Balasubramanian, 2012) reported in her article "South India brands are going national" that South India has many successful regional brands that are going national. Sharing their success stories were some of these brands during a panel discussion: 'South Champions: Creating Successful National Brands'. Pointing out the challenges the marketers face, she said, "The biggest challenge is to sell unique and different products. Only then will people come to buy". The biggest challenge she feels is advertising, which he has to across mediums, and languages. The key challenge for her has been to find a motivated buyer to what she sells. "And the secret is to be innovative and be unique in what you sell," she added. (Winda Angraini Jalaham & Sifrid S. Pangemanan, 2014) told in their study "The customer perception of local gold jewelry retailer in traditional market" that Gold jewelry is the one of complete package especially for women and is something that includes needs and wants. Hobby is specific with needs. Someone that has hobby to buy gold jewelry is someone that compels their action for their satisfaction. Others oppose gold jewelry is something that someone want. Lifestyle and self-esteem can make someone desire something in satisfaction. In business, perception of customers is important. Most of the customers are interested in non-branded products because non-branded products have many kinds of model variants, price is affordable, and appropriate for all society. In traditional market, promotion should further be enhanced. However, promotion of product quality and product design that they have should be able to show that their product can compete with branded products. (Debiprasad Nayak, 2014) in his article "jewelry brands take on new shine" reported that when Indian families would buy gold jewelry a few years ago, they would always step into a neighborhood shop. But now more of them are heading into branded stores to get better quality and newer designs. The shift in buying trend has ushered a boom in business of branded jewelry companies such as tanishq, gitanjali jewels and kalyan jewellers, who command a fifth of the share of one of the world's largest gold market. The share of branded jewelry in the domestic market is expected to rise to 25% from 20% in the next couple of years, said a senior analyst with icra, an associate of moody's investors service.

(Shubhra Saini, 2015) concluded in her article "From occasion-based purchase to everyday use: Jewellery retail shines bright in India" that the jewellery market in India is one of the largest in the world. With a multitude of players in both organized and unorganized spaces, consumers are spoilt for choice. According to a recent report by the Indian Brand Equity Foundation, the overall gross exports of Gems & Jewellery in April 2016 stood at US\$ 3.23 billion, whereas exports of cut

and polished diamonds stood at US\$ 1.78 billion. According to a report by Research and Markets, the jewellery market in India is expected to grow at a Compound Annual Growth Rate (CAGR) of 15.95 percent over the period 2014-2019. The jewellery market in India is expected to see reasonable growth in the coming years. There is a dynamic change in consumer preferences due to exposure that has made the customer more astute and aware about trends and quality. (Chaudhary & Ghosh, 2015) In their article titled "Branded jewelry is the new darling of investors" mentioned that branded jewelry, is attracting the attention of investors over the past two years, there has been an increase in investor interest in the jewelry business in India: In 2014, there were nine such transactions worth \$277 million, compared to four deals worth \$35 million in 2013. The reason for this newfound interest lies in the fact that gross margins are higher in jewelry businesses that are design led. Also, massive profits can be registered by offering a mix of gold and diamond jewelry.

(Khadekar, Wanjari, Kohad 2016) published in their paper that in last decade tremendous growth happened in gold sector in India. People are more attracted towards gold because of their growing prices. It's seen to be a pure investment. The demand for gold & gold Jewelry increases day by day. In this age-old sector the traditional craftsman jewelers handled the sector. In some last years a huge growth & opportunity has to be seen in this sector so, many private organized companies also entered in the market. Just like Tanishq, Kalyan jewelers, TBZ, Malabar gold etc. In current scenario new age consumers want a new variety, latest designs of Jewelry with more awareness & knowledge. Thus the industry is having more opportunity to get the market share.

(Deveshwar & Kumari 2016) published in their paper "Customer preference towards branded jewelry" that Jewelry industry is one of the fastest emergent industries in the Indian economy. There are both organized and unorganized sector. The jewelry industry in India is mainly unorganized at present with a small share of organized sector. But in the past few years the share of organized sector is enlarged regularly. This may be possible due to the increasing level of awareness and preference of branded jewelry. Jewelry industry uses a number of techniques for escalating their profit and market shares. They try to win the trust and confidence of the customer. They start to give preference to lightweight and fashionable branded jewelry as compared to local and unbranded jewelry. There is a shift from content to design in jewelry.

STATEMENT OF THE PROBLEM

In the market there are largely fragmented Local & Nationally known retail jewelry shops. In spite of product quality and services in terms of reparability, variety, returns & majorly customization, people are still buying gold jewels from local retailers. The Study focuses on the challenges that the organized / branded Jewelers face in contrast to the Local unorganized market of jewelers.

RESEARCH QUESTIONS

RQ 1: - To identify the points of appease to customers by both the Local Retailers and Branded retailers

RQ 2: -To understand the Branding done by both the Local and Branded Jewelry Retailers

METHODOLOGY

In designing this study, researcher used qualitative method through observation, depth interview and document review. Researcher uses multi case study, comparing more than one case, total 3 organized (branded jeweler's) and 3 unorganized (local jeweler's) of Surat city resulting in rigor research. Qualitative research included in-depth interviews of owners of the Local retailers and Managers of the Branded retailers. The focus was to study and compare the challenges faced by the organized (branded) jewelry retailers.

The data of this study using depth interview, observation, document review and triangulation. (Yin 2004) stated that in data collection, we should use main principle: using multiple not just single, source of evidence; creating a case study data base; maintaining chain of evidence.

ANALYSIS

Proposition 1: Retailers efforts on Appeasing customers in terms of Value for Money, Design Innovation, Variety and Customize the jewelry as per customer's requirement.

TABLE 1: ANALYSIS ON CONSUMER APPEASE METHODS IMPLEMENTATION

Indicators	Actual Conditions	Analysis
1. Customization	Local Retailers has a winning point in terms of customization over the Branded retailers because the customer seeks design copies that can be provided by the Local Retailers and is not a possibility with Branded retailers since designs are centralized.	Keeping in mind the points of appease for the customer and its various indicators Local Retailers are able to provide better services in terms of reparability, variety, returns & majorly customization.
2. Ready to wear	Both the Local Retailers & Branded retailers are able to provide a full range for ready to wear jewellery in their stores yet the perception in the consumers mind is inclined towards the Branded retailers having a wider variety.	
3. Reparability (service)	Local Retailers are open for services such as repairing of jewellery both bought by them and other retailers whereas the Branded retailers do not provide such facility and are policy-driven.	
4. Return policies	Return Policies do not have geographical limitations with Branded retailers yet sometimes policy themselves are stringent whereas Local Retailers are more flexible but less approachable geographically.	

Proposition 2: The Efforts done in terms of branding to market themselves and survive in the competitive jewelry market by focusing on attributes like Designs, Price, Patents and Innovation in their Jewelry lines.

TABLE 2: ANALYSIS ON THE BRANDING EFFORTS DONE BY RETAILERS

Indicators	Actual Conditions	Analysis
1. Designs	Branded retailers are able to outsource a wide variety of designers and therefore are able to have an edge over the Local Retailers.	Survival of the Local Retailers is based upon hybrid of customization and branding of jewellery designs.
2. Pricing	Many Branded retailers are also to innovate in their pricing policies in terms of various promotions & offers but the local retailers are able to maintain the essence by providing long credit period to their Loyal customers.	
3. True copy	Local Retailers are able to create copies of designs of Branded retailers effecting their branding & also making Branded retailers try for better & innovative designs.	Customization is the key point of difference when it comes to the local jewellery retailers v/s national jewellery retail brands.
4. Innovation (Jewellery lines)	Branded retailers are able to segment the market and therefore come up with a wide variety of jewellery lines and do brand extension but the Local Retailers were also seen to establish Shop-in-shop fulfilling the gap of brand extension.	The USP of Branded retailers is the long jewellery lines and the brand equity due to their national presence.
5. Patents/Logo visibility	Though the product itself doesn't have the logo visible & patents of design do not seem to be working effectively yet the presence of national brands plays an effective role in the minds of the customers.	

CONCLUSIONS

Local Retailers are better at providing points of Appease in terms of customization, Reparability, Return Policies or Ready-to-wear variety to their customers as compared to the Branded retailers as they have the centralized system to follow and cannot be flexible with appeasing the customers. The survival of the Local Retailers is based upon hybrid of customization and branding of jewelry designs whereas that of Branded retailers is based upon hybrid of long jewelry lines and the brand equity due to their national presence. And customization is the key point of difference when it comes to the local v/s branded jewelry retail brands.

SCOPE AND LIMITATION OF RESEARCH

The study has immense further scope of study in terms of understanding various government regulations in the organized market and also a detailed quantitative study can be carried out on the perspective on the consumer tastes and preferences.

RECOMMENDATIONS

Just like Local Retailers, Branded Retailers should focus more on appeasing the customers by providing flexibility in their centralized system for returns, Reparability (service), variety and especially providing customization which is mostly preferred by the customers. The new age buying is on the spree henceforth the USP of the branded retailers in terms of innovative designs should be retained and grown as this will become the key factor to deal with the competition.

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A STUDY ON THE SCOPE OF SUSTAINABLE ALTERNATIVE EMPLOYMENT GENERATION IN KADMAT ISLAND, LAKSHADWEEP

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ABSTRACT

Over the decades the government of India has been implementing various development programmes for the upliftment of the poor marginalized island households of Lakshadweep. But still these household are not attained the self sufficiency due to greater un employment, limited resources availability, unimproved infrastructure, geographic isolation etc. Fishing is the main occupation next to coconut cultivation which is only seasonal. The Lakshadweep islands face greater unemployment due to its limited scope to industrialization and modernization. In this context this present research work is intended to make an enquiry on the scope of alternative employment opportunities of kadmat island of Lakshadweep. The researcher has used the regression analysis to test the relationship between socio economic factors and the utilization of alternative employment opportunities available in the island set up. The findings reveal that education, family size, plays a vital role in creating alternating alternative employment opportunities of the island households. The paper suggests that there is huge scope for setting up of cottage and micro enterprise which needs to be guided and assisted by the government. The forward and backward market linkage is the prime need of the island cottage and micro enterprises.

KEYWORDS

Lakshadweep, unemployment, sustainability issues of Lakshadweep islands, alternative employment opportunities, role of education in creating and utilization of employment opportunities in an island economy.

1. INTRODUCTION

Islands are the oceans of the earth and conjure numerous associations ranging from autonomous nation states to tropical tourist paradises to isolated outposts of civilization. Excluding Greenland, islands have a combined land area of about 7 700 000 km² or about 5% of the Earth's surface (Towel, 1985). Many fields of study have employed islands to advance human knowledge in the natural and social sciences with a great deal of success. The Man and the Biosphere studies were the first to examine islands by investigating the dynamics of modern human societies and the natural systems in which they exist. Every research has highlighted comprehensive picture of the interaction between humans and nature.

LAKSHADWEEP ISLANDS

The islands of Lakshadweep are small, which are isolated. They have a relatively small resource base, undiversified economic structure, heavy dependence on imports, and a large agricultural, fishing and subsistence sector. Many small islands have no any receipts of large sums of aid and remittances, and depend on preferential import for most its needs. Internationally many small islands develop a unique set of economic and political strategies to cope with their vulnerabilities. These economic strategies mainly focus on the services sector, in particular tourism and financial markets. International tourism is a major source of income for most of the small islands as well as the larger ones. Small islands are more dependent on tourism than larger one due to the fact that their economies are based on only a few sectors. Export-oriented products and services are documented as major source of income and provide a basis for a potential comparative advantage of many islands. Since the rights of tourism sector and the export sector of these Lakshadweep islands is rest with the government, the islanders are in compulsion to search for alternative employment activities within the islands becomes as an engine of growth of many of these small islands due to its ability to create employment, increase earnings. However, the tourism dependency of smaller economies correlates directly with their size and limited human resource capital and the alternative employment activities.

THE ISLAND CONTEXTUAL ISSUES

The properties of islands of Lakshadweep make it with pressing sustainability challenges of limited resource availability and natural carrying capacity. Many discussions observed that, it is apparent that new approaches are needed to address sustainable development on islands which require a care full and in-depth enquiry into each and every issue which are closely associated with the economy. The following island specific issues are observed for the purpose of this study. Isolation from mainland and from other islands, limited resource base, un utilized resources, environmental issues, limited sustainable development opportunities, un employment, terrific seasonal changes, transport and telecommunication issues, health, education, power, the un improved infrastructure, sanitation, issues of drinking water availability, waste management, limited scope for the agriculture production etc.

SUSTAINABILITY OF LAKSHADWEEP ISLANDS

The oft-cited Brunt land report set forth the notion of sustainability as a goal of intergenerational equity and resource management implicating both social and environmental concerns. While a wealth of definitions and principles has followed, Goodland & Daly (1996) offer three principles that sufficiently focus the sustainability discussion on environmental carrying capacity. First, waste should not be released into the local environment at a rate that impairs future assimilation or ecosystem services. Second, renewable resources should not be used at a rate greater than they can be generated. Third, non-renewable resources should not be depleted faster than renewable substitutes can be developed. These principles provide objective goals for the perpetuation of human populations in resource-limited environments.

Studies of island anthropology have repeatedly shown a close, historical connection between environmental sustainability and human survival (Kirch, 1997; Erickson & Goudy, 2000). The island context, therefore, brings sustainability concerns rapidly to the forefront of environmental management and planning. The size and isolation of islands limit the availability of critical resources, such as fresh water and fertile soil. Resource extraction and the release of by-products occur within a small space on islands, making environmental externalities more closely linked to their associated resource use. For resources that are supplied externally, resource security is a concern. An important resource may suddenly have its supply cut off or become prohibitively expensive, leaving the island without a well-developed, local alternative. In addition, islands with large, externally oriented economies often rely on a few, heavily weighted factors such as tourism, oil imports or tax incentives. Not only do these factors fail to account for the environmental constraints of the island system, but their sudden disruption can also leave an island vulnerable to serious resource shortages.

STATEMENT OF THE PROBLEM

To sum up the above relents and these issues the major challenge of Lakshadweep Island is to identify the alternative sustainable employment activities while the Lakshadweep is declared as no industry direct. The unique environmental factor of Lakshadweep island makes it more vulnerable to industrialization at the largest level, and may be provided with micro small and cottage industries which suites the local demand and the environment may be an ideal option for the development. Since the alternative employment generation activities of the Lakshadweep Island are not explored still now. This work is attempted to fill this gap in research.

2. REVIEW OF RELATED LITERATURE

Review of literature constitutes an important part of research due to the fact that it deals with the critical examination and analysis of various published and unpublished works of different individuals and institutions related to the study under consideration. A thorough review and survey of related literature forms an important part of the research. Knowledge of related research enables the researcher to define the cutting edges of his fields; it helps in comparing the efficiency of various procedures and instruments used. Further review of literature avoids unintended reproduction of previous studies and also places the researcher in a better position to interpret the implications of his own outcome.

The economic condition of a state is highly dependent upon the industries established within the state. Industrially developed states generally have high per capita income. This means that industries play a very important role for the development and economic stability of a country.

For every organization, a smooth functioning is required to attain its goals. Due to many reasons, the growth of an organization can be hampered internally as well as externally. The corporate also have responsibilities to fulfil. Among these responsibilities, corporate social responsibility is very important.

One of the reasons for its underdevelopment is the low growth rate of industrialization. Industrialization plays a vital role in economic development of any region. Development of industries can increase income, output and employment and can accelerate the rate of growth of a backward area. Further industry tends to exercise profound influence on other sectors of the economy including agriculture. That is why industrialization is considered as an indicator of economic growth and hence the underdeveloped countries give it the highest priority.

There have been many researchers studied about various aspects of alternative employment opportunities of international, national, regional and local level. But unfortunately, very few studies have been found relating to the small scale sector of the island, highlighting the problems and prospects of these industries in the area. Due to the non-existence of medium and large scale industries in the island, the Government of India has declared this region as 'No Industry Area'. As such no fruitful research work has been done in this field. That it attracted the attention of a few scholars which is revealed in their writings on various issues concerning the socio-economic aspects of the State.

The industrialisation as a source of employment and capital accumulation has been recognized by various economists. The review of works done by various economists, authors, organisations as well as different committees related to the small scale industries at international, national, regional and local levels is given below.

John Maynard Keynes (1936), during the early period has focused his attention on the forces that establish employment policy followed in industrialisation. He puts forward the theory that entrepreneurs will offer the amount of employment which maximizes their output and profit. He stressed on the productivity of labour as the decisive issue of the level of employment. There is a positive relationship among productivity of labour, output and employment. According to Keynes "employment can only increase *pari-pasu* with an increase in investment"

Sir W. Arthur Lewis (1954), has stoutly advocated the relevance of labour intensive techniques of production to have a stable and smooth economic growth. He suggested that most of the important works can be done by human labour with very little capital. Efficient labour force could be used to make even capital goods without using any scarce factors. In this sense, small scale and cottage industry, which is obviously a labour intensive sector should be developed and promoted, especially in an island economy where capital is scarce. He suggested the use of capital intensive techniques only when they are essential and not avoidable.

Leibenstein and Galenson (1955), had an opposite stand and tried to show that labour intensive techniques might generate immediate output but little surplus since the wage bill would be large. Economic development preceded investment but the use of labour intensive techniques leaves little surplus for investment because most of the earnings are supposed to be spent on consumption. Hence, according to them, the use of capital intensive techniques in the process of production, will increase the re investible surplus by minimizing the wage bill.

According to the Carve Committee Report (1955), since a substantial number of employed and underemployed belongs to the village and small industries group, setting up of small scale and village industries will provide employment to them in occupations in which they have been traditionally trained and for which they possess equipments. The committee realized the necessity of introducing better techniques in the village industry, so that they could keep pace with the progressive expanding economy and do not become unsustainable or outdated in future.

Amartya Sen (1957) had the same view and had put forward the surplus maximization criteria promoting the capital intensive techniques. Choice of technology depends on the nature of the economy whether developed or developing. According to Sen, a high wage rate will call for a capital intensive technique, but a low wage rate, such as may be operative in the less developed countries will mean that a relatively labour intensive technique will maximize the surplus for further investment. This is true in the case of small scale industrial sector of an economy like India.

Dhar and Lydall (1961) completed their work on the data collected from Census of Indian Manufacturers, 1956 and the study prepared by the Perspective Planning Division of the Planning Commission in respect of capital, labour and output relations in various industries. They concluded that the issue of choice between large and small industries for the purpose of an employment-oriented industrialization strategy is largely irrelevant, and it should aim at making the best use of scarce resources, instead of aiming at creating employment.

Gunnar Myrdal (1968) recommends the adoption of a strategy based on predominantly labour-intensive technique in less developed countries on the ground that "the large volume of unutilized labour possessed by these countries has a productive potential, capable of creating capital and increasing production". A study of UNIDO (1969) based on evidence from a number of developing countries, indicates that "small enterprises with a lower level of investment per worker tend to achieve a higher productivity of capital than the larger and capital intensive enterprises".

Rastogi (1980) has made a case study of Madhya Pradesh, which he calls "a unique case of growing unemployment and poverty amidst plenty". He is in favour of only small scale and village industries, which makes optimum use of indigenous techniques and local resources. According to him, "there are hundreds of items which can be produced in cottage and small scale industries more economically than in large industrial sector".

Pande (1983) explained few causes that attributed to the slow growth of SSIs in island areas. The small industrial units in the village area and sub-urban localities suffer from a considerable degree of technological obsolescence, inadequacy of raw materials, shortage of marketing channels, unawareness of market situation in urban centres, poor credit facilities and the shortage of skilled labour and power supplies. Dasgupta (1983) suggested that if labour intensive SSIs are established, they will provide some alternative economic opportunities to the people in the isolated areas of the economy.

Prasad (1983) in his study found that the small scale industrial sector is an integral part of not only the industrial sector, but also of the country's economic structure as a whole. When the small scale industries are properly developed, they can provide a large volume of employment can raise income and standard of living of the people in the lower income group and can bring about more prosperity and balanced economic development. The small scale sector (SSI) has vast potential in terms of creating employment and output, promotion of export, expansion of base for indigenous entrepreneurship and dispersal of industries and entrepreneurship skills in both rural as well as backward areas.

Desai (1983) also stated that rapid industrialization in India depends on the growth of small scale industries. He found that most of the small scale industries are operating under certain drawbacks like shortage of raw materials, low levels of technical knowledge and counselling, poor infrastructure, inadequate capital and credit facilities, improper distribution system, lack of facilities for market analysis, research and development. They are also weak in marketing their products beyond their localities especially in mainland and international markets.

B. K. Sharma (1985) suggested that the programme of rural industries would require constant support for their smooth and uninterrupted functioning. They lack proper training and the required infrastructures in rural areas are either absent or not at all developed. The training and marketing infrastructure would therefore, have to be developed suitably for the sustenance and healthy growth of the rural industries programme.

Kayak Committee (1992) found that banks have insufficiently serviced the working capital needs of the small sector particularly that of cottage and tiny enterprises. There is a need for setting up of specialized bank branches for small scale industries, the absence of which has led to serious consequences. Abide Husain Committee (1997) has suggested for proper institutional arrangements, policies and programmes for meeting long term and short term requirements of the small scale industries.

According to Devi (1995) industrial development is a pre-condition for the economic development of an underdeveloped region and suggested that industrial development in general and development of small scale and cottage industries in particular is bound to play an active role in connection with the economic development of any underdeveloped state like Lakshadweep.

Rae (1997) stressed on the effects of project delay on project productivity in small scale industrial units. He concluded that the difference of actual cash flow and the planned cash flow is one of the main reasons for failure of the industries. He suggested that the bank and financial institutions should have regular interaction with the entrepreneurs in order to reduce the risk and uncertainties of enterprises in which the population involved.

Mali (1998) in his study has observed that small and medium enterprises (SMEs) and micro enterprises have to face increasing competition in the present scenario of globalization, they have to specifically improve themselves in the fields of management, marketing, product diversification, infrastructural development and technological up-gradation. Moreover, new small and medium enterprises have to move from slow growth area to high growth areas and have to form strategic alliances with entrepreneurs of neighbouring areas.

A.M. Kherson (1999) holds that "if you attempt to create only employment without regard to efficiency, output and surplus, you will soon end up with neither employment nor output or surplus". Accordingly, Kherson suggests formulation of a strategy that depends on "self-financing surplus generating schemes".

Indian Institute of Entrepreneurship, Guwahati (2001) conducted a study on the performance of SSIs in Greater Guwahati area. The study revealed that large number of SSI units (30 percent) in the study area did not avail any financial assistance from banks or any other financial institutions. Ramesh Chandra (2002) said that the strategy of an organization is the definition and implementation of its purpose. According to him, to be successful in all commercial business and public sectors and not-profit activities, there are elements which must be present; there are rules that must be followed, and sources of strategy to be found. Through their market activities, firms contribute to social well-being by meeting consumer demand, providing jobs, developing new products, and paying taxes that fund public programmes.

Deb (2004) in a case study recommended that the financial institutions should minimize the procedural formalities in granting financial assistance to the modern small units as far as practicable. The instance of the financial institutions should be on viability of the project rather than on security offering capacity of the entrepreneurs.

Mira and Panigrahy (2005) examined the working capital position and its management in selected paper manufacturing units with statistical and financial techniques. The paper established that there is a significant relationship between the working capital management and profitability of a firm.

Selah and Nudism (2006) examined the role of Sees in different sectors as well as their major contribution to the economy of Malaysia. They found that the Malaysian SMEs still face many domestic and global challenges in achieving economies of scale and competing internationally. The challenges are the low levels of technological capabilities and limited skilled human capital resources, a low level of technology and IT penetration, low levels of research and development etc. Sophia and Baskran (2007) studied the capacity utilization and financial support in small and micro enterprise sector. They found that even though the units get adequate credit to install a higher capacity, the cash flows have always been limited to the working capital and consequently utilization as well.

Biwa's and Chakra barty (2008) studied the performance of MEMEs depending on their sources of technological know-how and estimated separate Cobb-Douglas production functions and found that the role of public sector research and development (R and D) institutions has been found to be not so significant in bridging the technology gap. The study underscores the need for supplying better and effective technology to the MEMEs to help them tide over global competition.

Nanda (2010) in his studies concluded that socio-cultural factors like values, roles, family and kinship, social stratification, religion and culture exerts considerable influence on entrepreneurship development in North-East India. Among the various hindrances, it was found that some socio-cultural factors like abstractive and patriarchal values, male bias, caste and gender inequalities, traditional inheritance of property, community and land ownership, lack of family business tradition, absence of enterprising communities, collective orientation and religious and customary laws are unfavourable for industrial growth in the region. Some factors like religious attitude for material pursuits, religious values favouring work ethic, gender differences in certain occupations and economic activities, and above all cultural practices, indigenous skills, knowledge and expertise favour the development of entrepreneurship spirit.

The comprehensive review of literature analysed above reveals that there are very few studies highlights the alternative employment generation activities is an island set up. Since there are no such studies are conducted with reference to Lakshadweep Island on this context this present study is attempted to fill this gap in research.

3. NEED AND IMPORTANCE OF THE STUDY

The Lakshadweep development report 2015 reveals that the income expenditure and saving pattern of the island households are not explored sufficiently and the various employment opportunities of the Lakshadweep islands are still to be explored. This study intended to provide these information to the academic, researchers and policy makers of the country and the world.

4. OBJECTIVES

1. To understand the nature of employment in the Kadmat island.
2. To understand the role of self employment scheme to improve the standard of living.
3. To identify the socio Economic problem of unemployed person.

5. HYPOTHESIS

1. There is no relation between educational status of households and involvement in alternative employment activities
2. There is no relation between the family size and alternative employment activities
3. There is no relation between the market linkages and the performance of micro enterprises

6. RESEARCH METHODOLOGY

The study is conducted on the basis of primary and secondary data. Primary Data are collected from 100 families through simple random sampling techniques. Investigator used prepared structured questioner for collecting data. Secondary data are collected from published research article, Journals, Books, Government records and website of Lakshadweep, particularly from District statistical office of Kavaratti, District Industrial centre, District Rural Development Agency, Kadmat village development etc. In addition, the averages and percentage analysis the researcher used correlation, regression and t test

ARE PROFILE

Lakshadweep islands are located 407 kms, from Cochin. It has a very large lagoon on the western side with abundant coral growth. Long sandy beaches and excellent water sports facilities are the stellar attractions here. Main occupation of the people is fishing and coconut cultivation. It is famous for its lime stones used for building purpose. In addition to the beautiful shallow lagoon on the east, has been identified for staying tourist with its tourist huts aesthetically situated in the coconut palm groves in the beaches facing the lagoon. The scuba diving centre in the island has become an attraction for water sport enthusiasts.

According to the latest population estimates of the island the island has a total population of 6441. Out of these 3234 are males and 3207 are female. The sex ratio of the island is 992 as per the 2009 population and gender estimation. The population figures according to the 2001 census was 5334 out of which 5165 people belong to scheduled tribe family. There are a total of 3905 literates in the island. The literacy rate of the island is 87.18. Out of the total 940 households 126 are below the poverty line which is around 13.4 percent marked a population growth rate of 33.85 which is the highest among all the islands in Lakshadweep during 1991 to 2001 period. There are 940 households in the island and the average household size comes to 5.7 people. It has tenth rank in population density with a density of 1710 people per sq.km. During 1951 to 2001 period it has been found that the density of population has been more or less stable in the island.

The work participation of this island reveals that out of the total population of 5334 in the year 2001 the participation in work is only 1230 which is increased to 2306. The work participation of male and female also were different in the island. Male work participation was 45.71 that mean only 1230 male works out of the

total of 2691. In case of the female population it is 5.90 which means only a very marginal numbers are involved in work. A comparison with the overall rate of the island suggest that the participation rate of the male folk in the island is far better compared to that of females and it is higher compared to the Lakshadweep average of 25.32. Women participation and the overall low level of participation could be a challenge for the MGNREGA implementation. The literacy rate of Lakshadweep comes to 86.66. This was 23.27 in 1961 which marked a drastic growth. The literacy rate of island is 87.88 as per the 2001 census data. Out of this female literacy is 82.43 and male literacy is 91.78. Male literacy of this island is higher as 92.53 while it is 80.47 for the state of Lakshadweep. There are 32 Women self help groups exist in the island with the average membership of the group from 15 to 20 women. The infrastructure and amenities in the island include; 60 ponds, 1385 open wells a 21.43 kilometer long PWD road etc. Island has two upper primary school, 1 high school and a higher secondary school. There are 8 Anganwadis out of which 6 has own building and the rest 2 are functioning in rented building. There is a Krishibhavan a veterinary hospital, a PHC and a primary health sub centre in the island. All of them have own building. There is a 24.51 ha of common land in the island. As per the data on 2005-06 a total of 660 meters of shore has been protected. As per the 2006-07n data the island has a total of 766 telephone connection and the exchange has a capacity for 1000 connections. There is a sub post office functioning in the island. As per march 2007 the island has produced a total of 2400.017 kwh of power. The power consumption in the island suggests that according to 2006-07 the island had a total of 1903 connections. Out of this 1526 are domestic connections and 36 are industrial connections. The power generation as well as the consumption increased over years. A total of 940 families have been registered for MANRESA work and out of this only 341 were issues job card which is 36.28 percent of the applicants. The labour requirement to implement all the works suggested by the islanders in five years time frame exceeds too much the labor supply available in the island. Lakshadweep has a very specific labour supply trend and it suggest that people do not prefer hard labour rather would like to involve in soft labour works. Assuming a 2 percent growth in the labour force over the next five years the labour force available at the end of the fifth year would be 1100. However, to do the all the works suggested by the islanders require a total of 1170414 man days which means on an average there would be around 234082 man days. But it has been understood that this much labour force is not available in the island.

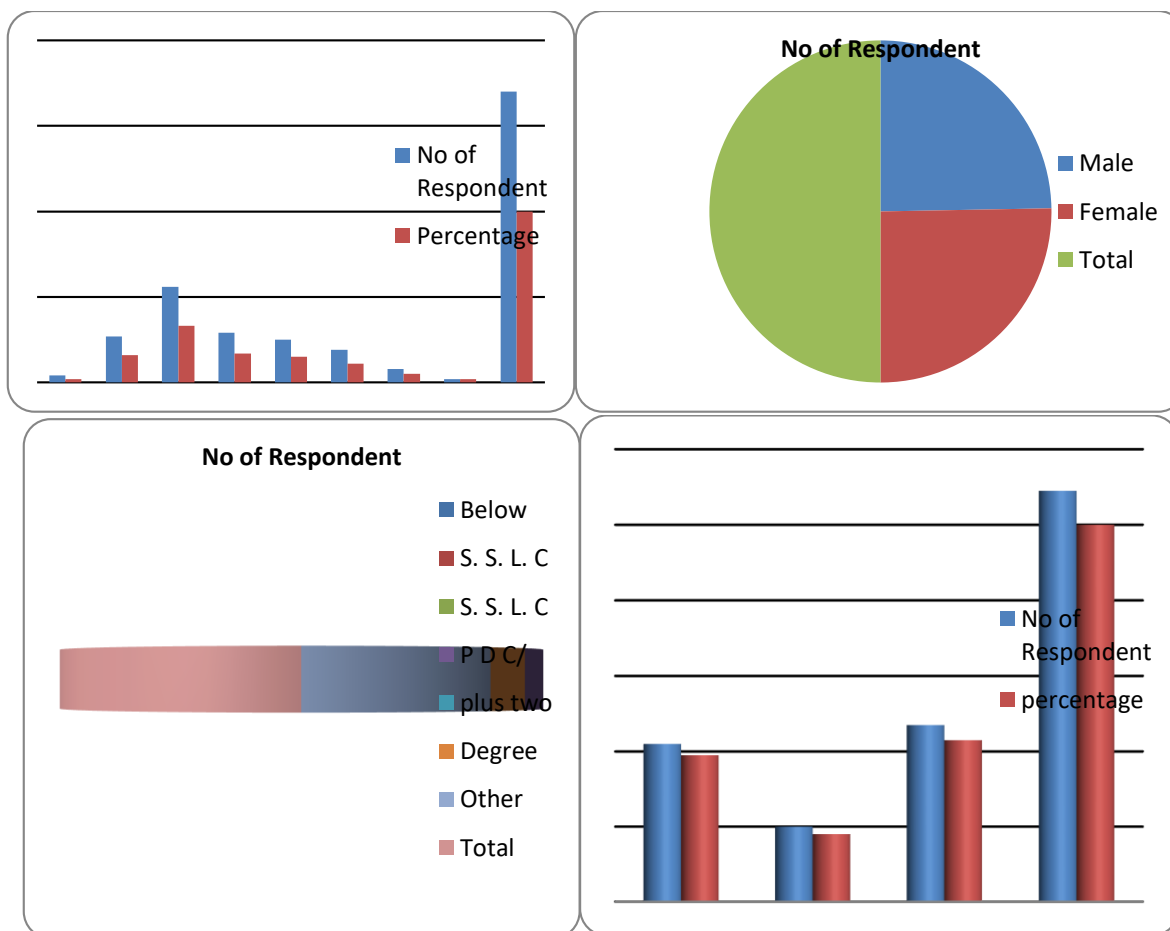
TABLE 1: THE LABOR SUPPLY PROJECTION OF THE STUDY AREA

Sl.No	Island	2010-11	2011-12	2012-13	2013-14	2014-15	Remarks
1	Kadmat	1017	1037	1057	1078	1100	2 % increased
2	Lakshadweep	19172	19778	20410	21075	21671	

Source: Calculated from the population growth trend and the labour supply trend Basic Statistics, 2007, Directorate of Planning and Statistics, Lakshadweep & Information collected from DADA, Kavaratti.

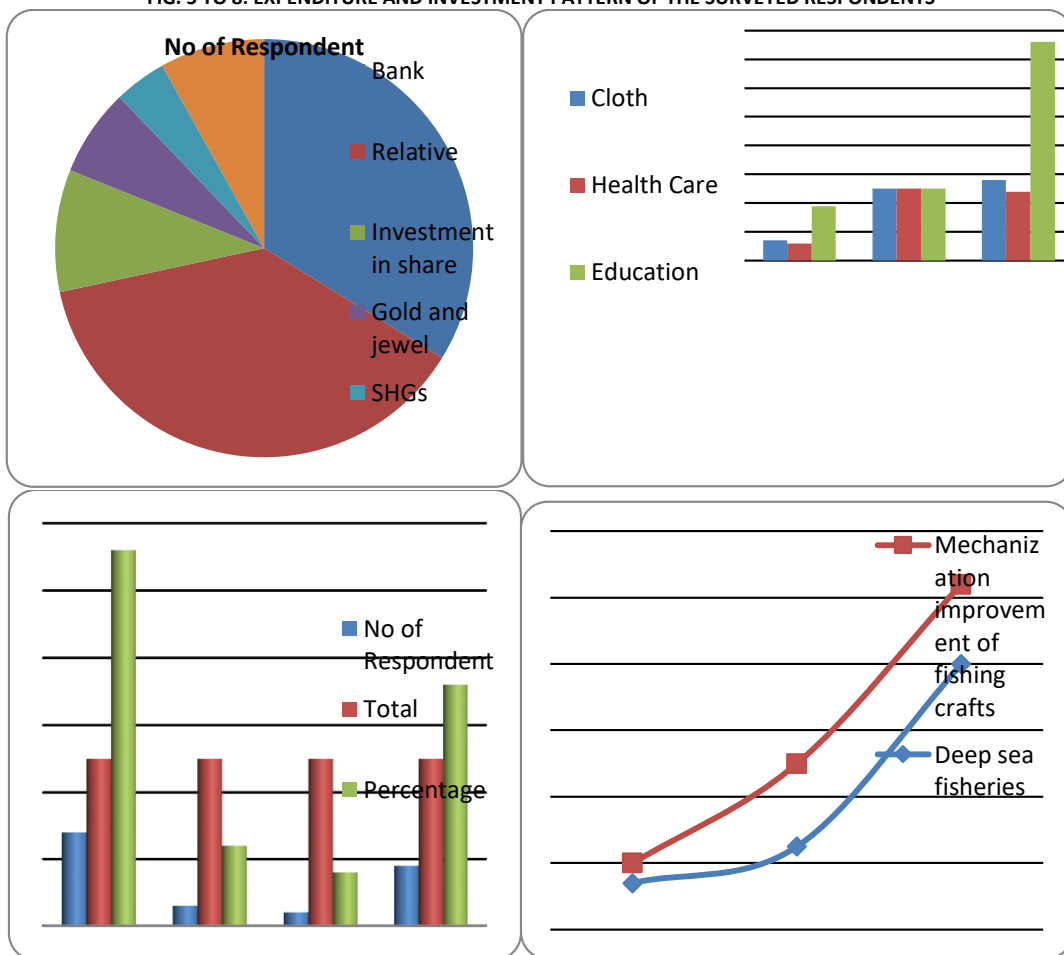
7. ANALYSIS AND INTERPRETATION OF DATA

FIG. 1 TO 4: DEMOGRAPHIC CHARACTERISTICS OF THE SURVEYED RESPONDENT



The above figure first shows the age wise classification of the respondents and the second shows sex wise classification of respondents while the third and fourth figures respectively represents classification on the basis of educational Qualification and occupational pattern of the respondents

FIG. 5 TO 8: EXPENDITURE AND INVESTMENT PATTERN OF THE SURVEYED RESPONDENTS



The above figures explore the saving pattern of the households (1), expenditure pattern-I (2), expenditure pattern II (3), classification on the basis of fisheries (4).

TABLE 2: CLASSIFICATION ON THE BASIS OF FISHERIES EQUIPMENT OWNED

Sl. No	Contents	No of Respondent
1	Deep sea fisheries	14%
2	Mechanized	6%
3	Improved of fishing craft	5%

TABLE 2: CLASSIFICATION ON THE BASIS OF ALTERNATIVE SEASONAL EMPLOYMENT INVOLVED (in %)

Sl. No	Activities	No. of Respondents	Financial Assistance Received	Market Linkages Received	Raw Material availability	Skill improvement training
1	Fish based Snacks	68	2	0	36	12
2	Sweets Production	32	36	0	52	32
3	Grocery shop	21	6	0	21	-
4	Barber shop	7	0	0	7	-
5	Micro enterprises	24	17	3	18	6
6	Tea & Hotel	16	3	0	16	-
7	Street Vending	82	0	0	82	-
8	Electronic Shop	6	1	0	0	-
9	Soap Making	7	7	7	7	7
10	Coir based works	15	0	0	0	0
11	Carpentering	6	2	0	6	0
12	2 wheeler repairs	4	0	0	0	-
13	Handicraft	91	0	0	0	-

Source: Computed from Primary Data.

8. FINDINGS, RECOMMENDATIONS AND CONCLUSION

From the analysis it is revealed that there are close relations between the education and the utilization of alternative employment opportunities in the islands. The family size determines creation and utilization of alternative employment opportunities. In most of the cases large family members run their enterprise in a profitable way than that of small family who are also less utilize the alternative employment opportunities. Islanders are not aware of market information for the product they produce. Most of their products are locked within the islands. The handicraft products produced by the islanders are attractive due to its use of natural raw materials. Most of the micro enterprises lack market linkages which affect their efficient performance and income. Government may create forward and backward linkages through the state public distribution system in which the fish and coconut based snacks and sweets can be marketed at minimum secure price on regular basis. The islanders may be encouraged with sufficient financial assistance and more skill up gradation trainings may be provided. The tourism development oriented micro; cottage industries may be assisted with subsidized raw materials.

The entire islands produce chemical other forms fertilizers, pesticides free coconuts which has to be supplied to government at the minimum price. Setting up of private coconut oil extraction industries may be permitted to the private on pilot basis. Otherwise the private entities may be allowed to purchase the coconuts

produced by the islanders on competitive price. If these policy changes are properly implemented the Lakshadweep Island economy will go toward the boom and the lifestyles of these tiny islanders will get improved.

9. LIMITATIONS OF THE STUDY

The study is limited to Lakshadweep island Economics, since every island is unique in its geographical location, latitude, longitude and, the temperature, longer boundaries, soil water, and, soil condition etc. which are unique and the prime determinants in the income generation activities of the island, the Result and conclusion, discussion may not be some time suitable to other island economics. Since the islander does not maintain any income expenditure statement at the individual and household level, Income generation activities related data is collected from the respondents from their memory.

10. SCOPE FOR FURTHER RESEARCH

The season wise employment scenario reveals that only during specific seasons the islanders are involved in fishing activities. Most of the fishermen are hesitated to go for deep sea fishing and fishing is not up to the maximum. The optimum potential for fishing around these islands is 50 thousand tones in a year. But the actual fishing is only 10 thousand tones (Lakshadweep development report 2005). The fisherman community of this island follows traditional method of fishing while the improved modern technology is available. The causes and of this attitude of the island community may be studied in a separate enquiry.

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PRIORITY SECTOR LENDING BY COMMERCIAL BANKS IN RAJASTHAN

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ABSTRACT

Institutional financing refers to credit or loans provided by financial institutions (in contrast to credit or loans given by private individuals like money lenders, whole sellers and retail merchant, landlords and relatives etc.) like co-operative agencies, Commercial Banks (CBs) and Regional Rural Banks (RRBs). The present study is confined only to those institutions which are fundamentally financial in character and provide financial assistance for rural development. In recent years' Indian agriculture has undoubtedly witnessed a major technological breakthrough and a progressive commercialization which has mainly ushered in what has come to be known as the 'Green Revolution' with these technological changes the importance of capital in agriculture production in India rising remarkably. The main objective of the proposed study is to find out various ways and means as to how the facility institutional finance may be increased from the existing sources and also as to what could be the other perspectives sources of rural finance to meet the increasing requirement for the rural development of Rajasthan. The main objective of the proposed study is to find out various ways and means as to how the facility institutional finance may be increased from the existing sources and also as to what could be the other perspectives sources of rural finance to meet the increasing requirement for the rural development. The primary data have been collected with the help of two types of structured questionnaires meant for the bankers and the recipients of the loans. Proper and effective supply of institutional finance helps to improve the working efficiency and level of rural development. The performance of institutional financing agencies not only at the state level, but also at the district level could be made effective by systematic and efficient financial and credit planning, making policies and proper monitoring of the schemes.

KEYWORDS

Rajasthan, commercial banks.

LIST OF ABBREVIATIONS

CBs	:	Commercial Banks
GDP	:	Gross Domestic Product
PSL	:	Priority Sector Lending
RRBs	:	Regional Rural Banks
SLBC	:	State Level Bankers' Committee

INTRODUCTION

In recent years Indian agriculture has undoubtedly witnessed a major technological breakthrough and a progressive commercialization which has mainly ushered in what has come to be known as the 'Green Revolution' with these technological changes, the importance of capital in agriculture production in India rising remarkably.

To tackle the problems of rural credit in an effective manner, the government has assigned the task to three main agencies, namely, co-operative banks including land development banks, commercial banks and regional rural banks.

The Commercial Banks (CBs) provide multi-purpose and multi-term credit to all categories of borrowers engaged in agriculture and other economic activities. The RRBs, however, serve a restricted clientele as a matter of policy.

REVIEW OF LITERATURE

The review of literature is likely to provide a bird's eye view of the studies conducted on the subject matter. A number of studies have been conducted on the role of organized financial institutions in providing Agricultural finance, but a few are on the role played by the un-organized sector of finance in Rural Sector. The studies have been conducted both of macro and micro levels.

IMPORTANCE

The very initial interest in the proposed study is generated following spectacular success achieved by the financial institutions in the rural development during recent years. With the increased involvement of multi-credit agencies, bank credit has become indispensable for the development of the rural economy. Besides the increase in the quantum of credit, institutional credit has become more diversified and spread over a number of rural economic activities. The financial strategies of the banks are directed more towards productive purposes and the generation of additional income in the agricultural sector.

RESEARCH METHODOLOGY

The study has two main facts, namely the supply side related to the banks and the demand side pertaining to the borrowers. Further, the supply aspect has been studied at the macro as well as micro-level and the demand aspect at the micro-level.

The macro level investigations are based on secondary data which have been collected from the records of banks, annual reports, various statistical abstracts, journals, newspapers and such other sources. These investigations and an analysis provide necessary insight into various related issues like coverage of rural areas by institutional financial agencies, terms and conditions of loans, quantum of advances made, and deposits mobilized from the rural sector.

An attempt has been made to assess the impact and to examine the problems at the micro-level through the use of primary data. The primary data have been collected with the help of two types of structured questionnaires meant for the bankers and the recipients of the loans. To measure the impact of institutional finance at the grass-root level several indicators such as increase in area under crops, irrigation, modern farm practices, sales value of output, and the use of the luxury items is used to find out whether the borrowers derived any significant gains or not, the comparisons is made of the sample farmers, farm activities relating to two points of time, namely, the pre-bank loan period and the post-bank loan period.

Role of financial institutions is crucial in the development of any sector and agriculture is no exception to it. Rather, the development of agriculture sector is more dependent on banking sector because about 80 percent of farmers are small and marginal, who are unable to save and invest due to their low levels of income. Further, about 70 percent of the population of India lives in rural areas contributing about 22.2 per cent to Gross Domestic Product (GDP) and forms the largest consuming market leading to income and employment generation through multiplier effects. Banking sector helps in the monetization of the economy. Agriculture is the most crucial sector of the country because the main policies of output growth, poverty alleviation, social justice and equity are best served in this sector. Thus there is a need to increase the credit flow to agriculture, raise productive capacity of land and enhance the potential of water resources as well as its use efficiency for agricultural production.

When the country faced the problem of food shortages in the early sixties, agricultural public policy aimed at increasing productivity and production of food grains to meet this challenge. The cultivation of wheat and rice varieties which were highly responsive to purchased inputs like fertilizers, agro-chemicals and irrigation required capital at the farm level. Agricultural credit scenario was largely dominated by private informal sources of credit i.e. professional money lenders and traders. The participation of commercial banks was negligible in agricultural loans. Farmers' level of income was low and they were hesitant to use modern technology. Therefore, agricultural credit policy aimed at increasing the flow of institutional credit at reasonable rates of interest to agriculture sector. The cooperative credit structure was strengthened by reorganizing and merging weak societies with strong societies.

TYPES OF RURAL CREDIT

Three types of loans are provided to Indian farmers to meet their financial requirements-

- (i) Short term loans,
- (ii) Medium term loans and
- (iii) Long term loans

Short term loans are provided for a period of less than 15 months to meet out expenses of routine farming and domestic consumptions. This type of loans is demanded by farmers for purchasing seeds, fertilizers and for meeting out family requirements. Medium term loans are provided for a period of 15 months to 5 years to purchase agricultural equipment's, animals and for land improvements. Long term loans are provided for a period of more than 5 years. This type of loan is taken by the farmers to purchase land and expensive agricultural equipment's and for repayment of old loans.

SOURCES OF RURAL CREDIT

The sources of rural finance are broadly classified into two categories: (A) Non-institutional Credit Agencies or informal sources, and (B) Institutional Credit Agencies or Formal Sources.

PRIORITY SECTOR LENDING BY CBS

It is worthwhile to examine the pattern to bank credit prior to nationalization during 1951-1968 in view of the following sector classification:

- (i) Agriculture;
- (ii) Industry;
- (iii) Trade;
- (iv) Personal; and
- (v) Others

Table 1 shows the sector wise distribution of banking credit during 1951-1968.

TABLE 1: SECTOR WISE DISTRIBUTION OF CREDIT BY SCHEDULED COMMERCIAL BANKS (Percentage to total bank credit)

S. No.	Sector	1951 (%)	1968(%)
1	Agriculture	2.1	2.2
2	Industry	34.0	67.5
3	Trade	36.0	19.2
4	Personal	6.8	3.7
5	Others	21.1	7.4
	Total	100.0	100.0

Source: RBI Report of the Trend and Progress of Banking in India 1968-69

CHART 1: SECTOR WISE DISTRIBUTION OF CREDIT BY SCHEDULED COMMERCIAL BANKS (Percentage to total bank credit)

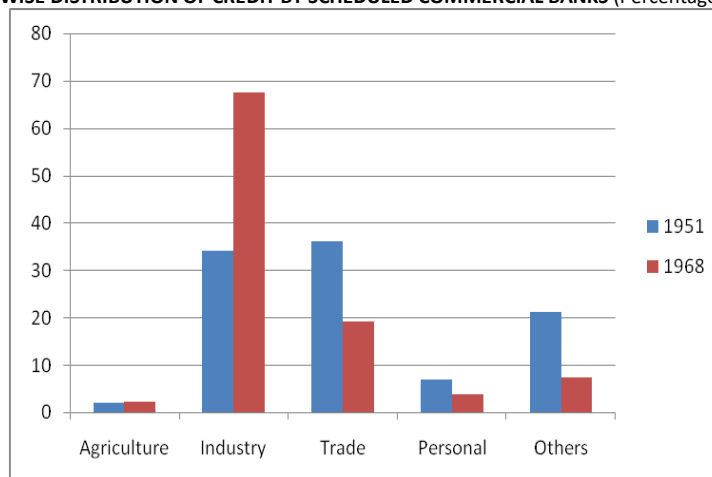


Table 1 shows that agriculture received a very meagre share of 2.1 per cent in the total bank advances in 1951 in India. It remained almost the same (2.2 per cent) even after 17 years of planning which assigned top priority to agricultural development in 1968. The main reason was commercial banks rigidity in their lending approach have been reluctant to provide bank credit to the farmers.

The share of industrial sector which was already high at 34 per cent in 1951 increased almost two-fold to 67.5 per cent in 1968. This is, firstly, because there was an increasing demand for bank credit in the industrial ventures and secondly, the private sector banks were owned or controlled by the big industrial houses, so they would claim huge loans with undue favors.

The share of the trade sector in total bank credit reduced to half, from 36 per cent in 1951 to 19.2 per cent in 1968. Personal loans to private individuals also declined from 6.8 per cent in 1951 to 3.7 per cent. The share of other categories also decreased from 21.1 per cent to 7.4 per cent during the same period.

POST NATIONALIZATION ERA

The diversification of a large fraction of bank credit from the traditional sector to the priority sector is a remarkable feature of credit deployment in the post nationalization era. The concept priority sector lending (PSL) is mainly intended to ensure that assistance from the banking system is an increasing manner to those sectors of the economy which has not received adequate support of institutional finance.

Financing of priority sector has been one of the strategies of the banks in their developmental role in India. The development economics aim at achieving simultaneously their goals of higher growth rate and distributive justice.

The conflict between economic and distribution justice has to be eliminated by suitably amending the development strategies, particularly with reference to the weaker section of society. Efforts should be made in this direction on a war footing. During the more than forty years, India has launched a multipronged attack on the multi-dimensional problems of poverty. One of the ingredients of this anti-poverty programme is priority sector lending by banks. Banks in general and public sector banks in particular are required to take on certain social as well as economic responsibilities. These include a massive thrust into the rural sector of the country, and lending to sector such as agriculture, small industry, etc. There are areas which have previously been virtually ignored by commercial banks in their operations. It was, therefore thought that the banks should give up their traditional approach, should be more creative and innovative in their approach to credit by catering to their genuine needs of either to neglected but socially desirable fields of productive activities and popularly called the priority sector of the economy.

The commercial banks played a significant role among the institutional sources of credit for priority sector in India. The significance of bank credit in the priority sector can be observed against the backdrop of increasing quantum of such credit to this sector. The table-2 presents total bank credit and the deployment of bank credit to priority sector in India during 1997-2006, 2013.

TABLE 2: DEVELOPMENT OF BANK CREDIT TO PRIORITY SECTOR IN INDIA (1997-2006, 2013) (Amount Rs. in crore)

Sr. No.	Priority Sectors	March 1997	March 1998	March 1999	March 2000	March 2001	March 2002	March 2003	March 2004	March 2005	March 2006	March 2013
1	Total Bank credit	2,58,991 (100)	3,00,283 (100)	3,42,012 (100)	4,00,818 (100)	4,69,153 (100)	5,36,727 (100)	6,69,534 (100)	7,64,383 (100)	10,40,909 (100)	14,45,837 (100)	21,81,8200 (100)
2	Agriculture & Allied	31,442 (12.1)	34869 (11.6)	39634 (11.6)	44381 (11.1)	51922 (11.0)	60761 (11.3)	73,518 (10.9)	90,541 (11.8)	1,25,250 (12.0)	1,72,279 (11.9)	66,35,400 (30.41)
3	Small Scale Industries	35944 (13.9)	43508 (14.5)	48483 (14.2)	52814 (13.2)	56002 (11.9)	57199 (10.6)	60,394 (9.0)	65,855 (8.6)	74,588 (7.2)	90,239 (6.2)	54,09,000 (24.81)
4	Other Priority Sectors	17494 (6.8)	21130 (7.0)	26494 (7.7)	34632 (8.6)	46490 (9.9)	57299 (10.9)	77,697 (11.6)	1,07,438 (14.0)	1,81,638 (17.4)	2,47,379 (17.1)	---

Source: Reserve Bank of India Report on Currency and Finance, various issues

Figures in the parentheses indicate percentage to total bank credit deployed.

The outstanding bank credit of small scale sector increased from Rs.35, 944 crore in March 1997 to Rs. 90, 239 crore in March 2006 recording a 2.5 fold increase but the percentage share to total bank credit has declined from 13.9 per cent to 6.2 per cent. During the same period, the amount of bank advances to agriculture sector increased from Rs.31, 442 crore to Rs.1.72, 279 crore. There is a sudden jump of bank credit deployed to other priority sector during the period under consideration. The same has recorded an increase from Rs. 17, 494 crore in March 1997 to Rs.2, 47,379 crore in March 2006. After this in 2013 bank advances increased with approx. 37%. It can be argued that the growth of advances to other priority sector in absolute figure has gone over the growth of bank credit to small sector although the percentage share has remained lower throughout the period.

BANK GROUP WISE PRIORITY SECTOR ADVANCES

The bank group wise distribution of priority sector advances and percentage share to total bank credit in India are furnished in table-3

TABLE 3: PRIORITY SECTOR ADVANCES BY BANK GROUPS IN INDIA (Rs. in crore)

As on March	Public Sector Banks	Private Sector Banks	Foreign Banks
1995-96	61809 (36.6)	6049 (34.3)	4439 (29.0)
1999-00	107200 (43.5)	14155 (41.4)	8270 (37.0)
2005-06	409748 (40.0)	106586 (42.8)	30439 (34.4)
2009-10	864564 (41.68)	215552 (45.99)	60290 (35.09)

Source: RBI Statistical tables Relating to Banks in India, IBA Bulletins

It is clear that in the reform years percentage share of priority sector advances of PSBs has increased steadily from 36.6 per cent in 1995-96 to 41.68 per cent in 2009-10. Further during post reform era, PSBs lending in priority sector remains higher than the foreign banks. The PSBs did not achieve the priority sector target of 40 per cent till March 1998. The target was first achieved in 1999 and continued till 2009-10. The priority sector lending of PSBs, however, fell short of 40 per cent by 0.4 per cent in March 2007. The private sector banks were able to meet priority sector lending target of 40 per cent throughout the period from 1997-98 to 2009-10 except 2000-01. The 32 per cent target fixed for priority sector lending has been met by foreign banks over the years. This indicates that these banks, private banks in particular, lent larger quantity to the priority sector in recent years though the volume of advances are meager than that of PSBs.

PRIORITY SECTOR LENDING IN RAJASTHAN

The pace of priority sector lending of banks has received impetus since nationalization in the State. In June 1969, the total priority sector advances in Rajasthan which was Rs. 6.43 crore increased to Rs. 365.06 crore in 1981 and further increased to Rs. 1719.40 crores in March 1990. Table 3.6 reveals that in March 2000. Priority sector advances were Rs. 5519.75 crore. The same has increased to Rs. 49493 crore in March 2010.

Table 4 shows the overall growth of priority sector advances in respect of total advances during 1981-2010 in the State of Rajasthan. The growth of priority sector advances in respect of total advances was recorded 370.99 percent between 1981 and 1990 while it was 221.03 percent between 1990 and 2000. It was recorded 796.61 per cent between 2000 and 2010.

TABLE 4: PRIORITY SECTOR ADVANCES IN RAJASTHAN (During 1981-2010) (Rs. in Crore)

Year	Total advances	Priority sector advances	Percentage of priority sector advances to total advances	Growth rate of total advances over previous period	Growth rate of Priority sector advances over previous period
1981	662.24	365.06	55.13	--	--
1990	2896.38	1719.40	59.36	337.36	370.99
2000	10671.81	5519.75	51.72	268.45	221.03
2010	101817.00	49493.00	48.61	854.06	796.61

Sources: Compiled from Department of SLBC, Bank of Baroda, Rajasthan Zone, Jaipur

The ratio of priority sector advances to total advances has been higher than the stipulated norm of 40 percent in the State. It was the highest (59.36 percent) in 1990 and lowest 2010 (48.61 percent). Thus it is clear that in respect of priority sector advances a phenomenal growth was recorded in Rajasthan.

OVERALL GROWTH IN AGRICULTURAL ADVANCES

Table 5 shows the overall growth of agricultural advances from 1981 to 2010 and also shows the percentage of agricultural advances to total priority sector advances. It is evident from the table 5 that the agricultural advances which were Rs. 195.34 crore in 1981 increased to Rs. 27899 crore in 2010 while the total priority sector advances increased from Rs. 365.06 crore in 1981 to 49493 crore in 2010.

TABLE 5: AGRICULTURE ADVANCES IN RAJASTHAN (During 1981-2010) (Rs. in Crore)

Year	Total advances	Priority Sector advances	Agriculture advances	Percentage of Agriculture advances to total Advances	Percentage of Agriculture advances to Priority Sector Advances	Growth of agricultural advances over previous period
1981	662.24	365.06	195.34	29.50	53.51	-
1990	2896.38	1719.40	878.15	30.32	51.07	349.55
2000	10671.81	5519.75	2289.94	21.46	41.49	160.77
2010	101817.00	49493.00	27899.00	27.40	56.37	1118.33

Source: Compiled from Department of SLBC, Bank of Baroda, Rajasthan Zone, Jaipur

Growth of agricultural advances was higher (349.55 per cent) between 1981 and 1990 as compared to the period between 1990 and 2000 (160.77 per cent). The agriculture advances increased by 1118.33 percent between the year 2000 and 2010.

The share of agricultural advances in total priority sector was 53.51 per cent in 1981. It decreased to 51.07 per cent in 1990, 41.49 percent in 2000 but again increased to 56.37 per cent in year 2010. It was higher than the stipulated norm of 40 per cent of the total priority sector advances. Thus the growth of agricultural advances was quite good.

As a whole, banks achieved the target of 40 percent of the priority sector advances. This ratio was more than 50 percent during 1981 to 1990 and 2000 to 2010. As per the direction of Reserve Bank of India and Government of India, a major share of priority sector advances was given to agriculture.

CONCLUSION

There are three major issues before the rural financial institutions which need attention for making the agriculture sector make a significant contribution to the economic growth of the country – First, The quantum of flow of institutional credit to agriculture has to be increased; Secondly, The access to formal credit for the rural poor and disadvantaged and agriculturally less developed regions has to be improved; and the Last, the economic viability of rural banking system has to be ensured over time.

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A STUDY OF IMPACT OF RAW MATERIAL PRICES ON SHARE PRICES WITH SPECIAL REFERENCE TO CRUDE OIL PRICE AND NIFTY ENERGY INDEX

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ABSTRACT

Crude oil is one of the most important commodities. Any fluctuation in crude oil prices can have both direct and indirect influence on the economy. Crude oil has so many uses in different markets and industries. So changes in the global price of oil inevitably have an effect on the microeconomics of particular sectors of the economy. The study deals with impact of crude oil price on Nifty Energy Index. It examines whether the crude oil prices have a positive or negative impact on Nifty Energy Index. Co-efficient of correlation, regression has been used for the study. This study analyzed the relationship between crude oil price and Nifty Energy Index. The period 2.5 years from 1st Jan 2014 to 30th June 2016 was taken for analysis. The study found that there is a significant positive relationship between crude oil price and Nifty Energy Index.

KEYWORDS

crude oil price, co-efficient of correlation, nifty energy index.

INTRODUCTION

Stock markets can be changeable and the reasons of particular stocks rise and fall can be complicated. More often than not, stock prices are affected by a number of factors and events, some of which influence stock prices directly and others that do so indirectly.

Stock market is affected by economic growth, lower interest rates, stability, confidence and expectations. The share price of a company is effectively the limit of what an investor is prepared to pay for it. If investors are confident that the stock of a company is undervalued demand will increase and the price will increase until those investors who own the stock feel the price is worth selling for. At this point supply and demand will balance out and the price will stabilize until something happens to convince investors to increase demand again. The reverse of this is where supply is greater than demand and those wishing to sell have to lower their price until demand increases.

The cost of raw materials is a key element in the cost of products, particularly in specialty materials Manufacturing operations are also highly dependent upon the delivery of materials (including raw materials) by outside suppliers and their assembly of major components and subsystems used in our products in a timely manner in full compliance with purchase order terms and conditions, quality standards, and applicable laws and regulations. The major components and product equipment items are procured or subcontracted on a single basis source: in limited circumstances these suppliers are the sole source of the component or equipment. The ability to manage inventory and meet delivery requirements may be constrained by our suppliers' ability to adjust delivery of long-lead time products during times of volatile demand. Suppliers can be failing in performance according to features as and when required and we may be not able to identify the alternate suppliers or to otherwise mitigate the chances of their non performance. Usually, raw materials are natural resources-for example oil, iron and wood are all common raw materials are altered in some way before used in the manufacturing process.

There are parts of raw materials: direct materials and indirect materials. Direct raw materials are those which will be directly incorporated into the final product, e.g. the wood used to build a table. Indirect materials are those which are used during the production process, e.g. the lubricant rags, light bulbs, etc. which are used in manufacturing facilities. Raw materials stock is the total value of all of a company's raw materials currently in stock which have not entered work-in-process or finished goods production yet. The value of the stock of a company's raw materials appears as a current asset in the balance sheet. Initially, raw materials are recorded into a stock asset account by debited to the raw materials stock account and crediting the accounts payable account.

Rising oil prices impact on the economy differs from country to country depending upon individual supply of energy and structures of demand. Countries that could be adversely affected by the increases in crude oil price are usually characterized by high net imports of oil are GDP.

Crude oil prices affected by multiple factors, including moderation in demand, increase in supply, strengthening of the dollar and unwinding of speculative long positions. The government has seized the chance and deregulated diesel prices, the subsidy burden.

REVIEW OF LITERATURE

1. **P. Sridhar, N. Bairavi, G. Mariselvam. (2015). *Oil price volatility and its impact on the selected Economic Indicators in India*.** This research paper aims to analyze the Impact of Oil price volatility on the selected economic indicators of India. Growth in GDP, Employment, Inflation, Industry and business trade etc is the various economic indicator of a country. For the purpose of this study, GDP, Inflation and stock market (NSE) are analyzed to know the impact of oil price volatility among oil price, GDP, NSE Index and inflation is measured with the help of multiple regression models individually.
2. **Saurabh Singh, Ritika Kapil. (2016). *Impact of Crude oil price and exchange rate on performance of Indian Stock Market*.** This paper attempts to investigate empirically the dynamic relationship among crude oil price, exchange rate and Indian Stock market. The outcome of this research says there is a significant negative correlation between nifty returns and exchange rate and significant positive correlation between nifty returns and crude oil and a unidirectional causality running from Nifty returns to exchange rates and crude oil price to Nifty returns.
3. **R. Chitra. (2011). *Technical analysis on selected stocks of Energy sector*.** The objective of the project is to make a study on the technical analysis on selected stocks of energy sector and interpret on whether to buy or sell them by using techniques. For data analysis various tools like Beta, Relative strength Index and Simple moving average are used to know the stock is technically strong or not.
4. **M Nagendra, M Hritha & Ravi V. (2014). *NSE Nifty and its correlation with sectorial indexes*.** The present study approximates the correlations between NSE Nifty and Industry sectors in India.
5. **Arpana.D. (2013). *Impact of oil price shocks on Stock market indices*.** The study deals with fluctuation in crude oil prices and its impact on Indian market indices. It checks whether the changes in crude oil prices have a positive or negative effects on Indian stock market. Co- efficient of correlation, Hypothesis testing i.e. Bivariate test have been used for the study.

NEED OF THE STUDY

It has been observed that the previous literatures related to impact of oil price on stock market indices, oil price volatility and its impact on selected economic indicators in India, Impact of crude oil price and exchange rate on performance of Indian stock market, Technical analysis on selected stocks of Energy sector. But no study is done on its raw material means crude oil price of Nifty Energy index.

- This study would help in measure the impact of Crude oil price on Nifty Energy Index.
- This study would help to speculators, hedgers, importers, exporters to measure the impact of crude oil price on Nifty Energy Index.

OBJECTIVES OF THE STUDY

1. To study the relationship between crude oil prices and Nifty Energy Index
2. To know the impact of crude oil prices on Nifty Energy Index

RESEARCH HYPOTHESES

H₀: There is no significant relationship between daily crude oil price and Nifty Energy Index.

RESEARCH METHODOLOGY

1. The study is empirical in nature.
 2. Two variables are taken into consideration i.e. raw material prices (Crude oil price) & share prices (Nifty Energy Index).
 3. **Duration of the study:** The study has considered 2.5 years that is from 1st Jan 2014 to 30th June 2016.
 4. **Data Collection:** Data is collected on the basis of secondary sources.
- Secondary sources:** the secondary data is collected from NSE websites.
Other data is collected from the newspapers, textbooks, journals.
- 5. Analysis of Data:**
 Data is analyzed on the basis of:
- Tables
 - Correlation
 - Regression

ANALYSIS AND INTERPRETATIONS

In this study we have taken the Nifty Energy Index as dependent variable and crude oil price as independent variable. To find out the relation between dependent variable and independent variable, we have run the regression model with the help of SPSS software and also we find the correlation between dependent variable and independent variable, regression analysis is used, by using these statistical tools we will prove whether all the independent variable impact the dependent variable or not.

CORRELATION AND REGRESSION ANALYSIS OF NIFTY ENERGY INDEX AND CRUDE OIL PRICES

TABLE 1: DESCRIPTIVE STATISTICS

	Mean	Std. Deviation	N
Nifty energy index	8.5917E3	689.07943	612
Crude oil price	64.5514	25.40779	612

TABLE 2: CORRELATIONS

		Nifty energy index	Crude oil price
Pearson Correlation	Nifty energy index	1.000	.436
	Crude oil price	.436	1.000
Sig. (1-tailed)	Nifty energy index	.	.000
	Crude oil price	.000	.
N	Nifty energy index	612	612
	Crude oil price	612	612

Correlation Analysis: The above box, correlation analysis is performed to study the correlation between two variables that is crude oil price and Nifty Energy Index. We can see that the correlation coefficient $r = .436$, this indicates that a moderate relationship exists between (.30-.49) movement of crude oil prices and Nifty Energy Index, that is if crude oil prices will go up then Nifty energy index will also rise and vice versa.

TABLE 3: MODEL SUMMARY

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.436 ^a	.190	.189	620.68793
a. Predictors: (Constant), Crude oil price				
b. Dependent Variable: Nifty energy index				

REGRESSION ANALYSIS

R square is the coefficient of determination, it helps in measure the proportion or ratio of the total variation and changes in Y about its mean which explained by the regression of Y on X, in this case regression explained 18.9% of the variation of Y (Nifty Energy Index) which is weak. Typically values of R² below 0.2 are considered weak, between 0.2 and 0.4 are moderate and above 0.4 strong.

TABLE 4: ANOVA^b

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	5.512E7	1	5.512E7	143.066	.000 ^a
	Residual	2.350E8	610	385253.510		
	Total	2.901E8	611			
a. Predictors: (Constant), Crude oil price						
b. Dependent Variable: Nifty energy index						

The most important part of this table is F- ratio, which is calculated using Eq.8 (F= Mean square of model divides by residual mean square), and the associated significance value. For these data, F is 143.066, which is significantly at $p < .001$ (because the value in the column labeled Sig. is less than .001). This result tells us that there is less than a 1% chance that an F-ratio this large would happen if there were no effect. Therefore, we can conclude that our regression model result is significantly better prediction of Nifty Energy Index than if we used the mean value of Nifty Energy Index. In short, the regression model overall predicts Nifty Energy Index significantly well.

TABLE 5: COEFFICIENTS^a

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1					
	(Constant)	7828.601	68.552	114.199	.000
	Crude oil price	11.821	.988	11.961	.000
a. Dependent Variable: Nifty energy index					

The beta coefficient describes you that how strongly independent and dependent variable are correlated. Here (beta=11.821) that is significant and indicating a positive indicating direct relationship between crude oil prices and inflation.

DISCUSSIONS

R square is a statistic that will give some information about the goodness of fit model. In regression, the R square (r^2) coefficient of determination is a statistical measure of how well the regression line approximates the real data points. An R^2 of 1.0 show that the regression line perfectly fit in the data. The range of R^2 is from 0 to 1. In this study of Nifty Energy Index coefficient of correlation is .436. It shows a moderate relationship between crude oil prices and Nifty Energy Index in India. R^2 indicates one unit change in crude oil prices leads to 19.0% change in inflation. The impact of crude oil prices on Nifty Energy Index is significant. Here the level of significance is .190 proving the relationship between inflation rate and crude oil prices.

CONCLUSION

An effort has been made in the study to check out the impact of crude oil prices on Nifty Energy Index, over the period of 2.5 years that is (1st Jan 2014-30th June 2016). Indian economy is a developing economy and to meet its major crude oil requirement, India has to major rely on imports. The data presented above indicates that an increase in crude oil price results in increase of Nifty Energy index. The data collected for Nifty Energy Index and crude oil prices also indicate that when crude oil prices move up Nifty Energy Index also moves in the same direction in India.

Correlation and regression analysis has been put on to unveil the relationship, and the test exposes a positive correlation between crude oil prices and Nifty Energy Index (H_0 is rejected) and in regression model to the coefficient is significant and the result of which indicates a moderate relationship between two variables.

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EMPIRICAL STUDY ON LABOUR WELFARE PRACTICES IN ORGANISED RETAIL TEXTILE SHOPS IN TIRUCHIRAPPALLI CORPORATION LIMIT

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ABSTRACT

Labour welfare refers to the efforts taken by the employer to improve the conditions of employment in the workplace. It includes services, facilities and amenities which enables the employees to perform in a healthy and congenial environment. In the current era of globalisation of business, there is a dynamic change in the work environment, which has a major impact on job, health, safety, and well-being of the employees. In India, there is a tremendous change in the labour market system, which has led to labour market flexibility. Due to this predicament, the employers exploit the workers unscrupulously where the workers are under the threat of losing their job security and their access to welfare measures is restricted. Retail Industry is one of the under researched area in terms of employment and welfare practices. Therefore, this study investigates the labour welfare practices in textile shops in Tiruchirappalli Corporation limit. The objective of the study was to study the statutory and non-statutory welfare practices in textile shops in Tiruchirappalli corporation limit. The researcher adopted probability random sampling technique and has collected data through structured questionnaire from 26 respondents from 9 big independent and chain stores textile shops which has more than 50 employees and in existence for more than five years in Tiruchirappalli corporation limit. The outcome of the study entails that the workers employed in textile shops work under exploitative conditions having no chance of adequate facilities like crèche, canteen, transport etc. reasonable working hours, allowances and workers education.

KEYWORDS

gender, labour, non- statutory, statutory, welfare.

BACKGROUND OF THE STUDY

In the present era of globalization of business the nature of work organizations and its environment are changing radically extending noticeable impact on individual's job, safety, health, and well-being. In India there is a tremendous change in the labour market system where increasing number of workers are deregulated from the purview of statutory requirements which deprives them of welfare measures. It is reported that the workers in commercial establishments work under exploitative conditions and that there are no adequate labour welfare measures. A huge number of employees are working in shops and establishments as sales persons. Most of them are treated in unfair conditions having no chance for fair wages, safe environment and social security measures. This issue has been highlighted by the media, time and again. Tiruchirappalli Corporation has very strong presence of textile shops employing large number of workers. This study attempts to find out whether welfare measures are made available to the workers employed in textile shops in Tiruchirappalli Corporation limit.

REVIEW OF LITERATURE

Jain (2016) examined an exploratory study on the employee welfare and benefit practices at Indian oil corporation limited, Mumbai. The objectives of the study were to know the opinion of the employees about the welfare and benefit policies, their level of satisfaction with regard to the benefits and to test whether the provision of the welfare and benefit policies has adequately improved the performance of the employees as well the company. The researcher took a sample of 40 respondents by using simple random probabilistic sampling technique. The data was collected using questionnaire and was analysed using percentage analysis method. The findings revealed that majority of the welfare facilities requires improvements like nutritious quality food to be served at regular intervals, washrooms and water tank supplying drinking water to be maintained clean and hygienic and the overtime allowances for the workers to be increased. The study concluded that employee's efficiency could be improved if the relationship with the superior, salary and perquisites are improved. The employees gave importance to health and safety than welfare and training activities

Johri & Mehrotra (2015) executed a descriptive study on employee welfare measures in auto sector Sidcul, Pantnaagar, Uttarakhand. The objectives of the study were to find out the various welfare measures provided to the employees, their satisfaction towards the welfare measures and to know the awareness about the concept of employee welfare. The sample size of the study was 50 employees which was taken from three auto companies by using random sampling technique. The researcher collected primary data from the respondents using questionnaire and the collected data was analysed using percentage analysis. The study concluded that labour welfare has enriched the life of the employees and has developed the organisation. Majority of the employees in auto sector was satisfied with the intramural welfare measures and few are dissatisfied with the extra mural welfare measures. The researcher suggested that the welfare measures could further be improved so that the efficiency and productivity of the employees could be enhanced to achieve the organisational goals.

Ishaq and Mohideen (2015) carried out a descriptive study on Labour Welfare Measures in L.S Mills limited Theni, Tamil Nadu. The major objectives of the study were to find out the condition of welfare facilities provided by the organisation and to study the opinion of the respondents towards the provision of the welfare facilities. The sample size was 150. The researcher used secondary data for the study which was based on the audited annual reports of the mill. The collected data was analysed using statistical techniques namely chi square in order to test the level of significance between the demographic factors and the level of satisfaction and percentage analysis to present the profile of the respondents and their opinion towards the welfare facilities. The tested hypothesis revealed that there was a significant relationship between age and the level of satisfaction and there was no significant relationship between sex, marital status, educational qualification and level of satisfaction. It was found that 70% of the workers are male, majority of the workers were employed on temporary basis, low salary is paid, financial facilities, and allowances given by the company was less satisfied. The study suggested that female workers must be employed equally to men, employees should be made permanent after a proper interval, financial facilities' should be increased, salary must be hiked, preference must be given to the workers of all age groups and transport facility must be extended to the remote areas also.

Princitta and Gowri (2015) accomplished a descriptive and diagnostic study on Employee Welfare Measures at Engineering Colleges in Anna University, Tirunelveli region. The objectives of the study were to find out the welfare facilities provided in the organisation, to identify the satisfaction level towards the welfare facilities,

to study whether employee welfare measures has improved the mental and physical health, their standard of living and loyalty towards work. The primary data was collected using a structured questionnaire, which was measured on five point likert scale from 75 engineering colleges affiliated to Anna University in Tirunelveli region. The collected data was analysed and interpreted using percentage analysis method. The study publicized that 94% of the respondents are aware of the welfare measures, 53% of the respondents reported that welfare has created efficiency towards work, 32% of the respondents agreed that welfare measures has increased the mental and physical health, 23% of respondents agreed that welfare has increased the standard of living and 32% of respondents reported that welfare has improved their loyalty towards work. The study concluded that most of the workers are satisfied with the welfare facilities but some of the facilities need improvement, which includes recreation, medical facilities and bonus.

Singala and Goyal (2015) assessed a descriptive study on employee welfare measures in small and medium enterprises. The primary objective of the study was to find out whether employee welfare measures are being implemented in the organisation or not. The secondary objectives were to know the awareness, satisfaction level and grievance of the employees with regard to welfare facilities provided in the organisation. The sample size was 20, which was taken using stratified random sampling technique. The primary data was collected using questionnaire which was measured on five point likert scale. The researcher has also used semi-structured interview method with predetermined questions in order to seek answers from the respondents for testing the standard of welfare measures provided. The collected data was analysed using mean score and percentage analysis technique. The findings revealed that employees are highly satisfied with the medical facilities provided under ESI scheme. It was found that employees are highly dissatisfied with the housing facility, recreation facility, children education, canteen services, and leave benefits. It was reported that the welfare facilities are made available only to higher level employees and not to the labour category and employees were unaware of the assorted welfare measures meant for them.

Vijayarani and Suresh (2015) underwent a study on employees welfare measures towards productivity of Neyveli Lignite Corporation Limited. The objectives of the study were to find the satisfaction level of the employees with regard to intramural and extramural welfare facilities and to ascertain whether employee welfare measures will improve the productivity. The researcher collected primary data from 825 employees working in the middle level with a help of a questionnaire measuring on five point likert scale. The sampling technique adopted was proportionate stratified random sampling and the sample size constituted five percent of the universe (i.e) 825 employees. The researcher used the following statistical tools to analyse the data, which includes t test, chi-square test and multiple correlation. The study concluded that intramural welfare facilities has directly influenced the productivity which in turn has led to higher satisfaction level and the women employees are less satisfied with the crèche and recreational facilities provided by the corporation.

NEED OF THE STUDY

Labour welfare refers to the efforts taken by the employer in order to improve the working condition and to fulfil the welfare needs of the workers at their work. Retail Textile shops employs workforce on a large scale. The workers welfare provision is in adherence with the Shops and Establishment Act framed by the central and state government. Recent times in India, many workers across different states in India staged protest outside retail textile shop to implement labour laws in textile shops. Their major demand was to get access to their basic welfare amenities especially toilet facilities, comfortable seating arrangements to relax themselves during work, reasonable working hours with adequate rest intervals and fair remuneration to both men and women workers without any disparity. Employees in Retail sector are treated on casual or temporary basis and are not given adequate social security benefits. There is different legal provision for the factory or industry workers to look after the workers welfare needs when compared to retail shop employees. Though Unorganised Social Security Act 2008, and Shops and Establishment Act has been approved by the central and state government, it is reported that its provision is not being implemented in the shops and establishment. Therefore, due to this prevailing situation, it is a need to study the labour welfare practices followed in textile shops in order to curb the welfare inadequacies of the workers and to enhance their working and standard of living condition.

SCOPE OF THE STUDY

This study lays emphasis on the labour welfare practices followed in textile shops having more than 50 employees in Tiruchirappalli corporation limit. It provides an insight on the statutory welfare practises which encompasses basic welfare amenities, social security benefits, safety measures, hygiene and cleanliness, payment, working hours, leave and holidays which should be given to the workers as stated in the law by the respective organisation without any compromise. It also describes the non- statutory welfare measures which are given voluntarily by the textile shops owners to the employees. The study of the statutory and non-statutory welfare facilities helps to ascertain the extent to which employers of the textile shops invest in welfare measures for the physical and psychological wellbeing of the employees.

STATEMENT OF THE PROBLEM

Labour welfare practices are an attempt in alleviating the workers from want and worry and from the adverse effects of globalisation by improving the working and living condition. The proper administration of labour welfare activities plays a key role in fulfilling the economic, social, and psychological needs of the employee. An organisation is influenced by various human resource factors, out of which labour welfare practices is one of the most significant factor which influence the work life of the employees. This persuasion may be positive or negative which in turn depends upon the quality of actions taken by the employer for the welfare of employees at work. Due to the effects of globalisation, private business especially shops and establishment are in stiff competition with each other. Their main goal is to earn profit by winning the competitive edge for which the workers or labourers are the key instruments for the attainment. The workers are made to retain in the organisation by providing welfare measures for the attainment of profit. This is not true in every case because the workers are forced and threatened to work without providing them the basic welfare facilities.

Textile shops is one of the labour intensive sector which constitutes large number of workforce. It has been reported by the media time and again that majority of labour law violation is unearthed in textile shops. The workers struggle for their basic rights and their needs and wants remains unfulfilled. Their access to the basic welfare facility is a big query. The workers are mainly obsessed with problems like inadequate wages, inequality in payment, long working hours, cramped accommodation and occupational health. The employers consider the provision of welfare facilities as a big investment and take their own advantage in its implementation. This makes the life of workers pathetic, miserable and the job security of the workers lies in a detrimental position. Owing to this situation, this study attempts to swot up the labour welfare practices undertaken in textile shops in Tiruchirappalli corporation limit.

OBJECTIVES

PRIMARY OBJECTIVES

To study the labour welfare practices in textile shops in Tiruchirappalli Corporation Limit

SUB OBJECTIVES

1. To examine the statutory welfare practices in the textiles shops
2. To identify the non statutory welfare practices in the textile shops.

HYPOTHESES

Hypothesis may be defined as an assumption to be proved or disproved. It is a predictive statement which is capable of being scientifically tested by relating an independent variable to an dependent variable (Kothari, 2004). The researcher has framed the following hypothesis for the study in order to be tested.

H1 – There is no difference between gender of the respondents and statutory welfare practices

H2 – There is a difference between gender of the respondents and non statutory welfare practices

H3- There is a difference between gender of the respondents and overall welfare practices

RESEARCH METHODOLOGY**RESEARCH DESIGN**

The researcher has adopted descriptive research design for this study. Descriptive research describes the state of affairs as it exists and mainly includes surveys and fact findings (Kothari, 2004). It also tests and analyses the relationship between the variables (Raj, 2000). The study describes the statutory and non statutory welfare practices prevailing in the textile shops in Tiruchirappalli corporation limit.

SAMPLE SIZE OF THE STUDY

The target respondents of the study are the workers employed in textile shops in Tiruchirappalli corporation limit. A sample of 26 respondents from 9 big independent and chain store textile shops having more than 50 employees which is in more than 5 years of existence were taken for the study. Employees from middle and lower level were taken as target respondents and employees from managerial level are excluded from the study.

SAMPLING TECHNIQUE

The researcher has adopted Probability sampling technique to determine the sample size. This technique is also known as 'Random sampling' or 'Chance sampling'. It ensures that every item of the universe has an equal chance of inclusion in the sample. The results obtained from this technique can be assured in terms of probability i.e., we can measure the errors of estimation. (Kothari, 2004).

SOURCES OF DATA COLLECTION

The researcher has used both primary data and secondary data for the study. The primary data was collected from the target respondents namely the workers working in textile shops in Tiruchirappalli corporation limit. The secondary data for the study has been collected from research articles, books, websites, newspapers, magazines in order to enrich the conceptual framework of the study

TOOLS OF DATA COLLECTION

Based on the literature reviews and discussion with the field experts, academicians and HR professionals the researcher came out with a well structured questionnaire for collecting data from the respondents. The questionnaire was measured on dichotomy scale with 'yes' and 'no' options. The value assigned was yes= '1' and no = '0'. The questionnaire consist of three sections. The first section of the questionnaire focuses on the demographic profile of the respondents. The second section of the questionnaire deals on the labour welfare practices which is subdivided in to statutory welfare practices and non statutory welfare practices. The statutory welfare practices have seven components which includes intramural facilities, social security, hygiene and cleanliness, safety, payment, leave and holidays and working hours The non statutory welfare practices consists of voluntary measures taken on the part of the management for the well being of the employees which includes housing, recreation,

RELIABILITY TEST

The research tool namely the questionnaire was tested for its reliability and consistency. The instrument was tested through Cronbach alpha analysis and the results was obtained dimension wise which is given below in table 1. The validity of the questionnaire proves to be 98% good and valid.

TABLE 1: CRONBACH ALPHA ANALYSIS

Labour Welfare Practices	Items	Alpha Value
I. Statutory Welfare Practices	89	0.971
a. Intramural facilities	14	0.694
b. Social Security	43	0.976
c. Hygiene and Cleanliness	7	0.693
d. Safety	8	0.690
e. Payment	7	0.758
f. Leave and Holidays	6	0.928
g. Working Hours	4	0.691
II. Non-Statutory Welfare practices	13	0.697
Overall welfare practices	102	0.981

Source: Primary data

DATA ANALYSIS AND INTERPRETATION

Socio-demographic profile: It aims to analyse the socio demographic profile of the employees working in textile shops in Tiruchirappalli Corporation Limit. The variables include the age, gender, marital status, educational qualification, work experience and income of the respondent. It is analysed using the percentage analysis, which is depicted below in the following table 2:

TABLE 2: SOCIO DEMOGRAPHIC PROFILE OF THE RESPONDENTS

S.No	Particulars	Classification	Frequency (n=26)	Percentage (100%)
1.	Age	Below 25yrs	3	11.5
		26 to 35yrs	9	34.6
		36 to 45yrs	6	23.1
		46yrs & above	8	30.8
2.	Gender	Male	16	61.5
		Female	10	38.5
3.	Marital status	Single	13	50.0
		Married	13	50.0
4.	Educational qualification	Secondary	8	30.8
		Higher secondary	12	46.2
		Undergraduate	3	11.5
		Post graduate	3	11.5
5.	Job position	Accountant	4	15.4
		Clerk	5	19.2
		Cashier	2	7.7
		Sales	15	57.7
6.	Work Experience	Below 5yrs	5	19.2
		6 to 10yrs	10	38.5
		11 to 15yrs	6	23.1
7.	Monthly Salary	Below Rs.7500	8	30.8
		Rs.7501 to 10000	13	50.0
		Rs.10001 to 15000	4	15.4
		Rs.15001 & above	1	3.8
8.	Type of family	Nuclear	15	57.7
		Joint	11	42.3
9.	Reason for working in this shop	Meagre family income	14	53.8
		Sickness of family member	1	3.8
		Abandoned	1	3.8
		Family compulsion	1	3.8
		Low Education	1	3.8
		Daily family expenses	1	3.8
		Own Interest	6	23.1
		Additional family income	1	3.8
10.	Job opportunity	Direct application	13	50.0
		Notice outside shop	2	7.7
		Employee Referral	9	34.6
		Relatives	2	7.7

Source: Primary data

Inference: It is inferred from the above table that 11.5 percent of workers are below 25 years., 34.6 percent come under 26 to 35 years, 23.1 percent belong to 36 to 45 years and 30.8 percent fall under 46 years. With regard to gender aspect, 61.5 percent of the respondents are male and 38.5 percent are female. The marital status of the respondents shows that 50.0 percent are married and 50.0 percent are unmarried. The educational qualification of the respondents describes that 30.8 percent of the workers have completed secondary education, 46.2 percent have completed higher secondary education, 11.5 percent are undergraduates and 11.5 percent are post graduates.

The job position of the respondents shows that 15.4 percent are accountant, 19.2 percent are clerk, 7.7 percent are cashier, 57.7 percent are sales employees. The work experience of the respondents portrays that 19.2 percent have below 5 years of experience, 38.5 percent hold 6 to 10 years of experience, and 23.1 percent hold 11 to 15 years of experience. The monthly salary of the workers state that 30.8 percent of the respondent draw below ₹ 7500, 50.0 percent draw between ₹ 7501 to ₹ 10000, 15.4 percent earn between ₹ 10001 to ₹ 15000 and 3.8 percent of the workers draw above ₹ 15001.

The reason for working in the textile shop indicates that 53.8 percent is due to meagre family income, 3.8 percent is due to sickness of family member, 3.8 percent is due to abandoned, 3.8 percent is due to family compulsion, 3.8 percent is to meet out the family expenses, 23.1 percent is due to own interest, and 3.8 percent falls under additional family income. The job opportunity for the workers was obtained through direct application which is 50.0 percent, notice outside the shop is 7.7 percent, through employee referral is 34.6 percent and through relatives is 7.7 percent.

DESCRIPTIVE STATISTICS: The study has deployed descriptive statistics method in order to find out the minimum, maximum average response and level of deviations among the respondents which is presented in the following table 3:

TABLE 3: LABOUR WELFARE PRACTICES

LABOUR WELFARE PRACTICES	Low		High		Min.	Max.	Median	S.D	Mean	Mean Rank
	f	%	f	%						
I. Statutory Welfare Practices	13	50.0	13	50.0	26	84	67.00	18.962	65.23	1 st
a. Intramural facilities	14	53.8	12	46.2	4	13	9.00	2.438	9.23	2 nd
b. Social Security	11	42.3	15	57.7	5	43	34.50	12.767	31.96	1 st
c. Hygiene and Cleanliness	11	42.3	15	57.7	2	6	5.00	1.120	4.85	5 th
d. Safety	7	26.9	19	73.1	5	8	8.00	.689	7.65	3 rd
e. Payment	9	34.6	17	65.4	1	7	6.00	1.745	5.62	4 th
f. Leave and Holidays	9	34.6	17	65.4	0	6	6.00	2.331	4.35	6 th
g. Working Hours	17	65.4	9	34.6	0	4	1.00	1.172	1.58	7 th
Non- Statutory Welfare Practices	18	69.2	8	30.8	0	9	4.00	2.393	4.27	11 nd
Overall welfare practices	12	46.2	14	53.8	26	89	72.00	20.094	69.50	-

Source: Primary data

Inference: It is learnt from the above table that the status of the labour welfare practices in the textile shops is given dimension wise. With regard to statutory welfare practices the mean score obtained is 65.23. The components of the statutory welfare practices includes Intramural facilities, social security, hygiene and cleanliness, safety, payment, leave and holidays and working hours. Among the statutory welfare practices the Social security measure has obtained the highest

mean score 31.96 and ranks first. This shows the degree of importance of social security coverage for the workers in textile shops. Next follows the Intramural facilities which stands second with the mean score 9.23 which includes the basic amenities like drinking water, washroom, restroom, lavatories, uniform, canteen, crèche, comfortable seatings, sexual harassment committee and grievance committee which is required for good working condition for the workers. The safety aspect stands third with the mean score 7.65 which covers elements like first aid, fire extinguishers, escape ways, emergency exits, free walk ways, lighting and ventilation. The payment criteria ranks fourth with the mean score 5.62. The hygiene and cleanliness ranks fifth with the mean score 4.85. Leave and holidays and the working hours stand sixth and seventh with the mean value 4.35 and 1.78. Among the labour welfare practices the statutory welfare practices ranks first with the mean score 65.23 and non statutory welfare practices stands second with the mean score 4.27. Thus it is observed that Textile shops offers more statutory welfare facilities to the workers than the non statutory welfare facilities.

T – TEST: The researcher has used T-test to find whether there is a difference in the provision of welfare facilities to male and female workers which is presented in the following table 4:

TABLE 4: DIFFERENCE BETWEEN GENDER OF THE RESPONDENTS AND LABOUR WELFARE PRACTICES

Labour Welfare Practices	n	Mean	S.D	T	df	Statistical inference
I. Statutory Welfare Practices						
Male	16	57.50	19.745	-3.029	24	.006<0.05 Significant
Female	10	77.60	8.527			
a. Intramural facilities						
Male	16	8.38	2.419	-2.488	24	.020<0.05 Significant
Female	10	10.60	1.838			
b. Social Security						
Male	16	27.25	13.772	-2.652	24	.014<0.05 Significant
Female	10	39.50	5.836			
c. Hygiene and Cleanliness						
Male	16	4.44	1.094	-2.612	24	.015<0.05 Significant
Female	10	5.50	.850			
d. Safety						
Male	16	7.50	.816	-1.472	24	.154>0.05 Not Significant
Female	10	7.90	.316			
e. Payment						
Male	16	4.88	1.857	-3.203	24	.004<0.05 Significant
Female	10	6.80	.422			
f. Leave and Holidays						
Male	16	3.31	2.469	-3.416	24	.002<0.05 Significant
Female	10	6.00	.000			
g. Working Hours						
Male	16	1.75	1.291	.951	24	.351>0.05 Not Significant
Female	10	1.30	.949			
II. Non-Statutory Welfare practices						
Male	16	4.25	2.978	-.051	24	.960>0.05 Not Significant
Female	10	4.30	1.059			
Overall welfare practices						
Male	16	61.75	21.480	-2.810	24	.010<0.05 Significant
Female	10	81.90	8.660			

Source: Primary data

Inference: The above table evidently shows that the female respondents have high mean value (77.60) related to the statutory welfare practices. While the male respondents have low mean value (57.50). The statistical inference (.0006<0.05) depicts that there is a difference between gender of the respondents and statutory welfare practices. With regard to Intramural facilities female respondents have high mean value (10.60) and male respondents have low mean value (8.38). The statistical inference (0.20<0.05) proves that there is an difference between intramural facilities and gender of the respondents. In the view of social security, the female respondents have high mean value (39.50) and male respondents have low mean value (27.50). This is supported by the statistical inference (0.14<0.05) that there is a difference between gender of the respondents and the social security measures.

In case of hygiene and cleanliness, the female respondents have high mean value (5.50) when compared to male respondents which have low mean value (4.44). This bears out a statistical inference (0.15<0.05) that there is a difference between hygiene and cleanliness and gender of the respondent. The safety aspect shows that female respondents have high mean value (7.90) which supersedes male respondents (7.50) and the statistical inference (.154>0.05) reports that there is no difference between safety and gender of the respondents. In relation to payment the male respondents accounts low mean value (4.88) when compare to female respondents which accounts for a high mean value (6.80) which is confirmed by the statistical inference (.004<0.05) that there is a difference between payment and gender of the respondents. With regard to leave and holidays the male respondents shows mean value (3.31) and the female respondents have high mean value (6.00). This is established by the statistical inference (0.02<0.05) which states that there is a relationship between leave and holidays and gender of the respondents.

The mean value for working hours in relation to gender of the respondents shows that male respondents have high mean value (1.75) when compared to female respondents which accounts low mean value (1.30). This is justified by the statistical inference (.351>0.05) that there is no difference between working hours and gender of the respondents. With regard to Non statutory welfare practices the male respondents have low mean value (4.25) when compared to female respondents which registers high mean value (4.30). This is represented by the statistical inference (.960>0.05) which portrays that there is no difference between non statutory welfare practices and gender of the respondents. Finally, the overall welfare practices shows that the male respondents have low mean value (61.75) when compared to female respondents which records high mean value (81.90). This is established by the statistical inference (0.10<0.05) that there is a difference between overall welfare practices and gender of the respondents.

MAJOR FINDINGS

- It is found that major number of respondents (34.6) are in the age group of 26 to 35 years
- It has been observed that maximum number of respondents (61.5%) are men.
- With regard to marital status, equal numbers of respondents (50.0%) are married and single.
- Reasonable number of respondents (46.20 %) are educated who have completed their higher secondary education.
- A considerable number of respondents (57.7%) held the job position as sales.
- With regard to work experience, majority of the respondents (38.5%) possess 6 to 10 years of experience in their job.
- A significant number of respondents (50.0%) draw salary in the range of 7500 to 10000

- A reasonable of respondents (57.7%) has come from a nuclear family background.
- Most of the respondents (53.8%) have reported that meagre family income was the main reason to work in the textile shops.
- With regard to the job opportunity a reasonable number of respondents (50.0%) has applied through direct job application.
- A reasonable number of respondents (61.5%) reported that crèche facility is not available for the women workers to look after their wards.
- It has been observed that the respondents (53.8%) of reported that the establishment does not have a canteen facility for its workers.
- On the basis of analysis, it is found that the respondents (61.5%) are not provided with a pair of uniforms.
- It is found that the respondents (73.1%) responded that the rubbish, filth and debris is accumulated for more than 24hours.
- The respondents (61.5%) have complained that the food provided by the canteen is not hygiene and nutritive and a significant number of respondents (61.5%) the canteen is not cleaned everyday.
- The respondents (73.1%) feel working hours is very strenuous and it exceeds 12 hours a day.

SUGGESTIONS

- The women workers can be provided with creche facility inside the establishment to look after their wards.
- Adequate canteen facility can be furnished inside the establishments for the refreshment of the workers.
- Both Men and Women workers can be provided with a pair of clean uniforms which enhances better working condition.
- The workers should be educated and made aware about the labour rights and legal provisions applicable to them.
- It is suggested that the establishment should keep the workplace clean from dust and filth and not to be accumulated for more than 24 hours.
- The canteen should be cleaned everyday and provision of nutritious and hygienic food should be made available to the workers.
- The working hours of eight hours a day and 48 hours in a week should be followed in adherence to labour legislations.
- The employers should ensure that overtime for the workers does not exceed 10 hours a day and 54 hours in week which is a violation against the labour laws and shows a detrimental effect on workers health.
- Transport facility with other basic amenities can be given to the women workers if they work beyond 8.00 pm on any day in normal circumstances.
- Both men and women workers can be given transportation allowance for to and for expenses.
- Dormitory facility to the workers and educational facility to workers children can be given which stands as a means of motivation.
- Recreation facility in the form of indoor games can be arranged for the workers to relax themselves from fatigue.
- The workers can be given medical reimbursement facility so that they feel socially secured.
- Allowances like festival, daily, and travel allowance can be given both to men and women workers in time of need which increases the commitment towards their work.
- Adequate Training must be given to the workers in order to perform quality job.

CONCLUSION

This study helps to understand the importance of welfare measure in the retail sector which helps in improving the working conditions of the employees. The major components of labour welfare which include statutory and non statutory welfare practices were discussed dimensions wise describing their relative importance in the study. It has probed into the status of the labour welfare measures in the organised retail textile shops. As textile shops in Tiruchirappalli corporation limit is concerned it is found that the workers are made to work for long hours a day without any refreshment outlet like canteen to refresh themselves. Similarly, women workers are deprived of creche facility which impacts the employment of women in shops. Labour welfare measures plays a major role in the success of an organisation as well as enhances the working situation of the employees. But in today's scenario the percentage of employers investing in labour welfare measures is decreasing, so the workers are forced to work in disadvantageous condition. The Retail textile shops should adhere to the amended shops and establishment act which was passed and approved by the central and state government and provide the necessary welfare measures to the workers without any delay. Thus the study concludes that retail textile shops is not offering basic welfare facilities, provide reasonable working hours and implement non statutory welfare practices for the workers to make them feel stress-free from rigid work schedule.

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IMPACT OF GST ON COMMON MAN

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ABSTRACT

Goods and Services Tax (GST), hailed as one of the most powerful tax reforms which India has ever seen, purports to do away with the multiple tax regulations on most of the goods and services. GST would change the current tax regime of production-based taxation to a consumption-based system. There is no doubt that the corporates would benefit once the GST has been rolled out. However, the advantages to the common man are still speculative. We hope that the end consumer would also reap the benefits of the new tax regime, once the business houses have transitioned completely to the new tax structure and start to pass on the benefits to the average Indian. The proposed date for GST implementation is the 1st of July 2017.

KEYWORDS

GST, indirect tax, single taxation, one nation one tax.

INTRODUCTION

Indirect Tax system is highly complicated in India because there are various types of taxes that are charged by the Central and State Governments on Goods and Services. These taxes include Entertainment Tax for watching film, Value Added Tax (VAT) for purchasing goods & services by consumer. Other taxes are excise duties, Import Duties, Luxury Tax, Central Sales Tax, Entry tax, and Service Tax. Businessmen have to maintain accounts which need to obey with all the applicable laws. Many experts have suggested that to resolve the issues of different types of taxes, there is a need issue to streamline all indirect taxes and implement a "single taxation" system. This system is entitled as Goods and Services Tax, abbreviated as GST. The GST will be levied both on Goods and Services. Earlier, GST was introduced during 2007-08 budget session. On 17th December 2014, the current Union Cabinet ministry permitted the proposal for introduction GST Constitutional Amendment Bill. On 19th of December 2014, the bill was offered on GST in Lok Sabha. The Bill is presented in Budget session.

In simple term, GST is a tax that people need to pay on supply of goods & services. Any person, who is providing or supplying goods and services is responsible to charge GST. GST is the huge reform in indirect tax structure in Indian financial scenario since the economy originated to be opened up 25 years ago, at last looks set to become reality. The Constitution 122nd Amendment Bill introduced in Rajya Sabha recently, on the back of a broad political agreement and heightened by the good aspirations of the Congress. Goods and Services Tax Reform was passed in Rajya Sabha and it will be set to bring in Lok Sabha.

Since the passing of the GST (Goods and Services Tax) Constitutional Bill by the Rajya Sabha in August last year, the country has been preparing itself for the new tax regime. The new GST law is India's biggest tax reform initiative which is expected to improve compliance levels, increase government revenue, and create a common playing field for businesses by amalgamating a host of central and local taxes. On the face of it, GST seems to be a mixed bag with some of the necessities becoming cheaper, while the others might get more expensive. While in the longer run the Goods and Service Tax might have a favorable effect on most of the sectors of the economy, in the short run, as with the most of the reforms, the benefits seem to be limited. Based on the experience of GST implementation in other countries, India could observe an inflationary impact at the onset of the reform, which might fade away once the legislation sinks in.

GST or Goods and Services Tax is applicable on supply of goods and services. Goods and Service Tax is an indirect tax which the Government of India is planning to levy on all goods and services apart from those exempted by the GST law. The GST taxation laws will put an end to multiple taxes which are levied on different products, starting from the source of manufacturing to reaching the end consumer. GST eliminates the present following taxes and introduces new Tax of CGST, IGST and SGST:

- Service Tax
- Central Excise Tax
- Additional Excise Duties
- CVD, Additional Customs Duty, commonly known as Countervailing Duty
- SAD, Special Additional Duty of Customs - 4%
- The Excise Duty levied under the Medicinal and Toiletries Preparation Act
- Surcharges, and Cesses
- VAT/Sales tax
- Luxury tax
- Taxes on lottery, betting and gambling.
- Entertainment tax (unless it is levied by the local bodies).
- State Cesses and Surcharges in so far as they relate to supply of goods and services.
- Entry tax not in lieu of Octroi.

It is a destination based tax on consumption of goods and services. It is proposed to be levied at all stages right from manufacture up to final consumption with credit of taxes paid at previous stages available as setoff. In a nutshell, only value addition will be taxed and burden of tax is to be borne by the final consumer.

WHY IS GST NEEDED?

- Currently there are different VAT laws in different states. This creates problems, especially when businesses sell to different states. Also, most businesses have to pay and comply with 3 different taxes - excise, VAT, and service tax.
- GST will bring uniform taxation across the country and allow full tax credit from the procurement of inputs and capital goods which can later be set off against GST output liability. This reform gives equal footing to the big enterprises as well as SMEs. The aim of GST is thus to simplify tax hurdles for the entire economy.

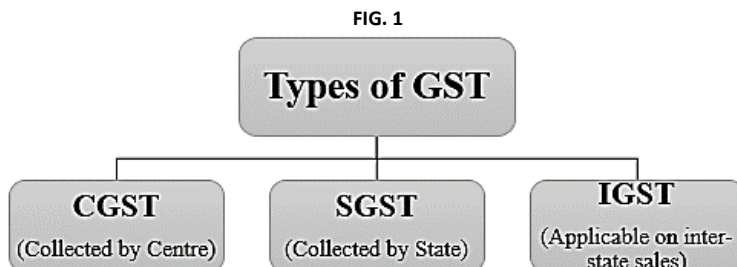
WHO WILL HAVE TO PAY GST?

GST will be paid by all manufacturers and sellers. It will also be paid by service providers such as telecom providers, consultants, chartered accountants etc. However, being an indirect tax, GST will be ultimately borne by the end consumers, just like in the current process.

GST is a consumption based tax. It is based on the "Destination principle." Goods and Services Tax is imposed on goods and services at the place where final/actual consumption occurs. GST is accumulated on value-added goods and services at each stage of sale or buying in the supply chain. GST paid on the obtaining goods and services can be set off against that payable on the supply of goods or services. The producer or wholesaler or retailer will pay the applicable GST rate but will claim back through tax credit mechanism.

WHAT TYPE OF GST WILL BE IMPLEMENTED IN INDIA?

India will implement the Canadian model of Dual GST, i.e., both the Centre and State will collect GST. There will be three categories under GST such as CGST, SGST and IGST with a concept of one tax one nation. CGST, SGST and IGST falls under Central Goods and Service Tax Act 2016, State Goods and Service Tax Act 2016 and Integrated Goods and Service Tax Act 2016.



1. CENTRAL GOODS AND SERVICE TAX (CGST)

CGST is being introduced, the present central taxes of Central Excise Duty, Central Sales Tax (CST), Service Tax, Additional Excise Duties, excise duty levied under the medical and toiletries preparation Act, CVD (Additional Customs duty-Countervailing Duty), SAD (Special Additional Duty of customs) surcharges and cesses are subsumed.

CGST is charged on the movement of goods and services of standard commodities and services which can be amended time to time by a separate body. The revenue collected under CGST is for Centre. However, input tax credit on CGST is given to states and such input tax could be utilized only against the payment of Central GST.

2. STATE GOODS AND SERVICE TAX (SGST)

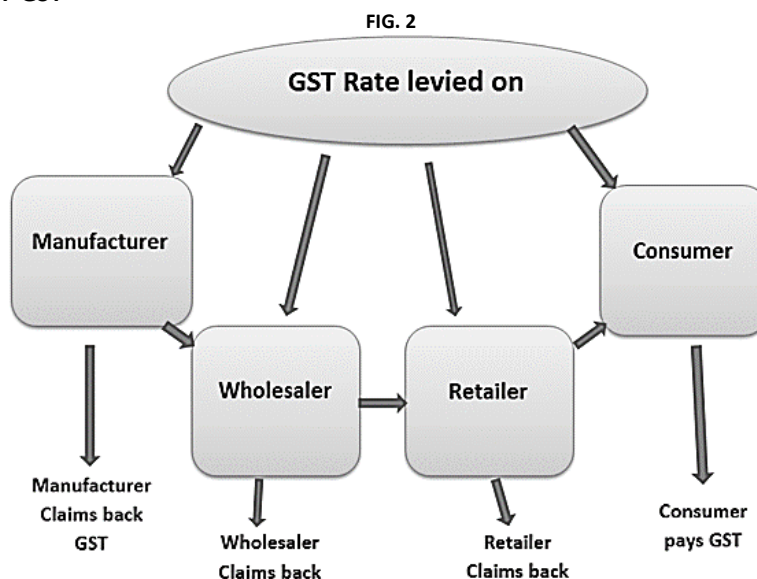
SGST is being introduced, the present state taxes of State Sales Tax, VAT, Luxury Tax, Entertainment Tax (unless it is levied by the local bodies), Taxes on lottery, betting and gambling, Entry tax not in lieu of Octroi, State Cesses and Surcharges in so far as they relate to supply of goods and services etc. are subsumed. The revenue collected under SGST is for State Government.

3. INTEGRATED GOODS AND SERVICE TAX (IGST)

IGST is charged when movement of goods and services from one state to another. For example, if goods are moved from Tamil Nadu to Kerala, IGST is levied on such goods. The revenue out of IGST is shared by state government and central government as per the rates fixed by the authorities.

As per GST Law: Under the GST regime, an Integrated GST (IGST) would be levied and collected by the Centre on inter-State supply of goods and services. Under Article 269A of the Constitution, the GST on supplies in the course of inter-State trade or commerce shall be levied and collected by the Government of India and such tax shall be apportioned between the Union and the States in the manner as may be provided by Parliament by law on the recommendations of the Goods and Services Tax Council.

APPLICATION AND TOOLS OF GST



GST will be charged on the place of consumption of Goods and services. It can be levied on following:

- Intra-state supply and consumption of goods & services
- Inter-state movement of goods
- Import of Goods & Services

WHAT WILL BE THE GST RATES?

The GST rates have not yet been passed by the Lok Sabha. The proposed rates are: 5%, 12%, 18%, 28% (Plus Luxury Cess).

GST RATES OF ALL ITEMS AND GOODS IN INDIA

Exempt	5%	12%	18%	28%
Food grains, gur, milk, eggs, curd, unpacked paneer and natural honey, fresh vegetables, atta, besan, maida, vegetable oil, prasad, common salt, contraceptives, Fish seeds, Betel leaves, Cane jiggery.	Sugar, tea, coffee, edible oil, coal, skimmed milk powder, milk food for babies, condensed milk, packed paneer, newsprint, umbrella, PDS kerosene, LPG Brooms, Beet sugar, Natural graphite, Chalk, Natural calcium phosphates, Thorium oxalate.	Butter, ghee, mobiles, cashew, almonds sausages, fruit juice, packed coconut, water, agarbatti, Bio-Medicinal grade hydrogen peroxide, Iodine.	Hair oil, soap, toothpaste, capital goods, industrial intermediaries, pasta corn flakes, jams, soups, ice cream, toilet and facial tissues, iron & steel, fountain pen, Indian katha, Fluorine, chlorine, bromine, Artificial waxes.	Consumer durables, cars, cement, chewing gum, custard powder, pan masala, perfume, shampoo, make up, fireworks, motorcycles, Molasses, Avgas, Hair cream, Hair dyes, Prepared Explosives.

FINALIZED GST RATE CARD FOR ITEMS

New GST Rates	Current Rates	Products
0%	-	No tax will be imposed on items like fresh meat, fish chicken, eggs, milk, butter milk, curd, natural honey, fresh fruits and vegetables, flour, besan, bread, prasad, salt, bindi. Sindoor, stamps, judicial papers, printed books, newspapers, bangles, handloom etc.
5%	Up to 9%	Items such as fish fillet, cream, skimmed milk powder, branded paneer, frozen vegetables, coffee, tea, spices, pizza bread, rusk, sabudana, kerosene, coal, medicines, stent, and lifeboats will attract tax of 5 percent.
12%	9% - 15%	Frozen meat products, butter, cheese, ghee, dry fruits in packaged form, animal fat, sausage, fruit juices, Bhutia, namkeen, Ayurvedic medicines, tooth powder, agarbatti, colouring books, picture books, umbrella, sewing machine, and cellphones will be under 12 percent tax slab.
18%	15% - 21%	Most items are under this tax slab which include flavoured refined sugar, pasta, cornflakes, pastries and cakes, preserved vegetables, jams, sauces, soups, ice cream, instant food mixes, mineral water, tissues, envelopes, tampons, note books, steel products, printed circuits, camera, speakers and monitors.
28%	21%	Chewing gum, molasses, chocolate not containing cocoa, waffles and wafers coated with chocolate, pan masala, aerated water, paint, deodorants, shaving heater, dishwasher, weighing machine, washing machine, ATM, vending machines, vacuum cleaner, shavers, hair clippers, automobiles, motorcycles, aircraft for personal use and yachts will attract 28 per cent tax.

As the GST reaches its final stages, the historic legislation promises to unify the tax system for the nation and increase the GDP by 2 percent. With the Rajya Sabha set to pass the long-awaited Goods and Services Tax (GST) Bill, country's most transformative tax reform in decades is likely to affect in the common man in numerous ways. So while services could get more expensive, it's a mixed bag for consumers for goods.

BUT HOW DOES IT IMPACT YOU?

Here is quick cheat sheet on how this tax legislation will impact your budget.

I. EATING OUT TO GET EXPENSIVE

For eating out, if you spend Rs 1000. Currently you pay on an average 18.5 percent as service tax and VAT. So apart from the service charge, you usually have to bear the burden of Rs 1185. Under the GST regime, it's expected that the rates can be fixed at 18 percent or above. Accordingly, at 20 percent approximate tax rate, your bill is set to go up, to at least 1200 rupees. "Services will get more expensive if GST is implemented as states will now have the services under their net and hence it will mean they can fix higher rates," said DK PANT, chief economist, India Ratings-Fitch ratings.

II. PHONE BILLS TO GET EXPENSIVE

As the states are expected also to decide service tax rates, your phone bill could see escalation of taxes. So on a bill of Rs 1000 on which you pay service tax of 15 percent and finally pay Rs 1150. Post the GST, if the tax rate is fixed at 18 percent then you will have to shell at least Rs 1180. Rajan Mathews, Cellular Operators Association of India told India Today, "Under the GST, the tax rate is bound to go up and the telecom operators will have to pass it on to the consumers, we can look at internet packs and call rates getting higher."

III. READYMADE GARMENTS TO GET CHEAPER

Buying clothes and fashion brands will be cheaper, as the effective excise duty (7.5 percent) and VAT of average 5 percent will be subsumed in GST slab. So if you pick up a Rs 1000 T-shirt today, you pay 1125 including various taxes. But if GST is kept at 12 percent, then your final bill will be Rs 1120.

IV. BUYING CAR IS CHEAPER

Buying a car will not only be easier in different states with price similarity between manufacturing and non-manufacturing states but tax experts believe it will be cheaper as well. For example, a Rs 5 lakh car attracts excise duty of 12.5 percent, and along with VAT roughly comes to Rs 6.25 lakh. Now under the GST it is expected to go down as much as Rs 35,000 if the rate is fixed at 18 percent, so for you the price will be Rs 5.9 lakh rupees "We will see more tax competitive rates and will reduce prices for consumers. We are looking forward to the GST", Roland Folger, CEO, Mercedes-Benz India told India Today.

V. BUYING PHONES TO GET EXPENSIVE

If you planning to buy an imported phone from the market the countervailing duty and VAT comes to 12.8 percent. So if the GST council decides to peg the rate at 18 percent, then for a Rs 10,000 phone for which you pay Rs 11,280 currently, you will have to shell out Rs 11,800.

VI. LED TVS TO GET CHEAPER

But watching TV could get cheaper, as part of the Make in India initiative, the GST is expected to be lower. So at present for Rs 20,000 LED TV you pay around 24.5 percent tax shelling out Rs 24,900 eventually. As the GST rate is expected to be at 18 percent, for you the cost will come down to Rs 23,600

VII. JEWELLERY TO GET EXPENSIVE

Tax experts have pointed how currently only 2 percent of effective taxes is passed on to the consumers but as per the GST model, at least 6 per cent rates could be imposed, impacting the jewellery purchase.

VIII. BANKING & INSURANCE TO GET EXPENSIVE

Services offered by banks are taxed at 14.5% currently which under GST regime are likely to become costlier at standard rate of 17-18%. Several services by bank to a customer are centralized or localized. These complexities add to compliance costs, making it expensive for consumers.

IX. TRAVELLING TO GET EXPENSIVE

Air tickets to will become expensive post the implementation of the GST. Service tax on airline fares ranges between 6%-9%. GST will pump the taxes up further to 15%-17%

X. MOVIE TICKETS TO GET CHEAPER

Entertainment Taxes are likely to reduce by 2-4%. Multiplex chains will increase revenues as current high rate of entertainment tax will be uniform in all parts of the country. Lower the ticket price, higher the ticket sales. Even film producers will benefit from this advancement.

XI. ONLINE BUYING

Buying bags, shoes, and electronics online will be getting more expensive as the e-commerce industry comes into a tax net and will have to pay tax deducted at source for every purchase from its sellers. So e-commerce companies which will see shrinking of profit margins & increase tax compliance net could slash discounts & freebies that they offer. "E-commerce will see revision of its tax compliance and its time we understand the industry in India. But consumers can benefit from lower logistical cost and faster delivery. Overall tax collection will be a challenge, Harishankar Subramaniam, National Leader, Indirect Tax, EY.

IMPACT OF GST ON SERVICE PROVIDERS

GST is expected to boost competitiveness and performance in India's manufacturing sector. Declining exports and high infrastructure spending are just some of the concerns of this sector. Multiple indirect taxes have also increased the administrative costs for manufacturers and distributors and it is being hoped that with GST in place, the compliance burden will ease and this sector will grow more strongly.

As of March 2014, there were 12, 76,861 service tax assesses in the country out of which only the top 50 paid more than 50% of the tax collected nationwide. Most of the tax burden is borne by domains such as IT services, telecommunication services, Insurance industry, business support services, Banking and Financial services etc. These pan-India businesses already work in a unified market, and while they will see compliance burden becoming lesser there will apparently not be much change in the way they function even after GST implementation.

SECTOR-WISE IMPACT ANALYSIS

LOGISTICS - In a vast country like India, the logistics sector forms the backbone of the economy. We can fairly assume that a well-organized and mature logistics industry has the potential to leapfrog the "Make In India" initiative of the Government of India to its desired position.

E-COM - The e-com sector in India has been growing by leaps and bounds. In many ways, GST will help the e-com sector's continued growth but the long-term effects will be particularly interesting because the model GST law specifically proposes a tax collection at source (TCS) mechanism, which e-com companies are not too happy with. The current rate of TCS is at 1% and it'll remain to be seen if it dilutes the rapid boom in this sector in any way in the future.

PHARMA - On the whole, GST is expected to benefit the pharma and healthcare industries. It will create a level playing field for generic drug makers, boost medical tourism and simplify the tax structure. If there is any concern whatsoever, then it relates to the pricing structure (as per latest news). The pharma sector is hoping for a tax respite as it will make affordable healthcare easier to access by all.

TELECOMMUNICATIONS - In the telecom sector, prices are expected to come down after GST. Manufacturers will save on costs through efficient management of inventory and by consolidating their warehouses. Handset manufacturers will find it easier to sell their equipment as GST will negate the need to set up state-specific entities, and transfer stocks. The will also save up on logistics costs.

TEXTILE - The Indian textile industry provides employment to a large number of skilled and unskilled workers in the country. It contributes about 10% of the total annual export, and this value is likely to increase under GST. GST would affect the cotton value chain of the textile industry which is chosen by most small medium enterprises as it currently attracts zero central excise duty (under optional route).

REAL ESTATE - The real estate sector is one of the most pivotal sectors of the Indian economy, playing an important role in employment generation in India. The probable impact of GST on the real estate sector cannot be fully assessed as it largely depends on the tax rates. However, it is a given that the sector will see substantial benefits from GST implementation, as it will bring to the industry much required transparency and accountability.

AGRICULTURE - Agricultural sector is the largest contributing sector the overall Indian GDP. It covers around 16% of Indian GDP. One of the major issues faced by the agricultural sector, is transportation of agri products across state lines all over India. It is highly probable that GST will resolve the issue of transportation. GST may provide India with its first National Market for the agricultural goods. However, there are a lot of clarifications which need to be provided for rates for agricultural products.

FMCG - The FMCG sector could see significant savings in logistics and distribution costs as the GST will eliminate the need for multiple sales depots. The GST rate for this sector is expected to be around 17% which is way lesser than the 24-25% tax rate paid currently by FMCG companies. This includes excise duty, VAT and entry tax – all of which will be subsumed by GST.

FREELANCERS - Freelancing in India is still a nascent industry and the rules and regulations for this chaotic industry are still up in the air. But with GST, it will become much easier for freelancers to file their taxes as they can easily do it online. They will be taxed as service providers, and the new tax structure will bring about coherence and accountability in this sector.

AUTOMOBILES - The automobile industry in India is a vast business producing a large number of cars annually, fueled mostly by the huge population of the country. Under the current tax system, there are several taxes applicable on this sector like excise, VAT, sales tax, road tax, motor vehicle tax, registration duty which will be subsumed by GST. Though there is still some ambiguity due to tax rates and incentives/exemptions provided by different states to the manufacturers/dealers for manufacturing car/bus/bike, the future of the industry looks rosy.

STARTUPS - With increased limits for registration, a DIY compliance model, tax credit on purchases, and a free flow of goods and services, the GST regime truly augurs well for the Indian startup scene. Currently, many Indian states have very different VAT laws which can be confusing for companies that have a pan-India presence, especially the e-com sector. All of this is expected to change under GST with the only sore point being the reduction in the excise limit.

BFSI - Among the services provided by Banks and NBFCs, financial services such as fund based, fee-based and insurance services will see major shifts from the current scenario. Owing to the nature and volume of operations provided by banks and NBFC vis a vis lease transactions, hire purchase, related to actionable claims, fund and non-fund based services etc., GST compliance will be quite difficult to implement in these sectors.

IMPORTANT FEATURES OF GST

1. The GST shall have two mechanisms: one levied by the Centre (hereinafter referred to as Central GST), and the other levied by the States (hereinafter denoted to as State GST). Rates for Central GST and State GST would be set appropriately, reflecting revenue considerations and acceptability. This twofold GST model would be implemented through manifold statutes (one for CGST and SGST statute for every State).
2. Though, the basic structures of law such as chargeability, definition of taxable event and taxable person, measure of levy including valuation provisions, basis of classification would be uniform across these statutes as far as practicable.
3. The Central GST and the State GST would be applicable to all transactions of goods and services made for a consideration except the exempted goods and services, goods which are outside the purview of GST and the dealings which are below the prescribed threshold limits.
4. The Central GST and State GST are to be paid to the accounts of the Centre and the States independently. It must be ensured that account-heads for all services and goods would have indication whether it relates to Central GST or State GST.
5. Since the Central GST and State GST are to be treated distinctly, taxes paid against the Central GST shall be permitted to be taken as input tax credit (ITC) for the Central GST and could be utilized only against the payment of Central GST.
6. Cross utilization of ITC between the Central GST and the State GST would not be permitted except in the case of inter-State supply of goods and services under the IGST model.
7. Preferably, the problem related to credit accumulation on account of refund of GST should be evaded by both the Centre and the States except in the cases such as exports, purchase of capital goods, input tax at higher rate than output tax where, again refund/adjustment should be completed in a time bound manner.
8. In order to make it practical, uniform procedure for collection of both Central GST and State GST is recommended in the respective legislation for Central GST and State GST.
9. The supervision of the Central GST to the Centre and for State GST to the States would be given. This would infer that the Centre and the States would have parallel jurisdiction for the entire value chain and for all taxpayers on the basis of thresholds for goods and services prescribed for the States and the Centre.

10. The present threshold prescribed in different State VAT Acts below which VAT is not applicable varies from State to State. A uniform State GST threshold across States is required. It is considered that a threshold of gross annual turnover of Rs. 10 lakh both for goods and services for all the States and Union Territories may be approved with satisfactory compensation for the States (particularly, the States in North-Eastern Region and Special Category States) where lower threshold had prevailed in the VAT regime. To respect the interest of small traders and small scale industries and to avoid dual control, the States also considered that the threshold for Central GST for goods may be kept at Rs. 1.5 crore and the threshold for Central GST for services may also be appropriately high. It may be stated that even now there is a separate threshold of services (Rs. 10 lakh) and goods (Rs. 1.5 crore) in the Service Tax and CENVAT.
11. The States has opinion that Composition/Compounding Scheme for the purpose of GST should have an upper ceiling on gross annual turnover and a floor tax rate with respect to gross annual turnover. Particularly, there would be a compounding cut-off at Rs. 50 lakh of gross annual turnover and a floor rate of 0.5% across the States. The scheme would also permit option for GST registration for merchants with turnover below the compounding cut-off.
12. The taxpayer would need to submit periodical returns, in common format as far as possible, to both the Central GST authority and to the concerned State GST authorities.
13. Each taxpayer would be allotted a PAN-linked taxpayer identification number with a total of 13/15 digits. This would bring the GST PAN-linked system in line with the predominant PAN-based system for Income tax, facilitating data exchange and taxpayer compliance.
14. For the convenience of tax payer, functions such as assessment, enforcement, scrutiny and audit would be undertaken by the authority which is collecting the tax, with information sharing between the Centre and the States.

ADVANTAGES OF GST

The tax structure will be lean and simple.

- The whole Indian market will be an incorporated market which may transform into lower business costs. It can simplify seamless movement of goods across states and reduce the transaction costs of businesses.
- It is beneficial for export businesses. Because it is not applied for goods/services which are exported out of India.
- It's implementation has long term benefit. The lower tax burden could translate into lower prices on goods for customers.
- The Suppliers, manufacturers, wholesalers and retailers are able to recover GST suffered on input costs as tax credits. This decreases the cost of doing business, thus enabling reasonable prices for customers.
- It can bring more transparency and better compliance.
- GST implementation can control corruption. Number of departments (tax departments) will reduce which in turn may lead to less corruption.
- More business persons will come under the tax system thus broadening the tax base. This may lead to better and more tax revenue collections.
- Companies which are under unorganized sector will come under tax area.
- The procedure of GST registration would also be made simple, thereby improving the ease of starting a business in India.

DISADVANTAGES TO GST

- Change is never easy. Other countries which have implemented GST before India have faced inflation and price hike during the transition period. However, there are anti-profiteering measures in the GST bills which will keep price hikes in check and stop the economy from blowing over.
- Once GST is implemented, most of the challenges of the current indirect tax regime will be a story of the past. India will become a single market where goods can move freely across state borders, compliance will be easier, and costs of daily goods will reduce.

MAJOR CHALLENGES OF GST SYSTEM

Besides benefits, there are several challenges in implementing GST bill.

- To implement the bill, there has to be lot changes at administration level.
- GST, being a consumption-based tax, states with higher consumption of goods and services will have better revenues. So, the co-operation from state governments would be major factors for the effective implementation of GST.

It is assessed that since GST substitutes many flowing taxes, the common man may get benefit after implementation. But it depends on rate fixed on the GST. With the execution of GST, a consumer will pay less tax. GST is also advantageous for companies. GST will cut the number of taxes under the current system like VAT, excise duty, service tax, sale tax, entertainment tax, luxury tax. Single tax will be applied on both Goods and Services. This will save the managerial cost for companies.

The current indirect system is so burdensome that the trucks have to stop at check posts and toll plazas for weeks to get the clearance to enter the state which considerably lessen their average distance travelled per day. With the application of the GST, the trucks need not to stop on check posts. Therefore, it will reduce the buffer stock. In this way, it will increase the operating proficiency of the companies.

It is assumed by experts that the most substantial opposing impact for consumers may arise because petroleum is excluded of the GST domain. Subsequently, the tax costs (taxes other than GST will continue) could have a flowing impact on the whole economy. According to news reports, economic adviser has mentioned that "bringing electricity and petroleum within the scope of GST could make Indian manufacturing more competitive". Additionally, certain challenges in-built in the GST structure, such as a GST levy on maximum retail price (MRP) for packaged goods and GST on barter exchanges, will trouble to the common man.

Other economic evaluators inferred that GST will eliminate flowing effect of taxes rooted in cost of production of goods and services and will provide seamless credit throughout value chain. This will considerably decrease cost of home-grown goods and will encourage 'Make in India'. The sectors which have long value chain from basic goods to final consumption stage with operation spread in multiple states such as FMCG, pharma, consumer durables, automobiles and engineering goods will be the major recipients of GST system. It is supposed that GST will simplify business operations in India. Integration of existing multiple taxes into single GST will considerably lessen cost of tax compliance and transaction cost

To sum up facts, the GST is an indirect tax which entails that the tax is approved till the last stage where it is the purchaser of the goods and services who bears the tax. The GST will substitute most other indirect taxes and synchronize the differential tax rates on mass-produced goods and services. The government of India claims that GST will enhance Indian GDP by 2%. With the enactment of GST, customers will have funds to spend because of lower tax rates. It can be said that it will completely change the indirect tax system in India.

CONCLUSION

Goods and Services Tax (GST), hailed as one of the most powerful tax reforms which India has ever seen, purports to do away with the multiple tax regulations on most of the goods and services. GST would change the current tax regime of production-based taxation to a consumption-based system. There is no doubt that the corporates would benefit once the GST has been rolled out. However, the advantages to the common man are still speculative. We hope that the end consumer would also reap the benefits of the new tax regime, once the business houses have transitioned completely to the new tax structure and start to pass on the benefits to the average Indian. The proposed date for GST implementation is the 1st of July 2017.

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LIQUIDITY & PROFITABILITY ANALYSIS OF THE PHARMACEUTICAL COMPANIES OF INDIA

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ABSTRACT

The efficiency of the finance manager does not lie only on assets side of the balance sheet, but he has to efficiently manage liabilities side also. This study deals with liabilities side of the balance sheet. To go minute, this study deals with finance managers' efficiency with respect to short-term liabilities. Current ratio and quick ratio adequately captures short-term operations of the firm. Financial activities of pharmaceutical companies are centered on long-term decisions, as they are more inclined towards apt research and development. Research and development is the key for success of the pharmaceutical business. But, simultaneously, they have to take care of their routine and short-term business operations. Current ratio and quick ratios are parameters for the same. Cipla is more efficient as compared to other companies in keeping their liquidity intact. Other companies found it difficult to manage their short-term funds and liquidities. To be more specific, Ranbaxy had the lowest levels of current and quick ratio. It is undoubted that both the companies are sound with their research and development and quality of the product in their segments. Hence, their inclination will always be towards focusing on their strength rather than weakness. So, current ratio and quick ratio of both of these firms are not so sound, but looking at the long-term efficiency the efficiency of their finance manager cannot be undermined.

KEYWORDS

Indian pharmaceutical companies, liquidity analysis, profitability analysis.

INTRODUCTION

In the quest for achieving maximum profitability in highly competitive business scenario, the crunch of liquidity is slightly ignored by industries. There is always a tradeoff between liquidity and profitability. Whenever, the firm focuses on maintaining a certain level of profitability, its liquidity level gets negatively affected and vice-versa.

For any firm, profitability is always more important than liquidity because of its long-term focus and strategic goals. At the same time, liquidity can affect the reputation level of the firm. Because of short fall in the level of liquidity of any firm, if the firm delays the payment to its trade creditors, it can immediately impact reputation of the firm. Liquidity short fall is such a lethal to the firm that the reputation which the firm might have managed to create in market can be destroyed in quite a short time without any direct effort.

Following the nature of short-term, liquidity decisions are mostly less attended by finance managers. Working capital management is recently given lot of weight by industry experts. The large part of problem starts here. If a firm increases its investment in current assets, the level of investment in fixed assets comes down and hence the profitability also comes down. Simultaneously, firm cannot afford to keep its current assets at lower level with the target of achieving higher profits. So, the firm out the adequate mix of current assets and fixed assets questions expertise of finance manager.

Indian pharmaceutical industry is able to meet around 70 percent of the nation's demand of drug and drug intermediates. There are around 8250 large, small and medium scale units of pharmaceutical industry in India out of which 5 are public sector units. Looking into the size of pharmaceutical industry this study is taken up to address the concern of liquidity of pharmaceutical companies in India.

LITERATURE REVIEW

Eljelly (2004) took the sample of 929 companies from Saudi Arabia. He found current ratio to be negatively correlated with profitability of the firm.

Lazaridis and Tryfonidis (2006) conducted a study of 131 firms listed on Athens Stock Exchange (ASE). They studied these firms for the period of four years from 2001 to 2001 and found that correct handling of receivables, payables and inventory can make significant positive impact on firm's profits.

Chakraborty and Bandopadhyay (2007) have highlighted that the decisions with respect to strategic current assets and current liabilities has multidimensional impact on company's performance.

Raheman and Nasr (2007) based their study in Pakistan and selected 94 Pakistani firms listed on Karachi Stock Exchange (KSE). They took five years data from 1999 to 2004 to study the impact of working capital management on profitability and found negative relationship.

Singh and Pandey (2008) studied the relationship of liquidity and profitability of Hindalco Limited and found that combination of fixed assets and current assets plays vital role in successful working of any business. They also cited that liquidity and profitability are directly correlated.

Bhunia (2010) studies the case of Indian pharmaceutical industry and inferred that Indian pharmaceutical company has strong liquidity position.

Gogia and Gupta (2013) studied five companies for the period of 10 years from 2000 to 2010 and found that small companies had better liquidity position than the bigger companies. They also emphasized on companies to maintain ideal current ratio.

Sarvanan and Abarna (2014)'s study was contextualized in India. The study took the sample of selected automobile companies and analyzed the liquidity position through by using Anova as statistical tool and found the significant difference in chosen ratios of sample firms.

RESEARCH METHODOLOGY

The study is aimed at studying liquidity scenario of sample pharmaceutical companies in India. The time period for which the companies are studied is of four years from 2010-'11 to 2013-'14. In order to study pharmaceutical industry four major companies of the industry were chosen. These were;

1. Ranbaxy Laboratories
2. Cipla Pharmaceuticals
3. Dr. Reddy's Laboratories
4. Lupin Pharmaceuticals

In order to achieve the objective of studying the profitability of sample companies six profit parameters were chosen for the study. These were;

1. Current Ratio
2. Quick Ratio

The requisite data were sourced through the websites of National Stock Exchange of India (www.nseindia.com), Money Control (www.moneycontrol.com) and the annual reports of the companies given on companies' website. Descriptive statistics and ANOVA test was used to perform statistical analysis and 5% level of significance was used.

HYPOTHESES

CURRENT RATIO

H₍₀₎: The current ratio does not differ significantly among different pharmaceutical firms.

H₍₁₎: The current ratio differs significantly among different pharmaceutical firms.

QUICK RATIO

H₍₀₎: The quick ratio does not differ significantly among different pharmaceutical firms.

H₍₁₎: The quick ratio differs significantly among different pharmaceutical firms.

DATA ANALYSIS AND DISCUSSION

Descriptive statistics like trend of defined performance measures from the year 2007-08 to 2013-14, mean, standard deviation, minimum and maximum are used to analyze the data. Anova test is performed to analyze the difference in various performance measures among different pharmaceutical companies.

CURRENT RATIO (%)

TABLE 1: CURRENT RATIO (%)

Year	Ranbaxy	Cipla	DRL	Lupin
2010-'11	1.4	2.59	1.66	1.1
2011-'12	0.76	3.18	1.7	1.19
2012-'13	0.81	1.95	1.62	1.59
2013-'14	0.68	1.92	1.96	2.81
Mean	0.91	2.41	1.74	1.67
S.D.	0.33	0.60	0.15	0.79
Minimum	0.68	1.92	1.62	1.1
Maximum	1.4	3.18	1.96	2.81

Current ratio is calculated by dividing current assets with current liabilities. In that sense it is an indicator of companies' liquidity position. It gives a picture of the firms' liquidity for shorter period of time. Current assets largely include inventories, cash and cash equivalents and receivables. While current liabilities include short-term loans and other borrowings and payables. Several of the experts are of the opinion that current ratio should be around 2:1.

When current ratio takes care about short-term liquidity position of the company, it is important to understand the nature of the business. Research and development is one of the most important investments for pharmaceutical firms and hence they may not be so concerned about their short-term liquidity position. The nature of their balance sheet would largely reveal that they have more long-term assets and less short-term assets.

The current ratio of sample pharmaceutical firms is well above the level of 2:1. In case of Ranbaxy, following its plan for the long-term acquisitions and research efforts current ratio is not so significant. Otherwise, in remaining all company's current ratio is quite satisfactory. Cipla had the highest current ratio on average basis.

QUICK RATIO (%)

TABLE 2: QUICK RATIO (%)

Year	Ranbaxy	Cipla	DRL	Lupin
2010-'11	1.6	2.06	1.91	1.75
2011-'12	0.84	1.95	1.84	1.59
2012-'13	0.95	1.68	2.02	1.69
2013-'14	0.85	1.5	2.7	2.27
Mean	1.06	1.80	2.12	1.83
S.D.	0.36	0.25	0.40	0.30
Minimum	0.84	1.5	1.84	1.59
Maximum	1.6	2.06	2.7	2.27

It is seen from the table above that unlike Cipla in case of current ratio; Dr. Reddy's Laboratory has the highest quick ratio amongst sample firms. It is also worth observing that volatility in quick ratio was also seen highest in case of Dr. Reddy's Laboratory. In case of Ranbaxy in spite of having low average quick ratio, the standard deviation was significantly higher.

Quick ratio is even stricter and more appropriate parameter of liquidity. The most important difference between current ratio and quick ratio is that quick ratio takes into consideration most liquid assets of the firm. In this context, quick ratio includes; cash and cash equivalent, marketable securities and receivables. Quick ratio is also known as acid-test ratio.

HYPOTHESES TESTING

TABLE 3: ANOVA TEST

Ratio	F	Sig.	Ho	Remarks
Current Ratio	9.582	.000	Rejected	Significant Difference
Quick Ratio	9.412	.000	Rejected	Significant Difference

The anova test was performed to test whether the current ratio and quick ratio are different among different pharmaceutical firms. Table 3 suggests higher F value for both the ratios. Also, the p-value was into rejection region as it was below 5 percent. This means that rejection of null hypotheses and acceptance of alternate hypotheses. For the values mentioned in table 3 it can be said that the quick ratio and current ratio of all sample firms for the sample time period were significantly different.

DISCUSSION

In short run businesses are subject to large fluctuations. In such a situation it becomes important for analysts to give weight to the company's long-term policies and long-term goals. Current ratio and quick ratio are the parameters to measure the ability of finance manager of the companies to manage short-term operations. Many pharmaceutical companies which are focused on research and development are facing problems in short-term operations. This study also reveals the same. As the business model of pharmaceutical companies is different from other type of companies, the reasons for not able to maintain ideals of current ratio and quick ratio are;

1. The need of long-term assets and liabilities is higher in case of pharmaceutical companies as the focus of their business is on better research and development.
2. The inventory level is generally higher in pharmaceutical companies as they are generally keeping stock to meet any unexpected emergency.

CONCLUSION

The efficiency of the finance manager does not lie only on assets side of the balance sheet, but he has to efficiently manage liabilities side also. This study deals with liabilities side of the balance sheet. To go minute, this study deals with finance managers' efficiency with respect to short-term liabilities.

Current ratio and quick ratio adequately captures short-term operations of the firm. Financial activities of pharmaceutical companies are centered on long-term decisions, as they are more inclined towards apt research and development. Research and development is the key for success of the pharmaceutical business. But, simultaneously, they have to take care of their routine and short-term business operations. Current ratio and quick ratios are parameters for the same. Cipla is more efficient as compared to other companies in keeping their liquidity intact. Other companies found it difficult to manage their short-term funds and liquidities. To be more specific, Ranbaxy had the lowest levels of current and quick ratio. It is undoubted that both the companies are sound with their research and development and quality of the product in their segments. Hence, their inclination will always be towards focusing on their strength rather than weakness. So, current ratio and quick ratio of both of these firms are not so sound, but looking at the long-term efficiency the efficiency of their finance manager cannot be undermined.

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A STUDY ON FOREIGN INVESTMENT & ITS IMPACT ON GROWTH OF FOOD & AGRICULTURE SECTOR IN INDIA

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ABSTRACT

Foreign investment play very important role in the development of any county. It will not only bring the capital but will also bring technology, managerial skill and human capital which will helps the companies to improve capital availability, influence their short term and long term growth. According to theories, Foreign Investment will help to improve capital position and supports managerial efficiency which will increase the productivity of companies. In the light of above assumption, the present research paper made an attempt to study and analyze the impact of Foreign Investment on managerial efficiency in FDI based Companies in Food and Agriculture sector in India from 2007-2016. The study has been used appropriate statistical techniques simple regression analysis. The study concluded that Foreign Investment have a statically significant impact on ROI and ROE of in Food & Agriculture Sector in India at 1%, 5% and 10% significant level.

KEYWORDS

ROI, ROE, FI, FDI, BSE.

1. INTRODUCTION

Foreign investment play very important role in the development of any county. It helps to fill the gap between demand and supply of scare resource in developing country like India and help in its growth & development. Foreign Investment has taken many forms and shapes over the years in Indian economy. There are various advantages and disadvantages attached to it. Foreign Investment in companies will improve capital availability which will influence their short term and long term growth of companies. The growth is determined by the efficiency factors of which managerial efficiency is vital. According to theories, Foreign Investment will help to improve capital position and supports managerial efficiency which will increase the productivity. Return on investment (ROI) and Return on equity (ROE) are taken as variable to examine the managerial efficiency of FDI based Companies. The present study will examine the impact of Foreign Investment on managerial efficiency with the help of regression techniques in FDI based Companies in Food and Agriculture sector in India.

2. LITERATURE REVIEW

(Azzam, Fouad, & Ghosh, 2013) aim is to examine the relationship between the degree of foreign ownership and financial performance of 8,185 companies in Egypt from 2006 to 2010 by using panel data analysis. The study concluded that firm's return on assets (ROA), return on equity (ROE), debt ratio (DR) was positively related to foreign ownership. It also shows that with increase in foreign ownership the financial performance of companies will also increase which is depend on sector specification. (De Backer & Maria, 2002) made an attempt to analyse domestic forms and foreign firms in differ industry and impact of foerign Direct Investment on economic strucure of host economy. The study conclude that growth of foreign firms are different form domestic firms and FDI is has negative impact on economy. (Iuliana, 2014) aim of this paper is to study the relation between the foreign ownership and manufactruing firm performace of 261 companies. Variable used are Rreturn on assets (ROA), Return on Equity (ROE) and Return on sales (ROS). The results show that there is no significnat relation between economic and financial performace and the existence of foreign owbnership. (Jayesh, 2012) aim is to find out the impact of foreign investment on financial performance, Corporate Performance with respect to managerial & technological efficiency, R&D and CSR of Indian companies considering the case study of BSE-30. Sample size of the study is 30 companies for BSE-30 was take for the period between 2002-2011. Simple regression technique was used to test the hypotheses along with simple descriptive statistics such as averages, simple growth rates, standard deviation, variance, co – variance. (K.Srinivasan, Deo, & Srinivasan) Aim is to examine the performance of select Foreign Direct Invested (FDI) assisted pharmaceutical units in India for the period from 1st April 1999 to 31st March 2008, 23 FDI assisted pharmaceutical units and evaluated through the following ratios Capital Structure Ratios, Liquidity Ratios, Profitability Ratios, and Return on Investment. The study concluded that the capital has been efficiently used in gearing profits, but there was a slight decline in return on equity due to over utilization of outsider's capital it was the major reason for showing negative effects (Rastogi, 2014) to examine the pattern of inward FDI at the industry level test for the industry-specific characteristics that have been significant in attracting foreign investment in India during. The period of study is 2000-10. FDI inflows focus on a panel of top ten investing countries, as well as individual countries with relatively stringent environmental norms. Regressions analysis has been used for the study. The result shows that the pattern of FDI in India has been largely towards capital-intensive industries, and in polluting industries with large market size. But growth in FDI inflow failed to exploit scale economies and generate jobs during the last decade. (K.Srinivasan, Deo, & Srinivasan) aim is to examine the performance of select Foreign Direct Invested (FDI) pharmaceutical units in India for the period from 1st April 1999 to 31st March 2008, 23 FDI pharmaceutical units and evaluated through the following ratios Capital Structure Ratios, Liquidity Ratios, Profitability Ratios, Du Pont Analysis and Return on Investment. The study concluded that the FDI in pharmaceutical units for different ratios report a positive direction throughout the study and provoked the strength of Indian economy for the future.

3. OBJECTIVE

To Study the impact of Foreign Investment on Managerial Efficiency of FDI based companies in Food & Agriculture sector in India.

4. HYPOTHESIS

H01: Foreign Investment does not have a statically significant impact on ROI of FDI based companies in Food & Agriculture Sector in India.

H02: Foreign Investment does not have a statically significant impact on ROE of FDI based companies in Food & Agriculture Sector in India.

5. RESEARCH METHODOLOGY

This paper examines the impact of Foreign Investment on Managerial Efficiency of FDI based companies in Food and Agriculture sector in India. The data is collected from CMIE Prowess IQ data base from 2007 to 2016 (10 years) for companies consistently listed at BSE. The list of FDI Companies is selected on the basis of FDI definition given by IMF i.e. if Foreign Investment is 10% or more than 10% in the company then that company will be considered as FDI based companies and less than 10% Non- FDI based companies. The total number of Companies in CMIE Prowess IQ data base is 2399 out of which 22 companies are found to be FDI based companies. Foreign Investment is taken as independent variable and Return on Equity (ROE) & Return on Assets (ROA) as dependent variables. The statistical technique used in the paper is linear Regression analysis to find out the impact of foreign Investment on managerial efficiency of FDI based companies in Food & Agriculture Sector in India.

6. ANALYSIS AND INTERPRETATION

6.1. IMPACT OF FOREIGN INVESTMENT ON ROI OF FDI BASED COMPANIES IN FOOD & AGRICULTURE SECTOR IN INDIA

The first regression equation which includes Foreign Investment of FDI based companies in Food & Agriculture Sector in India during 2007 to 2016 and is regressed with Return on Investment (ROI) for the same period. The Regression Model is

$$ROI = \alpha_1 + \beta_1 FI + \mu_1$$

Where, ROI = Return on Investment (ROI), α_1 = constant, FI = Foreign Investment and μ_1 = Error term

Table-1 below presents the detail result data of Foreign Investment in Food and Agriculture Sector in India during 2007 to 2016 and regressed with ROI. The coefficient and constant value along with its P-values at 1%, 5%, and 10% significant level to study to know whether foreign Investment has positive impact on ROI in Food and Agriculture Sector in India. In order to test the hypothesis and meet the objective of the study, simple regression model was used by keeping Foreign Investment as the independent variable and ROI as dependent variables. The findings as per the regression results are blow.

TABLE 1: IMPACT OF FOREIGN INVESTMENT ON ROI OF FDI BASED COMPANIES IN FOOD & AGRICULTURE SECTOR IN INDIA

S.No	FDI Based Companies	ROI					
		con	Std err	t-stat	coef	Std err	t-stat
1	Agro Tech Foods Ltd.	-0.20	0.28	-0.72	0.01	0.01	1.27
2	Assam Company India Ltd.	0.09	0.10	0.88	0.00	0.00	-0.27
3	Britannia Industries Ltd.	37.1	7.70	4.83***	-0.73	0.15	-4.8***
4	Dharani Sugars & Chemicals Ltd.	0.22	0.19	1.14	-0.01	0.01	-0.64
5	Glaxosmithkline Consumer Ltd.	0.22	0.02	10.5***	0.00	0.00	-1.33
6	Godfrey Phillips India Ltd.	0.13	0.03	4.07***	0.00	0.00	2.25*
7	Goodricke Group Ltd.	0.12	0.02	6.55***	-	-	-
8	Harrisons Malayalam Ltd.	0.03	0.01	3.00**	-	-	-
9	Kore Foods Ltd.	0.64	0.48	1.33	-0.03	0.02	-1.35
10	Lotte India Corpn. Ltd.	0.05	0.01	4.99***	0.00	0.00	0.01
11	Mcleod Russel India Ltd.	0.66	0.46	1.43	-0.02	0.02	-1.18
12	Monsanto India Ltd.	362.	194.	1.87*	-5.03	2.70	-1.86*
13	Nestle India Ltd.	9.38	3.31	2.84**	-0.14	0.05	-2.71**
14	Ovobel Foods Ltd.	0.02	0.17	0.09	0.01	0.01	1.09
15	Ponni Sugars (Erode) Ltd.	0.24	0.21	1.14	-0.01	0.02	-0.51
16	Shree Renuka Sugars Ltd.	0.10	0.01	8.95***	0.00	0.00	-3.18**
17	Tarai Foods Ltd.	0.39	0.28	1.41	-	-	-
18	United Breweries Ltd.	-0.03	0.07	-0.45	0.00	0.00	2.53**
19	United Spirits Ltd.	0.13	0.03	4.51***	0.00	0.00	0.57
20	V S T Industries Ltd.	0.27	0.02	15.8***	-	-	-
21	Warren Tea Ltd.	0.12	0.11	1.10	0.00	0.00	0.16
22	Winsome Breweries Ltd.	0.08	0.01	11.0***	0.00	0.00	-2.3**

(Source: CMIE-Prowess & Author Compilation)

Table 2, Foreign Investment influence ROI highly significant (1% significance level) in 5 companies out of 22 FDI based Companies in Food and Agriculture Sector. FDI based Companies like Harrisons Malayalam Ltd, Nestle India Ltd, United Breweries Ltd and Winsome Breweries Ltd. have experienced a moderate impact of foreign investment on their ROI which appears form the fact that the coefficient P-value in case of such companies is found to be statistically significant at 5% significance level. Though at a low level, companies like Godfrey Phillips India Ltd and Monsanto India Ltd. Witnessed an impact of foreign investment on their ROI. In two companies, the coefficient P-value is statistically significant at 10% significance level.

TABLE 2: IMPACT OF FOREIGN INVESTMENT ON ROI OF FDI BASED COMPANIES IN FOOD AND AGRICULTURE SECTOR IN INDIA (SIGNIFICANCE AT 1%, 5%, 10%)

ROI					
1% Significance Level		5% Significance Level		10% Significance Level	
Constant	Coefficient	Constant	Coefficient	Constant	Coefficient
-	Britannia Industries Ltd.	-	-	Godfrey Phillips India Ltd.	-
Glaxosmithkline Consumer Ltd.	-	Harrisons Malayalam Ltd.	-	Monsanto India Ltd.	-
Lotte India Corpn. Ltd.	Shree Renuka Sugars Ltd.	Nestle India Ltd.	United Breweries Ltd.	-	-
V S T Industries Ltd.	-	Winsome Breweries Ltd.	-	-	-

(Source: CMIE-Prowess & Author Compilation)

Over all out of 22 FDI based companies in Food and Agriculture Sector, 11 FDI based companies is observed to have influenced by ROI which is 50% of the total. Hence the null hypothesis i.e. there is no significant impact of foreign investment on ROI of FDI based companies in Food and Agriculture Sector in India is rejected.

TABLE 3: IMPACT OF FOREIGN INVESTMENT ON ROI OF FDI BASED COMPANIES IN FOOD AND AGRICULTURE SECTOR IN INDIA (NOT SIGNIFICANCE AT 1%, 5%, 10%)

ROE (Not Significance at 1%, 5%, 10%)	
Agro Tech Foods Ltd.	Mcleod Russel India Ltd.
Assam Company India Ltd.	Ovobel Foods Ltd.
Dharani Sugars & Chemicals Ltd.	Tarai Foods Ltd.
Kore Foods Ltd.	Warren Tea Ltd.

Source: CMIE-Prowess & Author Compilation

The remaining FDI based companies in Food and Agriculture Sector in India are statistically not significant at 1%, 5% and 10%. Hence null hypothesis is rejected where Foreign Investment dose not bring much impact on their ROI.

6.2. IMPACT OF FOREIGN INVESTMENT ON ROE OF FDI BASED COMPANIES IN FOOD & AGRICULTURE SECTOR IN INDIA

The second regression equation which includes Foreign Investment of FDI based companies in Food & Agriculture Sector in India during 2007 to 2016 and is regressed with Return on Equity (ROE) for the same period. The Regression Model is

$$ROE = \alpha_2 + \beta_2 FI + \mu_2$$

Where, ROE = Return on Equity (ROE), α_2 = constant, FI = Foreign Investment and μ_2 = Error

Term

TABLE 4: IMPACT OF FOREIGN INVESTMENT ON ROE OF FDI BASED COMPANIES IN FOOD & AGRICULTURE SECTOR IN INDIA

S. No	FDI Based Companies	ROE					
		con	Std err	t-stat	coef	Std err	t-stat
1	Agro Tech Foods Ltd.	81.79	43.12	1.90*	-0.98	0.86	-1.13
2	Assam Company India Ltd.	8.95	5.86	1.53	-0.02	0.15	-0.12
3	Britannia Industries Ltd.	348	6896.1	5.05***	-680	135.5	-5.0***
4	Dharani Sugars & Chemicals Ltd.	-11.82	20.87	-0.57	1.35	0.98	1.38
5	Glaxosmithkline Consumer Ltd.	-43.22	21.42	-2.02*	2.12	0.38	5.6***
6	Godfrey Phillips India Ltd.	749.7	109.35	6.86***	-15.66	3.80	-4.1***
7	Goodricke Group Ltd.	21.20	2.65	8.01***	-	-	-
8	Harrisons Malayalam Ltd.	17.13	1.09	15.6***	-	-	-
9	Kore Foods Ltd.	2.15	1.85	1.16	-0.06	0.07	-0.78
10	Lotte India Corpn. Ltd.	36.76	3.60	10.2***	0.11	0.08	1.36
11	Mcleod Russel India Ltd.	129.5	51.91	2.50**	-4.31	2.07	-2.08*
12	Monsanto India Ltd.	-73.70	406	-1.81	1021.0	563.3	1.81
13	Nestle India Ltd.	-31.85	562.01	-5.4***	50.20	9.01	5.5***
14	Ovobel Foods Ltd.	2.71	2.77	0.98	0.34	0.21	1.65
15	Ponni Sugars (Erode) Ltd.	34.00	10.37	3.28**	-1.11	1.16	-0.96
16	Shree Renuka Sugars Ltd.	80.80	7.92	10.2***	-0.60	0.64	-0.95
17	Tarai Foods Ltd.	0.27	0.08	3.37***	-	-	-
18	United Breweries Ltd.	-67.22	461.40	-1.47	23.12	12.13	1.91*
19	United Spirits Ltd.	83.27	9.87	8.44***	1.48	0.36	4.1***
20	V S T Industries Ltd.	90.17	9.06	9.9***	-	-	-
21	Warren Tea Ltd.	4.64	5.81	0.80	0.21	0.12	1.77
22	Winsome Breweries Ltd.	1.77	0.26	6.9***	0.06	0.03	1.94*

(Source: CMIE-Prowess & Author Compilation)

In order to test the hypothesis and meet the objective of the study, simple regression model was used by keeping foreign investment as the independent variable and ROE as dependent variables. The findings as per the regression results are blow.

TABLE 5: IMPACT OF FOREIGN INVESTMENT ON ROE OF FDI BASED COMPANIES IN FOOD AND AGRICULTURE SECTOR IN INDIA (SIGNIFICANCE AT 1%, 5%, 10%)

ROE					
1% Significance Level		5% Significance Level		10% Significance Level	
Constant	Coefficient	Constant	Coefficient	Constant	Coefficient
-	Britannia Industries Ltd.	-	-	Agro Tech Foods Ltd.	-
Glaxosmithkline Consumer Ltd.	-	Ponni Sugars (Erode) Ltd.	-	Mcleod Russel India Ltd.	-
	Godfrey Phillips India Ltd.	-	-	-	United Breweries Ltd.
Goodricke Group Ltd.	Nestle India Ltd.	-	-	-	Winsome Breweries Ltd.
Harrisons Malayalam Ltd.	United Spirits Ltd.	-	-	-	-
Lotte India Corpn. Ltd.	-	-	-	-	-
Shree Renuka Sugars Ltd.	-	-	-	-	-
Tarai Foods Ltd.	V S T Industries Ltd.	-	-	-	-

(Source: CMIE-Prowess & Author Compilation)

In the above table 5, Foreign Investment influence ROE highly significant (1% significance level) in 11 companies out of 22 FDI based Companies in Food and Agriculture Sector in India. Ponni Sugars (Erode) Ltd. have experienced a moderate impact of Foreign Investment on their ROE which appears form the fact that the coefficient P-value in case of such companies is found to be statistically significant at 5% significance level. In 4 companies, the coefficient P-value is statistically significant at 10% significance level.

Over all out of 22 FDI based companies in Food and Agriculture Sector, 16 FDI based companies is observed to have influenced by ROE which is more than 50% of the total. Hence the null hypothesis i.e there is no significant impact of foreign investment on ROE of FDI based companies in Food and Agriculture Sector in India is rejected.

TABLE 6: IMPACT OF FOREIGN INVESTMENT ON ROE OF FDI BASED COMPANIES IN FOOD AND AGRICULTURE SECTOR IN INDIA (NOT SIGNIFICANCE AT 1%, 5%, 10%)

Net Profit Margin (Not Significance at 1%, 5%, 10%)	
Assam Company India Ltd.	Dharani Sugars & Chemicals Ltd.
Kore Foods Ltd.	Ovobel Foods Ltd.
Warren Tea Ltd.	

(Source: CMIE-Prowess & Author Compilation)

The remaining FDI based companies in Food and Agriculture Sector in India are statistically not significant at 1%, 5% and 10%. Hence null hypothesis is rejected where Foreign Investment dose not bring much impact on their ROE.

7. CONCLUSION

This paper examines the impact of Foreign Investment on Managerial Efficiency of FDI based companies Food & Agriculture sector in India. In order to analyse the impact at managerial level two dependent variables i.e return on investment (ROI) and return on equity (ROE) and Independent Variable Foreign Investment for the period of 10 years (2007-2016) are analyse by using simple regression technique.

The study concludes that 5 companies Britannia Industries Ltd, Glaxosmithkline Consumer Ltd, Lotte India Corpn. Ltd, Shree Renuka Sugars Ltd and V S T Industries Ltd Foreign Investment on their ROI is significant at 1%. FDI based Companies like Harrisons Malayalam Ltd, Nestle India Ltd, United Breweries Ltd and Winsome Breweries Ltd. significant at 5% and Godfrey Phillips India Ltd, Monsanto India Ltd. statistically significant at 10% significance level. Over all out of 22 FDI based companies 11 FDI based companies is observed to have influenced by ROI which is 50% of the total. Hence the null hypothesis i.e there is no significant impact of foreign investment on ROI of FDI based companies in Food and Agriculture Sector in India is rejected. Foreign Investment is also have impact on ROE, 11 companies significance at 1%, Ponni Sugars (Erode) Ltd at 5% significance level and 4 companies Agro Tech Foods Ltd, Mcleod Russel India Ltd, United Breweries Ltd and Winsome Breweries Ltd significant at 10% significance level. Over all out of 22 FDI based companies in Food and Agriculture Sector, 16 FDI based companies is observed to have influenced by ROE which is more than 50% of the total. Hence the null hypothesis i.e there is no significant impact of Foreign Investment on ROE of FDI based companies in Food and Agriculture Sector in India is rejected. The observation is based on many reasons varying from company to company due to lack of utilization of Foreign Investment.

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ENUMERATION OF SERVICES AND CATEGORIZATION OF CUSTOMER'S PROBLEM ON MOBILE BANKING: A REVIEW

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ABSTRACT

Mobile Banking refers to provision of banking and financial services with the help of mobile telecommunication devices. After the launch of mobile banking, transactions have seen some growth. Still mobile banking has a long way to go as, majority of customers prefer banking in traditional ways. The present paper studies the benefits, limitations and problems faced by customer through mobile banking. According to the research findings, certain areas are identified as the most critical while adopting a new technology. These identified areas must be thoroughly considered by the banks, especially in Indian financial environment to increase their customer base.

KEYWORDS

telecommunication, customer base.

INTRODUCTION

In recent years, market orientation has changed to customer orientation. After understanding the importance of the simultaneous use of different channels of banking and financial companies were focus on mobile banking, especially when it comes to maintaining a relationship with the customer (Sangle and Awasthi, 2011). New innovations in telecommunications have enabled the launch of new access methods for banking services through various e- channels like, ATMs, credit/debit cards, internet banking, mobile banking, telebanking, EFT etc. Mobile banking facility removes the space and time limitations from banking activities such as checking account balances or transferring money from one account to another and time saving when we go to bank and doing some banking activities (Sunil Kumar Mishra and Durga Prasad Sahoo, 2013).

After the launch of mobile banking, transactions have seen some growth. Still mobile banking has a long way to go as, majority of customers prefer banking in traditional ways. Most of the customer's problem is that they are not well educated and not aware of the technological innovations. The present paper studies the benefits, limitations and problems faced by customer through mobile banking. This paper also studies about the future prospects of mobile banking and the methods for improvement.

OBJECTIVES

1. To study about the benefits and limitations of mobile banking.
2. To identify the problems faced by the customers through mobile banking.
3. To see the future prospects of mobile banking in India.
4. To give suggestions for improvement.

REVIEW OF LITERATURE

Mobile banking beginning in the late 1990s, has experienced five distinct stages. The first stage, mobile banking will be summarized in simple banking operations, especially pays bills and send SMS from the bank to the customers and vice versa. The second stage is to add some of the accounts of depositors and related services to mobile banking services. In the third stage, were used banking services via mobile network, other media such as the Internet and telephone, this phase was completed with this phase was completed with the emergence of intelligent mobile phones. The fourth step is to continue, development has been made as of JP Phone and Android, and this progress has led to the providing of services such as mobile Internet access and connection to the operating systems of bank. In the fifth stage, this is starting; technologies have been used such as radio frequency identification chips for mobile payments, and Banking Network Connection to Visa Card and MasterCard systems. Qualitative and quantitative development of these technologies can be connected to make chips for mobile devices such as mobile phone, watches, TV and iPad even connected sunglasses (Farnood Zahra, 2008 and 2009; Poor Nick, 2010; Skinner, 2011; Rahmani et al., 2012).

Clark (2008) suggested that as a Channel the mobile phone can augment the number of channels available to consumers, thereby giving consumers more low-cost self-service options by which to access funds, banking information and make payments. Mobile as a channel delivers convenience, immediacy and choice to consumers. But there are a large number of different mobile phone devices and it is a big challenge for banks to offer Mobile banking solution on any type of device. Some of these devices support Java2Micro Edition (J2ME) and others support Wireless Application Protocol (WAP) browser or only SMS.

Mas (2008) found that there are a large number of different mobile phone devices and it is a big challenge for banks to offer mobile banking solution on any type of device. Some of these devices support J2ME and others support WAP browser or only SMS; pre-setting a serious challenge.

Hayat (2009) suggests that for a banking regulator it is important to provide adequate protection for consumers, ensure economic stability, provide interoperability of electronic systems and guarantee security of transactions and Anti- Money Laundering and Know-Your-Customer principles must also be applied to mobile payments.

Comminos et al. (2008) suggest that unbanked will only transact electronically (online/mobile banking) if there is convenience and security. Sharma and Singh (2009) found that Indian mobile banking users are specially concern with security issues like financial frauds, account misuse and user friendliness issue - difficulty in remembering the different codes for different types of transaction, application of software installation & updating due to lack of standardization.

Banzal (2010) found that another major issue is the revenue sharing agreements between mobile service providers, banks, content providers, aggregators and other service providers like utilities, travel agencies, hotel industry, retailers etc.

Mary (2011), Harun (2014) and Renju (2014) reported mobile banking users are specially concern with security issues like financial frauds, account misuse and user friendliness issue - difficulty in remembering the different codes for different types of transaction, application software installation & updating due to lack of standardization. Mobile banking transactions can be broadly classified into two: push type and pull type. Push type is a one-way transaction where our bank sends us information pertaining to our account via SMS. Pull type is a two-way transaction, where we send a request and the bank replies.

A. ENUMERATION OF SERVICES OF MOBILE BANKING

I. Account Details: define the information related to accounts and following are the main services of accounts.

- a) Mini-statements and checking of account history
- b) Alerts on account activity
- c) Monitoring of term deposits
- d) Access to loan statements/card statements.
- e) Mutual funds / equity statements
- f) Insurance policy management
- g) Pension plan management

II. Payments and Transfers: define the information about the payments and transfers activities like bill payment process.

- a) Domestic and international fund transfers
- b) Micro-payment handling
- c) Mobile recharging
- d) Commercial payment processing
- e) Bill payment processing

III. Investments Details: define the information related to investments services.

- a) Portfolio management services
- b) Real-time stock quotes
- c) Personalized alerts and notifications on security prices Support
- d) Status of requests for credit, including mortgage approval, and insurance coverage
- e) Cheque book and card requests
- f) Exchange of data messages and email, including complaint submission and tracking

B. CATEGORIZATION OF CUSTOMER'S PROBLEM IN MOBILE BANKING

- Mobile banking users are at risk of receiving fake SMS messages and scams.
- The loss of a person's mobile device often means that criminals can gain access to your mobile banking PIN and other sensitive information.
- Modern mobile devices like Smartphone and tablets are better suited for mobile banking than old models of mobile phones and devices.
- Regular users of mobile banking over time can accumulate significant charges from their banks.
- Even though there are 1.5 billion computers on the Internet and 4.5 billion people using mobile phones, there's currently no significant operating system supporting the mobile space. "Hackers want to do the least amount of work for the biggest gain.
- Most mobile banking apps need an internet connection to be able to operate, so if you live in a rural area or experience problems with your internet connection, then you won't be able to access your account. The same applies if your mobile phone runs out of battery.
- Many phones aren't yet compatible with anti-virus software. Most cell phones don't come standard with anti-virus protection even if they have the capacity to browse the internet. Some phones aren't even compatible with the anti-virus software available and there are known cases in which people were unable to put anti-virus software registered to them on corporate cell phones. Although identity thieves are still a few steps behind when it comes to learning to implement some of their most successful computer tricks (phishing, spamming, spreading viruses, account hacking, etc...) on a cell phone level, experts agree that is only a matter of time and people shouldn't assume that anti-virus software isn't necessary for cell phones.
- Some banks don't offer the same level of protection for cell phone banking that they do for online or in person transactions. Because the risks are still generally unknown some banks have been slow to make promises about what will or will not be covered when you use cell phone banking.

CONCLUSION

According to the research findings, certain areas are identified as the most critical while adopting a new technology. These identified areas must be thoroughly considered by the banks, especially in Indian financial environment to increase their customer base. Reduction of risk related to day-to-day transactions performed through mobile device enables customers to build up trust in the banking services being offered. The degree of service expansion done by the bank periodically motivates customers to adopt the technology, as it offers versatility in its offerings. Sophisticated technical infrastructure should be developed in order to ensure reliable and timely provision of services to customers.

RECOMMENDATIONS

Mobile banking service is relatively explored technology in Indian financial institutions, mainly in banks. The author proposes the following recommendations:

1. Further research should be conducted in this area to explore the profitability associated with the technology.
2. There is a need to explore more independent variables that can have an impact on customer satisfaction.

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CONSUMER PREFERENCE TOWARDS F M RADIO IN NORTH KARNATAKA**SHIVASHARANA G B****II YEAR MBA****JSS CENTRE FOR MANAGEMENT STUDIES****SRI JAYACHAMARAJENDRA COLLEGE OF ENGINEERING****MYSORE****SURESH ACHARAYA****ASST. PROFESSOR****JSS CENTRE FOR MANAGEMENT STUDIES****JSS SCIENCE AND TECHNOLOGY UNIVERSITY****MYSORE****ABSTRACT**

With the entries of private players in FM radio segment, FM radio gained popularity in India, as well as in Karnataka. But it was not popular in North Karnataka, so our research examines the Understanding the variables or factors affecting consumer behaviour towards FM Radio in North Karnataka. And the research is taken in the cities of north-Karnataka namely Ballary, Hospet, Gadag, Hubli-Dharwad, Belgaum, Bidar, Bijapur, Raichur and Gulbarga. The samples were collected from different backgrounds such as students, households, businessman's, salaried employees as per the convenience of the researcher. The research examines the factors affecting consumer behaviour of FM-Radio in North Karnataka, for this software SPSS is used for Factor Analysis and Sample size was 410 and all the respondents were listeners of FM-Radio in North-Karnataka. The descriptive research design and structured questionnaire is used as a tool of data collection. The research resulted that 98.8% of respondents are aware of FM-Radio, 92.7% of respondents are like to listen FM-Radio and 46.3% of respondents listen to All India Radio which is broadcast in their cities. The factors are affecting to listen FM-Radio are Clear anywhere and Traditional listening, and Informative.

KEYWORDS

FM Radio, North-Karnataka.

INTRODUCTION

Radio is the most effective, popular and credible medium for reaching a large and heterogeneous audience. (Nwabueze, 2007). The media is an essential part of our everyday life, as it aids in the navigation of our social reality in particular (Alasuutari, 1999). Radio is an extension of us with our external world. Radio is the technology of using radio waves to carry information, such as sound, by systematically modulating some property of electromagnetic energy waves transmitted through space, such as their amplitude, frequency, phase, or pulse width. The different technologies in broadcast radio are Amplitude Modulation (AM), Frequency Modulation (FM), Satellite radio, Digital radio, online radio etc.

- Radio Broadcasting was pioneered in India by the Madras Presidency Club Radio in 1924. The Club worked a broadcasting service for three years, but owing to financial difficulties gave it up in 1927.
- In the same year (1927) some enterprising businessmen in Bombay started the Indian Broadcasting Company with stations at Bombay and Calcutta. This company failed in 1930, in 1932 the Government of India took over broadcasting. A separate department known as Indian Broadcasting Service was opened.
- The Service was later designated 'All India Radio' (AIR) and was placed under a separate Ministry - the Ministry of Information and Broadcast India.

FM RADIO IN INDIA**PHASE-I, II AND III**

The first phase of FM radio broadcasting was launched by Ministry of Information and Broadcasting in 1999. The objective behind the scheme was to attract private agencies to supplement the efforts of All India Radio by operationalizing FM radio stations that provide programs of relevance with special emphasis on local content, increase content generation and improve the quality of fidelity in reception. In Phase I of its development, FM was made open to private broadcast channels in Chennai, followed by Delhi, Mumbai, Kolkata, and Goa, and then Bangalore, Hyderabad, Jaipur, and Lucknow. Regulatory norms prohibited the broadcast of news and 31 other non-music programming. Hence, the content was all about music and art (mostly films). This situation was continued till 1998. In the beginning, the FM stations were not allowed to broadcast the news aired by the AIR due to policy constraints. The Government announced the policy for Phase-II of FM Radio Broadcasting on July 13, 2005. A total of 337 channels were put on bid across 91 cities having population equal to or more than 3 lakhs. Of 337 channels, 284 were successfully bid and, after scrutiny, permission was given for operationalisation of 245 channels spanning 87 cities. In 2005. The Government of India announced phase-III of FM in July 2011. Based on the 2011 census data, MIB has identified 37 additional cities where 112 private FM Radio channels are proposed to be put up for auction. This is in addition to the already identified 227 new cities earlier earmarked for FM Radio expansion as per the 2001 Census data. Based on the 2011 census data, MIB has identified 37 additional cities where 112 private FM Radio channels are proposed to be put up for auction. This is in addition to the already identified 227 new cities earlier earmarked for FM Radio expansion as per the 2001 Census data. The second batch of FM Phase-III consists of 266 channels in 92 cities which includes 227 channels in 69 fresh cities and 39 channels in 23 existing cities circulated Information Memorandum on 20th June 2016 the result shows that 65 new channels came into the cities.

FM RADIO IN KARNATAKA

Radio City Bangalore, started on July 3, 2001, is India's first private FM radio station. Now Bangalore, Mysore and Mangalore cities are leading 14, 4 and 4 FM channels respectively in Karnataka. But except those three cities there is no FM channels in Karnataka. Only 9 channels are broadcasting from All India Radio in Karnataka. In North Karnataka Since year 2001 the private FM channels are entered in Karnataka state, and those channels are stick to only three major cities of South Karnataka such as Bangalore, Mysore and Mangalore. But North Karnataka region also has popular cities which are developed in economically and demographically, there is no development in private FM broadcasting.

The research is carried out in where there is no FM Channels, in this research I considering the recommended cities of North Karnataka in Phase-III by the Ministry of Information and Broadcasting ("MIB") India. Those are Ballary, Hospet, Gadag, Hubli-Dharwad, Belgaum, Bidar, Bijapur, Raichur and Gulbarga.

REVIEW OF LITERATURE

Ashwin A Santoki: The 17 components are reduced to seven factors which showing the behaviour of the consumer towards FM Radio are Entertainment with good frequency, Sharing songs and other information, RJ, Location to listen radio, Escape from boredom, Language spoke on radio and Value added Radio Programs. The finding shows majority of the respondents listened to the radio very much and they would listen to the radio for a number of reasons among which different entertainment programs, favourite songs etc.

Paul Adjei Kwakwa: The findings were that majority of the respondents listened to the radio very much and they would listen to the radio for a number of reasons among which information, entertainment and education came top. The other motives for listening to the radio included to aid sleep/work, for relaxation and to aid sleep. A number of factors were found to influence the choice of radio station listened to by an individual. The most important factors determining radio choice included the overall image of the station, clear reception, station heritage, news coverage, kinds of programme, and presenters of the station and the status of the individual. Other variables like the type of business commercial run, friends influence, family influence, teachers influence and religious belief did not really affect their choice for a radio stations.

Niveditha.V: Among the FM listeners in Karnataka 72% of the FM listeners prefers to listen at their homes, and 65% of the listeners prefer to listen FM during travelling. Approximately 75% of the FM listeners across the state are preferred to listen FM alone and 67% of the FM listeners discusses with their friends.

K. Padmakumar: The study reveals that audience expect much more than the current entertainment format. The Breakfast show, which is considered to be the flagship show of the station and which largely, determines the success of any station also seems to be having the same format in all the private FM radio stations. It clearly indicates the lack of willingness among the radio programme managers, to take initiatives for show innovations. His majority of the passive listeners 33.98% belong to the age group of 36 to 45, 39.4% of the respondents prefer to listen to news. The passive listener's attitude towards FM radio stations. A majority of 47.35% of the respondents feel that the shows of all the stations are alike. This indicates that there is lack of content differentiation among stations.

Hezron Mogambi: It was found that students have an easy access to radio in the campus through their mobile phones, in the vehicles they travel to and from campus, at home and in their neighbourhoods. The programming pattern adopted by radio stations, timing of programs, topics of discussion, the radio host, type of music played and language of broadcast influence radio listening habits of university students in Kenya. 58% of the respondents were between the ages of 21-25 and 80% of respondent listen to radio for about 1-4 hours.

RESEARCH OBJECTIVE

To find out the factors affecting consumer behaviour towards FM Radio in North Karnataka.

The research is undertaken in cities of North Karnataka where there is No Private FM-Radio stations but all cities has All India Radio (AIR) telecast from Government of India.

1. To understand the Listening preferences of Radio in North Karnataka Region.
2. To understand the Awareness of FM-Radio and other radio channels in North Karnataka Region.
3. To understand the Awareness of FM channel contents in North Karnataka Region.
4. To understand the Listening preferences of radio in FM channels in North Karnataka region.

RESEARCH METHODOLOGY

RESEARCH DESIGN

The study is descriptive in nature, the research is quantitative study with the use of a survey to collect the data. The Questionnaires are made by considering the situation that there is FM channels in research area along with demographic information. The questionnaires are prepared as understanding the passion about FM Radio in north Karnataka like weather they are aware of FM Radio or not, if they know, they like to listen or not? And the questions on understanding the consumer behaviour towards FM Radio by Liked scale method.

SAMPLING FRAME/AREA

The Cities of North Karnataka which are recommended in Phase-III e-Auction by the Ministry of Information and Broadcasting ("MIB") India. Such as Ballary, Hospet, Gadag, Hubli-Dharwad, Belgaum, Bidar, Bijapur, Raichur and Gulbarga.

SAMPLING METHOD

Non-probability convenience sampling method is used to identify the respondents of the study.

SAMPLING UNITS

Respondents from different background i.e. students, Businessman, Housewives, Service employees of the research area.

POPULATION

People of North Karnataka from the cities namely Ballary, Hospet, Gadag, Hubli-Dharwad, Belgaum, Bidar, Bijapur, Raichur and Gulbarga. Aged above 18 years.

SAMPLE SIZE

The total number of samples taken from all 9 cities are 410.

DATA COLLECTION

The primary data is collected from the survey. A structured questionnaire has been used as an instrument to collect the data. The data is collected from the 410 respondents who are the residence of North Karnataka above 18 years of age.

The secondary data is collected from the research papers regarding A study on consumer behaviour towards FM-Radio, Listening practices of FM-Radio, Preferences of FM-Radio in India. And information regarding FM-Radio stations in India as well as in Karnataka from Ministry of Information and Broadcasting ("MIB") India.

RESEARCH TECHNIQUES

The data that was received from the questionnaires was analysed through statistical analysis with the help of SPSS.

Statistical techniques utilised Factor analysis and Descriptive analysis.

ANALYSIS AND FINDINGS

The primary objective of the research is to understand the passion about FM-Radio in North Karnataka people, like how the people are interested about FM-Radio, all the details is below explained in below table.

TABLE 1

Sl. No.	Statements	No. of People Said "YES"		No. of People Said "NO"	
		Frequency	Percentage (%)	Frequency	Percentage (%)
1	Residents of North Karnataka	410	100	0	0
2	Aware of FM-Radio	405	98.8	5	1.2
3	Listened FM-Radio Before	388	94.6	22	5.4
4	Like to Listen FM-Radio	380	92.7	30	7.3
5	Listen to "All India Radio"	190	46.3	220	56.7
6	Interested in Introducing New FM Channel	348	84.9	62	15.1

The survey was conducted for only North Karnataka people. In that 405 people out of 410 are aware of FM-Radio in North Karnataka that means about 98.8%. 388 people out of 410 are listened FM-Radio before that means 94.6%.

DESCRIPTIVE STATISTICS

The distributional characteristics were checked for the purpose of establishing the normality of the data. Although there are no clear guidelines about how normality can be established, the rule of thumb is that the absolute values of univariate skewness should not exceed 3 points and that the absolute values of univariate kurtosis should not exceed 10 points. The statistics of observed variables are presented in the table. As shown the skewness values for each observed variables are less than 3 points and kurtosis values are less than 10 points. Therefore, there was no serious threat of non-normality. This indicates that further analysis of factor analysis and cluster analysis can be done on the assumptions of normality.

FACTOR ANALYSIS
KAISER-MEYER-OLKIN

TABLE 3: KMO AND BARTLETT'S TEST

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.829
Bartlett's Test of Sphericity	Approx. Chi-Square	2355.855
	df	190
	Sig.	0.000

Value Factor Analysis Test is used to determine reduced factors from various factors. Before applying factor analysis test first we have to determine the value of KMO. The KMO statistics varies between 0 and 1, For these data the value is **0.829**, which falls into the range of being great or meritorious. So, we should be confident that factor analysis is appropriate for these data.

Bartlett Test of Sphericity is a measure of the multivariate normality of set of distributions. In this case the Bartlett Test value is $0.000 < 0.05$, so my set of distribution is multivariate normal and acceptable for factor analysis

The variance explained by each component as well as the cumulative variance explained by all components. When we speak of variance explained with regard to this table, we are referring to the amount of variance in the total collection of variables/items which is explained by the component(s). For instance, component 6 explains 6.551% of the variance in the items; specifically, in the items' variance-covariance matrix. We could also say, 61.205% of the variance in our items was explained by the 6 extracted components. Before rotation factor 1 accounted for considerably more variance than the remaining five (**25.483%** compared to 11.542, 8.345, 5.534, 5.199 and 5.102%), however after extraction it accounts for only **15.406%** variance (compared to 13.159, 9.587, 8.545, 7.957 and 6.551% respectively).

ROTATED COMPONENT MATRIX

The table shows that the Two components and their factors. The name of the Variable/factor is given according to the characteristics of the elements. These two factors are named as 1. Clear anywhere and Traditional Listening, and 2. Informative.

TABLE 4

Factor 1	Factor 2
Clear anywhere and Traditional Listening	Informative
Music	Health care
In Travelling	Current Affairs
Frequency is Good	Educational information
At Home	Nature and Environmental
Jokes	Business Programs
Kannada Folk Songs	

FACTOR-1: CLEAR ANYWHERE AND TRADITIONAL LISTENING

The factor Entertainment with Frequency is good, is defined as Entertainment is a form of activity that holds the attention and interest of an audience, or gives pleasure and delight such that the factor includes Music, Jokes, Kannada folk songs as an entertainment factor and the people like to listen FM-Radio when frequency is good without disturbances in spectrum and they feel comfort at home and while traveling to listen FM-Radio. So combining these five elements called factor as Clear anywhere and Traditional Listening.

FACTOR-2: INFORMATIVE

The Informative is defined as which gives knowledge and information regarding concepts of things. For this factor we are considered five informative elements such as information regarding health care, education, current affairs, business as well as nature and environmental issues.

FINDINGS

- Majority of the respondents not listen to 'All India Radio' which is broadcast in their cities.
- The people of north Karnataka are well aware of FM-Radio (92.7% among the respondents) and 84.9% of respondents are interested in introducing new FM-Radio channel in their cities.
- From the findings of individual preferences majority of the people like to listen entertainment factor like Music, Folk songs, Jokes and also informative factors such as Information about Education, Current affairs, health care programs, Nature and environmental issues etc.
- Coming to the spiritual speeches somewhat less interest compared to others. And most of the people like to listen FM-Radio at home and in traveling.
- The respondents like to listen FM-Radio from all possible sources such as from Radio, Mobile phone, and in online. The majority comes with Mobile phone because of easy to carry.

CONCLUSION

The study conducted on understanding the Consumer behaviour towards FM-Radio in North-Karnataka has been taken because of non-development or explore towards FM-Radio stations in that regions. There are only 30 FM-Radio channels were broadcasting in Karnataka in that the private channels are grown only three cities such as Bangalore, Mysore and Mangalore, but in North Karnataka only 5 channels were broadcasting from All India Radio, no more private channels are established.

This study has been able to establish vary important aspects about FM-Radio listening in North Karnataka. Despite new FM-Channels or FM-Radio channels in big cities of North Karnataka there is lot of opportunities to grow in the market because The findings show majority of the respondents are like to listen FM-Radio with Traditional and informative factor and in different way, even though there is a radio station 'All India Radio' people listen to that is less than 50 percent. The Ministry of Information and Broadcasting of India (MIB) to promote rollout FM broadcast services to increase broadcast coverage and to stimulate the competition in the sector, increased the channels for FM-Radio stations all over India, according to the data of recent auction there are Four cities were listed for the e-auction of Phase-III such as Ballari, Belgaum, Hubli-Dharwad and Gulbarga. In these, Hubli-Dharwad were opted new two channels in the city in North Karnataka for Provisional winning amount of RS.7,02,00,100.00.

The people of North Karnataka are very much interested to listen FM-Radio and they follow cultural listening practices like Kannada Folk Songs. And they are interested to listen to music and informative factors like current affairs, Educational Information, Health programs, Nature and Environment.

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MOTIVATION AND ITS IMPACT ON INDIVIDUAL PERFORMANCE: A COMPARATIVE STUDY BASED ON MCCLELLAND'S THREE NEED MODEL

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ABSTRACT

Motivation lies at the core of all managerial activities. It is an effective tool for managers to create a willingness to work so that organizational goals can be achieved. Many thinkers and psychologists have given their own inferences on what motivation is but it all comes down to a single meaning – desires and aspirations that urge people to give their best. Over the years, many theories on motivation have emerged and each of them has their own relevance. The aim of our study was to understand the drives of people in terms of the three motivators given by David McClelland in his Three Need Model. 100 people from different backgrounds were surveyed on the basis of a structured questionnaire. The proportion of males and females was kept equal. The responses were recorded on a Five-Point Likert Scale. Simple statistical measures such as Mean and Standard Deviation were used to evaluate the results. The findings have a theoretical as well as a practical relevance.

KEYWORDS

David McClelland, motivation, achievement, power, affiliation.

1. INTRODUCTION

As per Rensis Likert, motivation is the core of management. It is a significant function performed by managers at all levels so that goals of the organization can be accomplished. Many techniques are available to managers and he may choose the technique that is best suited to his organization.

Robert Dubin defines motivation as *“the complex of forces starting and keeping a person at work in the organization. Motivation is something that moves a person into action, and continues him in the course of action already initiated.”*

The behavior of man depends on the stimulus and stimulus is dependent on motives. Therefore, by studying a person's needs and desires, his motives can be known. This becomes an effective tool for management since they can predict behaviors based on the motivators.

1.1 THEORIES OF MOTIVATION

Over the years, many theories have been formulated to explain different motivation levels for different people. Motivation could arise from Intrinsic factors (factors which arise naturally or within) or Extrinsic factors (factors which are based on an external stimulus).

Some of the widely accepted theories are Abraham Maslow's Need Hierarchy Theory, Douglas McGregor's Theory X and Theory Y, Herzberg's Two-Factor Theory, David McClelland's Three Need Model, etc. to name a few

1.2 DAVID MCCLELLAND'S THREE NEED MODEL

In the early 1940s, Abraham Maslow created a Theory of Needs. He identified that needs of individuals follow a certain order or hierarchy. Higher levels need start gaining importance once the lower level need is satisfied.

Based on his work, David McClelland wrote a book in 1961, *The Achieving Society*. He identified three motivators and the dominance of each explains the behavior and characteristics of each person.

These needs were as follows:

- i. Need for Achievement (n.Ach)
- ii. Need for Power (n.Pow)
- iii. Need for Affiliation (n.Aff)

According to McClelland, these motivators are learned (which is why this theory is sometimes called the Learned Needs Theory).

McClelland says that, regardless of gender, culture, or age, everyone has three motivating drivers, and one of these will be a dominant motivating driver. This dominant motivator is largely dependent on culture and life experiences.

McClelland's theory is important because it helps to identify the drivers so that goals can be set and jobs can be designed efficiently.

- i. Need for Achievement:

People with a high nAch have a compelling drive to succeed. They strive for personal achievement rather than the rewards for success, which follow it. McClelland observed that high achievers differentiated themselves from others by their desire to do things better. High achievers dislike succeeding by chance; they take calculated risks which would guarantee success.

People motivated by achievement need challenging, but not impossible, projects. They thrive on overcoming difficult problems or situations. People motivated by achievement work very effectively either alone or with other high achievers.

- ii. Need for Power

People with a high nPow strive to impact, influence and control others. They prefer being in status oriented positions and enjoy competing.

McClelland categorized power into two categories:

- Personalized Power: for the personal gain of an individual, and
- Institutionalized Power: for the social benefit of many others

Those with a high need for power work best when they're in charge. Since they enjoy competition, they do well with goal-oriented projects or tasks. They may also be very effective in negotiations or in situations in which another party must be convinced of an idea or goal.

- iii. Need for Affiliation

People with high nAff require harmonious relationships with others and have a desire to feel accepted. They tend to conform to group norms and are more agreeable than others. They display unique characteristics such as a sincere interest in the feelings of others, a strong desire to gain approval from others and have a high degree of mutual understanding

People motivated by affiliation work best in a group environment. They also dislike uncertainty and risk.

2. REVIEW OF LITERATURE

In the early 20th Century, money was taken to be the most important factor while working. However, a series of researches conducted by Elton Mayo, popularly known as the Hawthorne Studies (1920s) paved the way for a new conclusion. It was not solely the money but other contributing factors, which led to different work-related attitudes.

Different definitions of motivation have emerged over the years. The word motivation is derived from the word "motive" which means any idea or need that prompts a person into action. Motivation has been defined as "a decision making process through which the individual chooses desired outcomes and sets in motion the behaviors appropriate to acquiring them" (Huczynski & Buchanan, 1991).

S.P. Robbins (2005) defined motivation as the "willingness to exert high levels of effort towards organizational goals, conditioned by the ability to satisfy some individual need". According to Robbins (2005), a need is an internal state that makes certain outcomes appear attractive; an unsatisfied need creates tension that stimulates drives within an individual.

The process of motivation usually begins with identifying a need which is deficient. According to Arnold, Robertson and Cooper (1991), a needs-related model of the process of motivation is initiated by the conscious or unconscious recognition of unsatisfied needs. The needs create wants, which turn into desires to achieve or obtain something. Thus, at the very outset, it becomes fundamental to create a motivation strategy. Herzberg et al. (1959) proposed that an employee's motivation to work is best understood when the respective attitude of that employee is understood. That is, the internal concept of attitude which originates from a state of mind, when probed, should reveal the most pragmatic information for managers with regard to the motivation of workers.

Work related motivation is essential to our study since most of the theories are centered on this. The performance and continuity of every organization depends on its key assets, capabilities of management and the efficiency of employees. To keep an employee satisfied is a major challenge for management since different people have different desires. Understanding these and devising an appropriate course of action is the basic essence of studying motivation. Ulrich (2002) stated that a motivated employee would increase the capability of the organization to achieve its mission, goals and objectives. It will also engage everybody to build a strong organizational culture.

Human Motivation, in McClelland's perspective (McClelland, 1985), is the arousal of particular motives in a specific setting. A motive is a reason for a person to act in a certain manner or to undertake a specific course of action. It drives, directs and selects the behavior of an individual. He stipulated that three particular motives are useful in understanding most work-related behavior; the need for achievement, the need for power and the need for affiliation. The work of McClelland and his colleagues established that while such needs exist in every individual, their dominance varies. It is the pattern of a person's motive strength that is often the most indicative of occupational performance and success.

3. RESEARCH METHODOLOGY

The design employed for this research was a descriptive survey. A descriptive research attempts to describe characteristics of a population or phenomenon being studied. However, it does not answer why, when or how the characteristics occur. For this purpose, a sample of individuals is taken so that attributes of a larger population can be described.

The target sample size was 100. They were a mix of people working either in the corporate sector or running their own businesses while a few others were still studying.

This selection was made so that comparisons could be made with regard to the most dominating need among the groups.

A standardized questionnaire was taken and fifteen questions were asked, each pertaining to one of the three needs as per David McClelland. These needs are categorized as follows:

- a. Need for Achievement (nAch) – a drive to excel and grow
- b. Need for Power (nPow) – a drive to influence others
- c. Need for Affiliation (nAff) – a drive to establish and maintain close relationships.

A five-point Likert Scale was used for the purposes of the study where the values allotted had the following weights:

5 – Strongly Agree

4 – Agree

3 – Neither Agree nor Disagree

2 – Disagree

1 – Strongly Disagree

Responses were collected and conclusions were drawn gender-wise and occupation-wise. Of the data collected, the proportion of males and females was kept equal. However, 72% of the total number of people surveyed belonged to the Service Sector (i.e. Working Professionals), 18% were those running their own Businesses (i.e. Self Employed) and 10% were students.

The aim of the study was to understand whether any considerable differences existed in the dominance of the three needs or if any need was continuously at the forefront for all the people surveyed.

4. FINDINGS AND RESULTS

Fifteen questions pertaining to McClelland's Three Need Theory were asked and each of these questions was equally divided into the three needs.

Questions were answered on the basis of the Five-Point Likert's Scale.

The following tables show the percentage of people who responded to each of the questions as per the scale.

TABLE 1

		Percentage of respondents for each option				
S.No.	Need for Achievement (nAch)	5	4	3	2	1
1	I try very hard to improve my past performance at work	26%	54%	16%	3%	0%
2	I enjoy a difficult challenge	22%	52%	14%	11%	1%
3	I want to know how I am progressing as I complete tasks	29%	55%	10%	4%	1%
4	I enjoy setting and achieving realistic goals	25%	50%	20%	5%	0%
5	I enjoy the satisfaction of completing a difficult task	46%	44%	5%	3%	0%
		Percentage of respondents for each option				
S.No.	Need for Power (nPow)	5	4	3	2	1
1	I enjoy competition and winning	26%	49%	18%	6%	0%
2	I enjoy being in charge	34%	42%	13%	10%	0%
3	I confront people who do things I disagree with	9%	37%	26%	27%	1%
4	I enjoy influencing others to get my way	16%	29%	27%	25%	2%
5	I often work to gain more control over the events around me	16%	38%	34%	10%	2%
		Percentage of respondents for each option				
S.No.	Need for Affiliation (nAff)	5	4	3	2	1
1	I often find myself talking to those around me about non-work matters	14%	33%	28%	20%	5%
2	I want to be liked by others	24%	52%	22%	2%	0%
3	I tend to build close relationships with co-workers	16%	41%	28%	14%	1%
4	I enjoy belonging to groups and organizations	20%	40%	27%	12%	1%
5	I enjoy working with others more than working alone	17%	36%	26%	13%	7%

From the above table, it can be seen that the majority of the responses lie towards option 4 i.e. Agree. Approximately one-fourth of the sample chooses to remain neutral by choosing option 3 i.e. Neither Agree nor Disagree while only a minute fraction seem to Strongly Disagree with the questions. If we look at the individual needs, the average response rate for option 5 i.e. Strongly Agree is highest in the case of Need for Achievement (nAch) at 30%, followed by Need for Power (nPow) at 20%. The average response rate of Need for Affiliation (nAff) was the lowest at 18%.

4.1 COMPARISON OF MEANS AND STANDARD DEVIATIONS

We subdivided our sample into two categories:

- Males and Females
- Working Professionals, Business Owners and Students

Based on the responses given by them, we analyzed their mean scores and variation in responses.

While an Average or Mean helps to derive the central tendency of the data in question, the Standard Deviation helps to measure the dispersion in the data.

4.1.1 Gender-Wise comparison of Mean and Standard Deviation

The following table shows the mean scores and standard deviations pertaining to each of the three needs.

TABLE 2

	Males		Females	
	Mean	Standard Deviation	Mean	Standard Deviation
Achievement	20.42	3.08	19.76	2.45
Power	18.26	3.59	17.74	3.16
Affiliation	17.78	3.65	18.06	2.51

From the above table, it is observed that while the Need for Achievement remains a dominant need for both men and women, men have marginally higher scores than women on two fronts i.e. the need for Achievement and the need for Power. Women however, have a higher average score as compared to men when it comes to the need for Affiliation. This shows that women seem to give more importance to building inter-personal relationships at work in comparison to men. This is shown in Figure 1.

The ranking of needs as per the above table is given as follows:

TABLE 3

	Ranking of Needs	
	Males	Females
Achievement	1	1
Power	2	3
Affiliation	3	2

A Standard Deviation gives a measure of dispersion. Larger the value of the standard deviation, the greater is the dispersion of data from the central value. Males have higher dispersion in terms of their responses as compared to females. Therefore, it seems that women are more prone to giving ranks centered around the mean value while men seem to give differing responses. One observation to be made here is that the standard deviation of women's score for Need for Power is higher in comparison to the other two needs. This could imply that a few women strive for more power and influence than others. Figure 2 depicts this data.

FIGURE 1

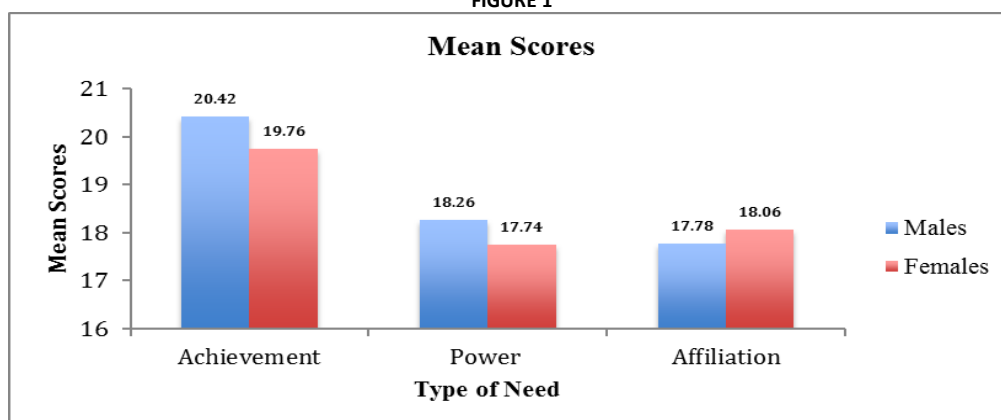
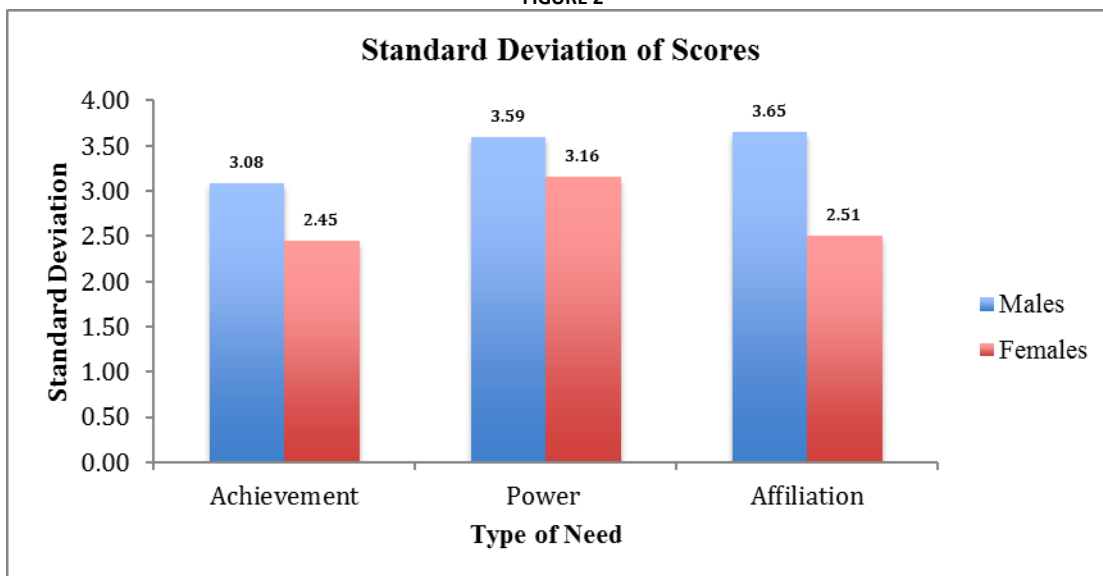


FIGURE 2



4.1.2 Occupation-Wise comparison of Mean and Standard Deviation

The following table shows the mean scores and standard deviations pertaining to each of the three needs.

TABLE 4

	Working Professionals		Business Owners		Students	
	Mean	Standard Deviation	Mean	Standard Deviation	Mean	Standard Deviation
Achievement	19.99	2.91	20.78	2.62	19.60	2.07
Power	17.86	3.49	18.33	3.71	18.40	1.58
Affiliation	18.11	2.99	16.78	3.92	18.60	2.07

From the above table, it can be observed that the need for Achievement is again the top priority for every group of people. This is shown in Figure 3. The employees from the Service Sector exhibit higher needs for Affiliation as compared to Power. This could be due to the spirit of teamwork and the dislike for conflict. Employees are usually trained on team-building as well as inter-personal skills. Business Owners have higher needs of Power. They like to be in positions where they might have an advantage over others. In fact, their mean Affiliation score is the lowest in the group. This could be due to the nature of their work. Businessmen/ businesswomen usually have a smaller setup with limited number of employees and very few colleagues. Therefore, they might not feel the need to connect at a personal level with the people they work. Students have similar scores in terms of their needs for Power and Affiliation. This could be due to the fact that they have not yet started working. They have a higher need to build relationships with friends and family.

The ranking of needs as per the above table is given as follows:

TABLE 5

	Ranking of Needs		
	Working Professionals	Business Owners	Students
Achievement	1	1	1
Power	3	2	3
Affiliation	2	3	2

For the people who are working, either in the professionals or the business owners, the need for Power has the highest standard deviation. However, students have the lowest among the group, which shows that most of them have responded to a universal value. (Figure 4)

FIGURE 3

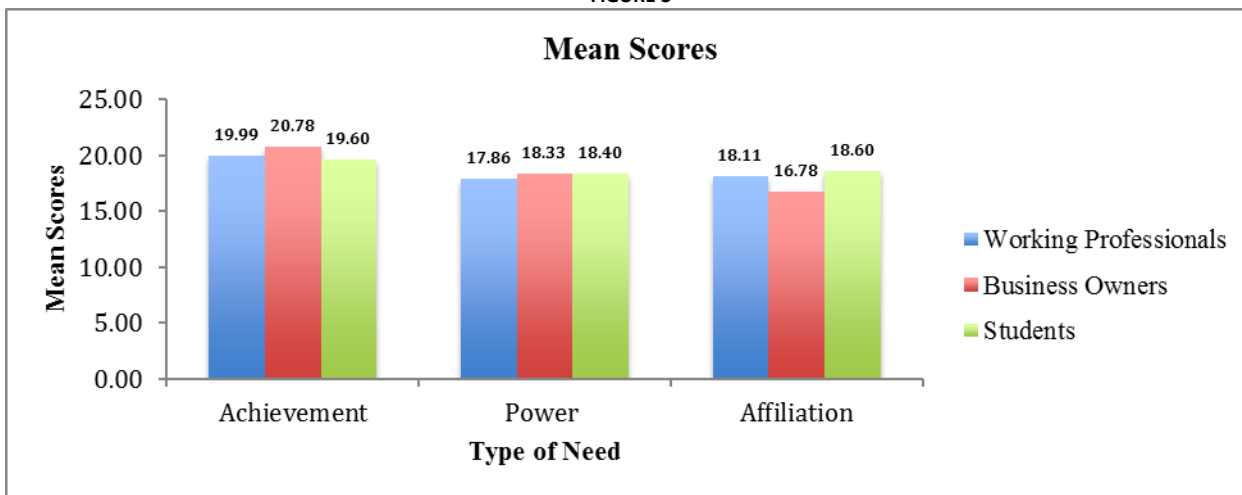
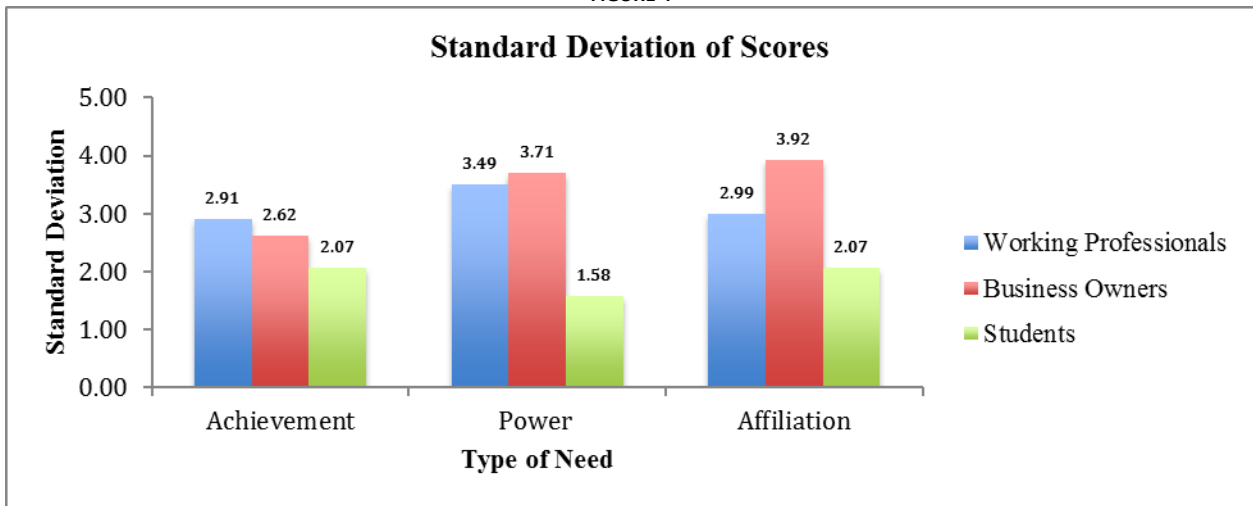


FIGURE 4



5. CONCLUSION

The above analysis show that across genders as well as groups, the Need for Achievement remains at the forefront. People with achievement motivation are enterprising in nature. They are usually ready to undertake calculated risks so that they can accomplish what they set out for. Such people do not like to succeed by chance; rather they choose those tasks that challenge them to realize their goals.

Men have exhibited higher motivation towards Power as compared to Women. People with a high need for power enjoy being in influential situations. They like to be “in-charge”. Such people are concerned with being in positions that involve a higher status.

Women on the other hand, have a higher need for Affiliation. Such people whose needs are inclined towards affiliation have a desire to be accepted and liked by others. They prefer to be agreeable rather than being in situations of conflict. Jobs, which have a greater aspect of inter-personal relationships, are more suitable to such kind of people.

The following graphs show a comparison of each of the three needs.

FIGURE 5

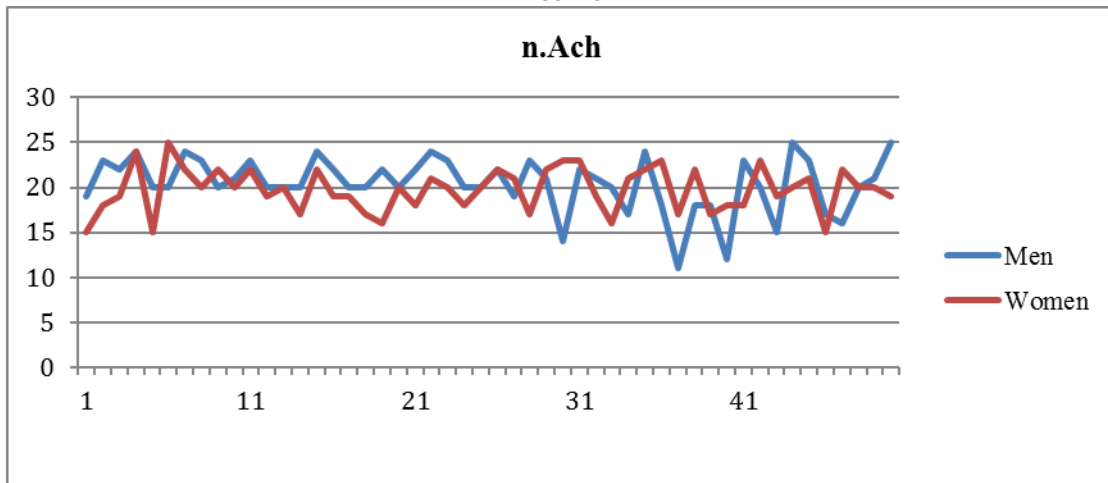


FIGURE 6

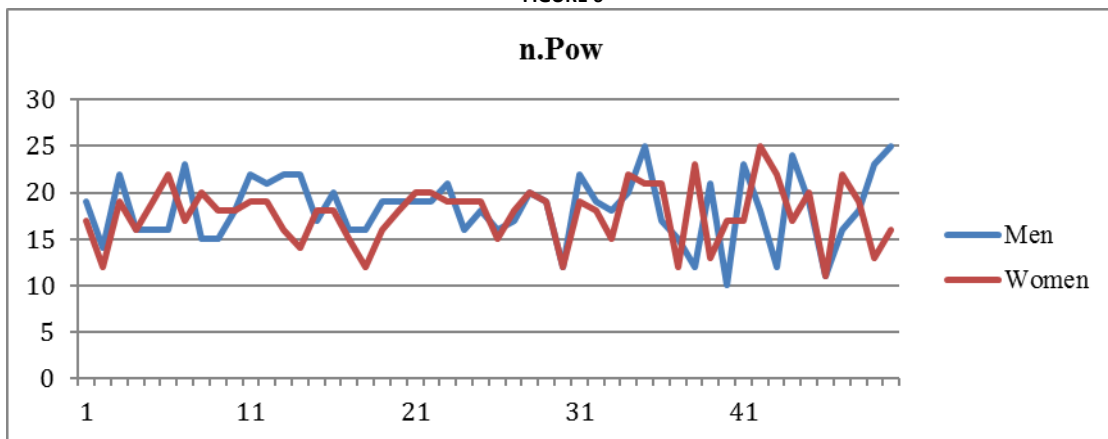
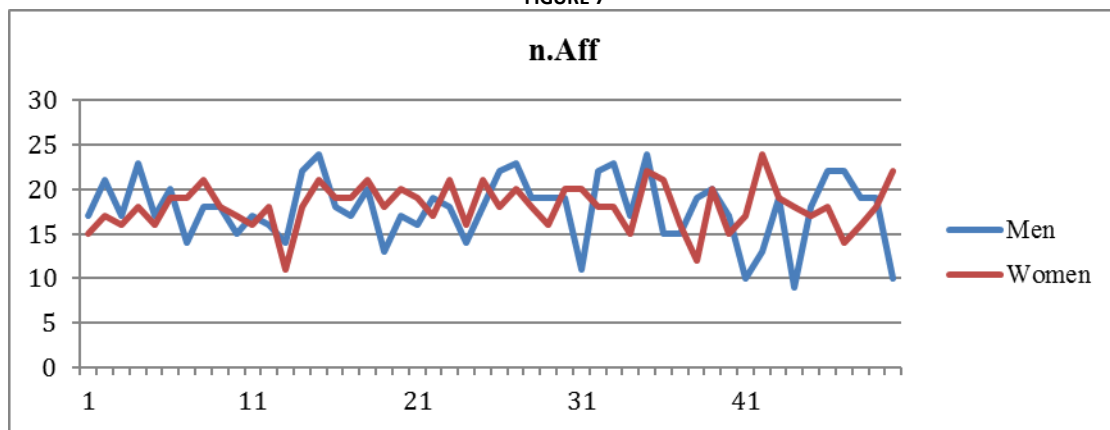


FIGURE 7



Working professionals have lower needs of Power in comparison to both, business owners as well as students. This is compensated by the highest need of Affiliation exhibited by this group of people. This implies that employees in the service sector give more emphasis to maintaining friendly relationships with their co-workers rather than gaining influence over them.

Business owners, on the other hand, have lowest needs of Affiliation. This could be attributed to the nature of their work. Some businesses are very small, like sole proprietorships or partnerships where the interaction with others is minimal. Therefore, maintaining inter-personal relationships does not seem as important as influencing some control over others. This is shown in the graphs below.

FIGURE 8

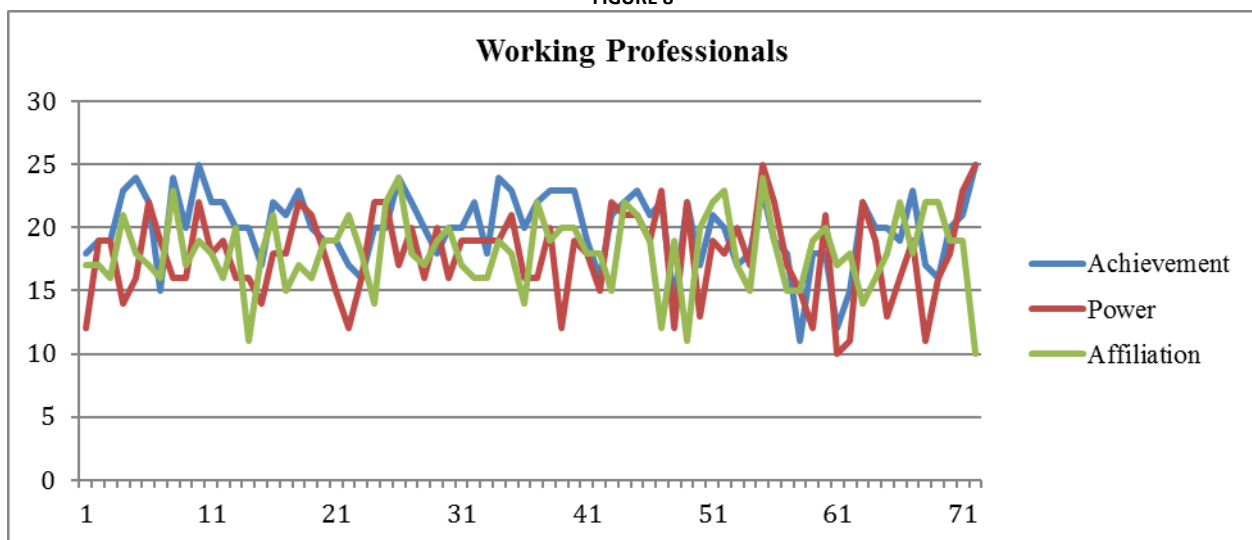


FIGURE 9

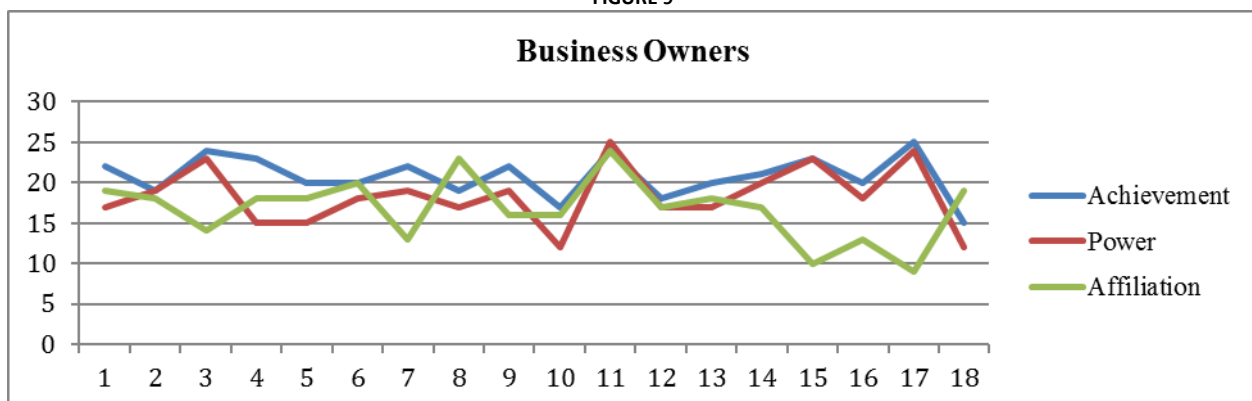
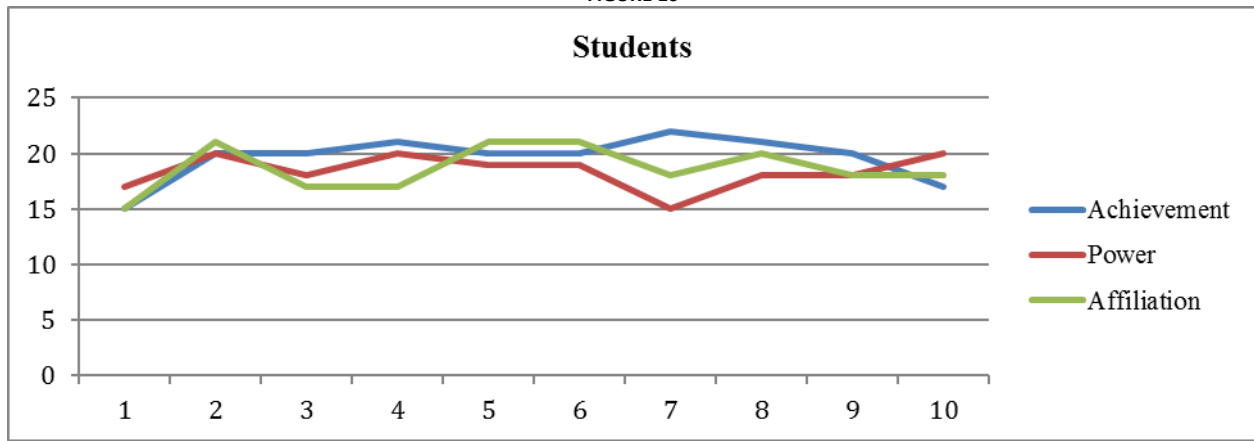


FIGURE 10



McClelland's Three Need Theory has major implications for management. It would benefit organizations and increase productivity as well as efficiency. This study can be extended to employees working in the organized sector, employees working in small firms and employees working in start-ups. Also, a gender-wise analysis can be done within each of the occupational groups. Based on the dominating needs, jobs can be designed and structured to achieve highest possible productivity.

The analysis is important because the motivating factors are extremely important while understanding behaviors of people at work.

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RELATIVE IMPORTANCE OF SERVQUAL DIMENSIONS – A STUDY ON RETAIL BANKING SERVICES OF INDIA POST

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ABSTRACT

Prevailing competitive scenario necessitates every service firm to improve quality of services to satisfy customers. Studies have established link between service quality, customer satisfaction and financial performance of firms. However, unlike goods, service quality is elusive and has to be understood from dimensions in and around the service. SERVQUAL model with 5 dimensions has provided a tool to understand the service quality. These 5 dimensions are also not of equal importance. Its' relative importance will have ramification in perceiving the overall quality of the services rendered. The study, in line with the findings from previous researches, finds that the reliability and tangibility are the most and least important dimensions of service quality from both service providers' and service receivers' perspectives. The relative importance of other dimensions between both the perspectives is not in alignment.

KEYWORDS

SERVQUAL model, customer satisfaction, relative importance.

INTRODUCTION

The purpose of business is to create a customer (Drucker, 1954). The business will continue only if the organization successfully serves its customers and customers are satisfied with its products and services. The economic benefits to the organization are the outcome of successfully serving the customers. Customer satisfaction is an important outcome of business process (Yeung and Ennew, 2000). The customer satisfaction has a positive relationship with financial outcomes of the business (Yeung and Ennew, 2000), customer loyalty and profitability at individual customer level (Helgesen and Hogskolen, 2006). Customer satisfaction leads to higher customer loyalty which in turn leads to higher customer profitability. Customer reactions or metrics can be divided into two categories, i.e. unobservable or perceptual customer metrics, e.g., customer satisfaction and observable or behavioural customer metrics e.g., customer retention and customer lifetime value. The links between these customer metrics and its impact on financial performance of the firms have been established (Gupta and Zeithaml, 2006).

Customer satisfaction essentially is the customer's judgement whether a product or service falls short or meets expectation. Customer satisfaction is portrayed as disconfirmation of expectations (Oliver, 1997). Andersen et al. (1994) consider satisfaction to be an "overall evaluation based on the total purchase and consumption experience with goods or services over time".

Service quality is the degree and direction of discrepancy between customers' perception about service received and expectations (Zeithaml and Parasuraman, 2004) and is primarily dependent on expected service and actual service (Moore and Schlegelmilch, 1994). Perceived service quality impact the level of customer satisfaction and subsequent customer metrics. Quality service will lead to improved customer satisfaction and customer loyalty (Kumar et al. 2009). Customer satisfaction is the outcome of service quality (Parasuraman et al., 1988).

Assessing quality of service is more complex than quality of products. Service has distinguishing dimensions like intangibility, inseparability, perishability and heterogeneity which makes it difficult to assess the quality of service. Due to these dimensions of service, the service quality, unlike product quality, is evaluated not only by the service outcome but also by the production and delivery process and by the peripherals related to the service (Zeithaml et al., 1990, Zeithaml and Parasuraman, 2004). Due to the difficulty in measuring the service quality, extensive research has been done to measure service quality. Innumerable researchers have come out with their models for measuring service quality (Gronroos, 1990, Parasuraman et al. 1991, Cronin and Taylor, 1992, Avkiron, 1994, Johnston, 1997, Oppewal and Vriens, 2000). Each of these models cited went through multiple modifications. SERVQUAL model to assess service quality as proposed in 1985 has undergone refinement and the final one as proposed is most extensively used to measure service quality (Parasuraman, et al., 1985, 1988, 1991).

SERVQUAL model has been studied in many service contexts like banking, mobile phone, higher education, hospitality, retail store and IT/ITES industry (Sritratharan, 2013; Butt and de Run, 2008; Donlagic and Fazlic, 2015; Sohail, et al., 2007; Niranjan and Metri, 2008). However, all of these studies were done from the service receivers' perspective only. The quality of the service rendered also depends on both the parties involved in the exchange process as the production and consumption of service is simultaneous involving both the service providers and service receivers (Kaura and Datta, 2012). Only few researches till date as evidence suggests, a study on professional service in medical service area (Brown and Swartz, 1989) done from both service providers and service receivers perspectives and a study on health care from the service providers perspective (Gupta, 2008) have been done which include service providers in the study. India Post being an organization touching so many human lives with its postal and banking services, its service quality has remained under researched with only one research (Vijayanand and Selvaraj, 2015), as evidence suggests, has assessed the service quality gap for the savings bank account holders of post office.

LITERATURE REVIEW

Assessing quality of service is a subject of extensive research area. As evidence suggests, the development of theoretical constructs to assess the service quality and a scale to measure the same in the context of service started from 1985 prior to which quality was more in the context of goods. Garvin (1983) measured the quality as sum of the incidences of internal failures and external failures. However, services with distinguishable characteristics of intangibility, heterogeneity and inseparability makes the context of quality of service different from that of goods (Parasuraman et al., 1985). Quality of services is not only assessed from the outcome of the service but also from the process of delivery of the services. Quality of goods can be assessed from many tangible cues but for services the tangible cues are limited to the service provider's physical facilities, equipment and personnel (Parasuraman et al., 1985). Service quality is a comparison between the expectations and performance (Lewis and Booms, 1983).

SERVICE QUALITY CONSTRUCT

Reliability, responsiveness, competence, access and ease of contact, courtesy, communication, credibility, security, understanding of customer and tangibility construct arranged in a continuum from easy to difficult to evaluate were considered dimensions of service quality (Parashuraman, et al., 1985). 97 items were generated for these 10 dimensions. Further research and refinement on these 10 dimensions with 97 items resulted in 5 dimensions with 22 items for the service quality scale (Parashuraman, et al., 1988). These dimensions are Tangibility, Reliability, Responsiveness, Assurance and Empathy. Further refinement of the service quality construct (Parasuraman, et al., 1991) revealed that the Tangibility dimension is not uni-dimensional but splits into two sub-dimensions - one relating to equipment/physical facility and the other relating to employees/communicating material. Also, the refined SERVQUAL scale removed negatively worded statements of the 22 items scale. The 5 dimensions of the scale are:

Tangibility	:	Physical facilities, equipment, communication material and appearance of personnel.
Reliability	:	Ability to perform the promised service dependably and accurately.
Responsiveness	:	Willingness to help customers and provide prompt service.

Assurance : Knowledge and courtesy of employees and their ability to inspire trust and confidence.
Empathy : Caring, individual attention the firm provides its customers.

Cronin, J.J. and Taylor, S.A. (1992), posit that service quality model SERVQUAL, as proposed by Parasuraman et al. is inadequate and confounds the relationship between the service quality, customer satisfaction and future purchase behaviour. The authors suggest that the unweighted performance based SERVPERF explains more of the variation in the measure of service quality.

APPLICATION OF SERVQUAL MODEL

SERVQUAL model is extensively used in many service contexts to assess service quality. Niranjana and Metri (2008) studied the service quality for IS/ITES outsourcing and posited a new dimension "Outsourcing Quality" triad consisting of client-vendor and consumer to capture the essentials of IS/ITES outsourcing case. Nautiyal (2014) used the SERVQUAL model to study the relationship between the service quality dimensions and customer satisfaction among the customers of retail banking customers of private bank in Delhi area. The study found that Assurance and Empathy dimensions have high positive correlation and other 3 dimensions, Tangibility, Reliability and Responsiveness have moderately positive correlation with customer satisfaction. Panda and Das (2014), study found that the tangibility, assurance and responsiveness are the key influencers for customer satisfaction for both hospital and hospitality sectors. Vijayanand and Selvaraj (2015), in their study on savings bank account holders of Post Offices added "competence" dimension to the existing five dimensions of SERVQUAL model and found no statistically significant gap between the perception and expectation of service quality by the customers of saving bank accounts of post office. The analysis also showed that tangibility ranked first among the dimensions of service quality.

RELATIVE IMPORTANCE OF THE SERVICE QUALITY DIMENSIONS

Parasuraman, et al (1988) studied the relative importance of the 5 dimensions of SERVQUAL quality in 4 different service settings and found that reliability is consistently the most critical dimension in all the service settings where as empathy is the least important dimension in all cases. However, they suggested that although empathy is the least important dimension but it is not unimportant because empathy has a statistically significant simple correlation with overall quality and empathy also has a significant correlation with reliability and assurance, the more important dimensions of service quality. In a further study, Parashuraman, et al. (1991) suggested that the relative importance of the 5 dimensions of SERVQUAL is stable across different service settings. However, Rosen and Karwan (1994) in their study of consulting services suggested that the relative importance of service dimensions must be established through strategy formulation and would vary according to market choices and operations process characteristics. Dabestani et al. (2016) studied the prioritization of SERVQUAL dimensions for customers of hotels and found significant difference between different groups of customers in how they value and prioritize the service quality dimensions. Vaniarajan and Kannan (2008) studied the relative importance of quality dimensions for selecting banks for mortgage loans. The article identified service quality, product quality, relationship quality and distribution quality combining to form the quality dimension and found that the most discriminant quality dimension for different groups of customers was service quality dimension. Abhilash and Paul (2017) studied the nature of expected service value during different stages of relationship over time in retail banking context and found that the tangible aspects of service value are more important during the early stages of relationship whereas intangible dimensions of service value are more important during the advanced stages of relationship. Sachdev and Verma (2004) studied in four service area i.e. banking, fast-food, insurance and beauty salon, and found that all the dimensions of service quality were equally important in all four service context and the nature of the service context bears no role in determining the order of importance in the dimensions of service quality.

OBJECTIVES OF THE STUDY

As evidence suggests, the studies done so far only attempt to assess the relative importance of the dimensions of SERVQUAL and its variants from the customer perspective. However, studying the relative importance attached to the dimensions of service quality from the service providers' perspective also is important because any resources allocated and emphasis for improvement of the service quality will be in line with their assessment of the importance of the dimensions of service quality. If there is no alignment in the attachment of relative importance of the dimensions of service quality from the perspectives of service providers and service receivers, then there will be mismatch between the efforts in improving the service and expectation of service. This paper intends to use the 5 dimensions of SERVQUAL model and study the relative importance being attached to these 5 dimensions from the service providers' perspective and the service receivers' perspective in context of evaluating the service quality of the retail banking services of India Post. The importance attached to each of the dimensions will represent the weightage which when combined with the gaps in the respective dimensions will give a realistic picture of the overall gap in service quality in the retail banking services of India Post which could be implemented for improvement of service quality. Specific objectives of the study are:

- i) To find the relative importance of the 5 dimensions of SERVQUAL from the service providers perspective for the retail banking service of India Post.
- ii) To find the relative importance of the 5 dimensions of SERVQUAL from the service receivers perspective for the retail banking service of India Post.

HYPOTHESIS

- H₀₁: All the 5 dimensions of SERVQUAL will be of equal importance from the service providers' perspective for the retail banking service of India Post.
H₀₂: All the 5 dimensions of SERVQUAL will be of equal importance from the service receivers' perspective for the retail banking service of India Post.

RESULT AND DISCUSSION

METHODOLOGY

The retail banking services offered by India Post in Kolkata metropolitan area was studied. The research was carried out in the following manner:-

1. Literature survey was conducted and discussion with India Post official to understand the different dimensions of service quality of India Post.
2. The required information was collected within Kolkata metropolitan area of Kolkata Region from 2 categories of sources:
 - i. Staffs handling Savings Bank counters in different post offices of India Post in the Kolkata Metropolitan area.
 - ii. Individual users of retail banking services of India Post in the Kolkata Metropolitan area.
 - iii. Kolkata metropolitan area is served by 4 divisions and 3 independent Head post offices. In total, Kolkata metropolitan area has 7 HPOs and 267 SPOs. Of the 267 SPOs, 183 SPOs are single handed or double handed or triple handed having one counter for handling all purpose or retail savings customers. 74 SPOs were having multiple counters for handling postal services as well as retail saving customers. The sample for data collection for both sources was done by the following method:
 - a. From each of the 7 HPOs, 30 staffs handling savings bank counters and 40 retail savings bank customers were randomly selected.
 - b. From the 74 SPOs having multiple counters, 10 SPOs were randomly selected and from each of the 10 selected SPOs 7 staff members handling savings bank counters and 10 retail savings bank customers were randomly selected.
 - c. From the 183 single, double and triple handed SPOs, 20 SPOs were randomly selected from where 1 staff and 1 retail banking customer were selected.
 - d. The total sample size for the service provider was 300 and service receiver was 400.
3. Each respondent was given a questionnaire with brief description of 5 dimensions of SERVQUAL, namely Tangibility, Reliability, Responsiveness, Assurance and Empathy and 10 sets of pair-wise comparison of the 5 dimensions of SEVQUAL. Respondents were to compare each pair of dimensions and tick the dimension they prefer. For data tabulation "1" was allotted to the dimension preferred and "0" to the dimension not preferred (Appendix 1).

RESULT**Hypothesis 1:**

Null Hypothesis: There will be no significant differences in the importance of 5 dimensions of SERVQUAL from service providers' perspective for the retail banking services of India Post.

Generalized Bradley Terry Model was fitted with the binary data of the pair-wise comparison of the 5 dimensions of SERVQUAL for the service providers. The model found statistically significant difference in the importance of the 5 dimensions of service quality (Result -Table1).

The model found the order of importance as follows:

Reliability (Estimate=1.762, SD=0.045, with 95% confidence interval ranging from 1.675 to 1.849).

Assurance (Estimate=1.288, SD=0.042, with 95% confidence interval ranging from 1.206 to 1.369).

Responsive (Estimate=0.923, SD=0.034, with 95% confidence interval ranging from 0.857 to 0.989).

Empathy (Estimate=0.638, SD=0.031, with 95% confidence interval ranging from 0.576 to 0.699).

Tangibility (Estimate=0.390, SD=0.019, with 95% confidence interval ranging from 0.353 to 0.427).

Hypothesis 2:

Null hypothesis: There will be no significant differences in the importance of 5 dimensions of SERVQUAL from service receivers' perspective for the retail banking services of India Post.

Generalized Bradley Terry Model was fitted with the binary data of the pair-wise comparison of the 5 dimensions of SERVQUAL for the service receivers. The model found statistically significant difference in the importance of the 5 dimensions of service quality (Result Table 2).

The model found the order of importance as follows:

Reliability (Estimate=1.308, SD=0.035, with 95% confidence interval ranging from 1.240 to 1.377).

Empathy (Estimate=1.217, SD=0.035, with 95% confidence interval ranging from 1.149 to 1.285).

Assurance (Estimate=0.983, SD=0.032, with 95% confidence interval ranging from 0.921 to 1.046).

Responsive (Estimate=0.829, SD=0.029, with 95% confidence interval ranging from 0.772 to 0.886).

Tangibility (Estimate=0.662, SD=0.024, with 95% confidence interval ranging from 0.615 to 0.710).

DISCUSSION

Service quality delivery is an interactive process between the service provider and service receiver. Congruence in assessment of importance of the dimensions of service quality from both perspectives is likely to lead to matching of performance and expectation. Resources and efforts allocated to improve the dimensions of service quality by the service provider will depend on the prioritization of the dimensions of service quality. Similarly, the satisfaction level of the service receivers will depend on the level of service received on each of the dimensions and their importance.

FINDINGS

Both service providers and service receivers attach most importance to Reliability dimension and least importance to Tangibility dimension of the SERVQUAL for retail banking services of India Post. This is understandable considering the reliability dimension is about delivering the promised service dependably and accurately as financial products are being handled which require dependable and accurate service level. Similarly, as most the service receivers are in advanced stage of relationship with India Post, tangibility dimension is less important than other dimensions. This is in line with the findings of Parasuraman et al. (1988, 1991) under different service settings. However, the relative importance for other dimensions does not match. Service providers rank Assurance as the second most important dimension. Service providers may be thinking that as they are handling financial product, it is important to convey trust and confidence in dealing. Whereas, the service receivers who are mostly of higher age category, many of whom are old and therefore, may be seeking caring and individual attention. Therefore, empathy dimension is second most important dimension for them.

CONCLUSION

The most important and least important dimensions of service quality both from service providers' and service receivers' perspectives are matching. But the relative importance of other dimensions of service quality from both perspectives is not in same order. The relative importance of the dimensions of service quality will play a multiplicative role which along with the gaps in each of the dimensions of service quality and will constitute the overall gap in the perceived service quality. Therefore, it is important for the service organization to assess the relative importance for each of the 5 dimensions of service quality from the perspective of the service receiver and align its resources and manpower towards in tune with the perception of the service receiver.

LIMITATIONS

The research was restricted to the retail banking services of India Post within the Kolkata Metropolitan area. The study was restricted to finding the relative importance of the dimensions of SERVQUAL and not the gap between the expectation and perception in each of the 5 dimensions which along with the relative importance would have given overall service quality. Further studies could be undertaken for postal services of India Post and for all the services of India Post in rural areas to assess the relative importance of the dimensions.

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ANNEXURE

RESULT TABLE 1: RELATIVE RANKING OF 5 DIMENSIONS – SERVICE PROVIDER

Test	Total	Number of Wins	Number of Losses	Number of ties	% of wins	% of losses	% of ties
ASS	1200.00	676.00	524.00	0.00	56.33	43.67	0.00
REL	1200.00	890.00	310.00	0.00	74.17	25.83	0.00
RES	1200.00	622.00	578.00	0.00	51.83	48.17	0.00
TAN	1200.00	426.00	774.00	0.00	35.50	64.50	0.00
EMP	1200.00	386.00	814.00	0.00	32.17	67.83	0.00

ESTIMATED PARAMETERS

	Estimate	Standard deviation	Lower bound	Upper bound
ASS	1.288	0.042	1.206	1.369
REL	1.762	0.045	1.675	1.849
RES	0.923	0.034	0.857	0.989
TAN	0.390	0.019	0.353	0.427
EMP	0.638	0.031	0.576	0.699

LIKELIHOOD-BASED CRITERIA

2 log (likelihood)	BIC	AIC
3671.572	3719.610	3683.572

RESULT TABLE 2 – RELATIVE RANKING OF 5 DIMENSIONS – SERVICE RECEIVER

Test	Total	Number of Wins	Number of Losses	Number of ties	% of wins	% of losses	% of ties
ASS	1600.00	786.00	814.00	0.00	49.13	50.88	0.00
REL	1600.00	967.00	633.00	0.00	60.44	39.56	0.00
RES	1600.00	723.00	877.00	0.00	45.19	54.81	0.00
TAN	1600.00	654.00	946.00	0.00	40.88	59.13	0.00
EMP	1600.00	870.00	730.00	0.00	54.38	45.63	0.00

ESTIMATED PARAMETERS

	Estimate	Standard deviation	Lower bound	Upper bound
ASS	0.983	0.032	0.921	1.046
REL	1.308	0.035	1.240	1.377
RES	0.823	0.029	0.772	0.886
TAN	0.662	0.024	0.615	0.710
EMP	1.217	0.035	1.149	1.285

LIKELIHOOD-BASED CRITERIA

2 log (likelihood)	BIC	AIC
5421.416	5471.181	5433.416

QUESTIONNAIRE

Described below are 5 dimensions pertaining to retail banking services of India Post. We would like to know how important each of these dimensions is to you when you evaluate the quality of retail banking services of India Post.

Tangibility (TAN): The appearance of the department's physical facilities, equipment, staff and communication material.

Reliability (REL): The ability of the department to perform the promised service dependably and accurately.

Responsiveness (RES): The willingness of the department to help customers and provide prompt service.

Assurance (ASS): The knowledge and courtesy of the departmental staffs and their ability to convey trust and confidence.

Empathy (EMP): The caring and individualized attention the department provides to its customers.

Please compare two dimensions given at a time and tick the one which you feel more important than the other.

- | | |
|-------------|-------------|
| 01. TAN REL | 06. TAN RES |
| 02. RES EMP | 07. REL RES |
| 03. TAN ASS | 08. REL EMP |
| 04. REL ASS | 09. RES ASS |
| 05. TAN EMP | 10. ASS EMP |

MODELING THE CAUSES OF STAGNATION OF A MATURED CAPITALIST ECONOMY WITH OPEN ECONOMY

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ABSTRACT

In the present study a model is presented, which shows that capitalist economy stagnates as it produces more and more goods and services. Moreover, we have also tried to find out how open economy can make matured capitalist economy worse off and better off. We have applied here Marxian concept of continuous profit accumulation by increasing automation and Schumpeterian concept of product innovation and process innovation by capitalist entrepreneurs to raise profit. As new product is introduced, profit is made by recruiting more labor which raises real wage in the capitalist economy. But in process innovation, profit is made by increasing automation which reduces demand for labor and hence real wage. In early stage of capitalism, existing product base is small so effect of automation is low but as existing product base rises impact of automation dominates that of product innovation. Matured capitalist country outsources its industries to developing economies. The former is better off by having demographic dividend of the developing economies while the matured capitalist economies can be worse off if outsourced industries are too much labor intensive.

KEYWORDS

MARXIAN model, stagnation, matured capitalist economy.

JEL CODES

E11, O40, P10.

1. INTRODUCTION

This paper is an extended version of the paper "Modeling the causes of stagnation of a matured capitalist economy" under open economy where matured capitalist economy outsources its production of various commodities to developing economies. The earlier version with closed economy was published in *International Journal of Research in Commerce, Economics and Management* Volume No. 6 (2016), Issue No. 1 (January). Result of Brexit Referendum and victory of Donald Trump clearly indicates that economic stagnation of matured capitalist countries is finally attacking the core of open economy values. Indian IT industry is already facing huge loss from protectionist policies of new government of USA. The crisis of 2008 clearly shows the weak economic condition of the developed countries. This weakness is not limited to any particular economy rather all developed economies are showing low growth rates. Moreover, a closer look will make it clear that most developed capitalist economies are facing the problem of low growth rate since 1990s. Developed countries like Japan, Germany, France, United Kingdom are recording almost less than 2% average annual growth rates for the last two decades. Even USA is struggling to return to its pre-2008 crisis growth rate at the moment. In this paper we have explained the low growth in matured capitalist economy as inherent contradiction in capitalist economy. So we here present a model which shows that capitalist economy stagnated as it matures i.e. more and more goods and services are produced by capitalism. Moreover, we have also tried to find out how open economy can make matured capitalist economy worse off and better off. We have applied here Marxian concept of continuous profit accumulation by increasing automation and Schumpeterian concept of product innovation and process innovation by capitalist entrepreneurs to raise profit. On one hand as new product is introduced, profit is made by recruiting more labor which raises real wage in the capitalist economy. But in process innovation, profit is made by increasing automation which reduces demand for labor and hence real wage. In early stage of capitalism, existing product base is small so effect of automation is low but as existing product base rises impact of automation dominates that of product innovation. It can also be added that when matured capitalist country outsources to developing economies, on the one hand the former is better off by having demographic dividend of the later while the matured capitalist economies can be worse off if outsourced industries are too much labor intensive. We have divided the paper into eight sections where section 1 presents introduction, section 2 gives literature review, section 3 explains the theory working behind the model, section 4 explains the relation between technological progress and employment where there is no introduction of new products, section 5 explains the model with closed economy and fixed population, section 6 explains the model with closed economy and changing population, section 7 deals with possibilities of finding growth prospects by matured capitalist economies in open economy framework and section 8 gives the concluding observations.

2. LITERATURE REVIEW

The theory of monopoly financial capitalism is first forwarded by Marxist economist ¹Paul M. Sweezy and Harry Magdoff in the two books namely "Irreversible Crisis" and "Stagnation and the Financial Explosion". Now theory of Monopoly Financial Capitalism says that capitalism in the monopoly financial capitalist stage can survive by creating bubbles in the financial market by continuously inflating financial asset prices. Thus speculative profits can be made by buying and selling of financial assets (including real estate). This asset price inflation feeds on the assumption of the investor that asset prices only go up and it is done by channeling huge credit to finance speculative activities. This can be traced from rising debt to GDP ratio in all matured capitalist economies. But as asset price inflates above the real valuation of the asset the time will come sooner or later when bubble will burst. Thus the capitalist economy starts facing recession. Now capitalist investors find no more financial assets in which they can profitably invest. So investment as a whole in the economy falls. Hence recession is in full force. Now as financial asset price starts falling, asset holders have to face losses and creditors who financed those asset holders start facing losses too since their debtors are defaulting. At this moment Government of a matured capitalist economy emerges to save financial firms from defaulting. The Government bails out the financial firms using expansionary monetary policies. This can be seen historically in US economy in the year 1987, 2001 and 2008. Thus its becoming clear that matured capitalist economies are getting adopted to this kind of policies in this age.

²John Bellamy Foster and Fred Magdoff has extended this theory and applied it to understand the Great Financial Crisis that originated in 2008 from sub-prime mortgage crisis of USA in their book, "The Great Financial Crisis- Causes and Consequences". They said that in USA in this age of Monopoly Financial Capitalism the financial firms are using financial assets of common people of households as collaterals and spreading debt among US households. Thus debt of household rises too. This household debt was actually stimulating the consumption of US economy which actually helped to counter the over-accumulation crisis in US economy.

¹Sweezy, Paul M. and Magdoff, H. "Stagnation and the Financial Explosion", *Monthly Review Press* (2008).

Sweezy, Paul M. and Magdoff, H. "Irreversible Crisis", *Monthly Review Press* (1998).

²Foster, J. B. and Magdoff F. "The Great Financial Explosion: Causes and Consequences", *Monthly Review Press* (2009).

³Shaikh, A. "The Falling Rate of Profit and the Economic Crisis in the US", *unpublished* (October, 1987).

⁴Easterly William, "Economic Stagnation, Fixed Factors and Policy Thresholds", *Working Paper of Economics Department of World Bank* (October, 1991).

⁵Parenti Stephen and Prescott Edward "What a Country Must Do to Catch up Industrial Economies", *Working Paper of Economics Department of World Bank* (October, 2001).

⁶Vernon R. "International Investment and International Trade in the Product Cycle", *Quarterly Journal of Economics* (1966).

Financial firm themselves have become debtors in this age of Monopoly Financial Capitalism. Thus the financial firms who financed asset holders' investment in financial assets are debtors too. These financial firms start facing default too.

³A. Shaikh in his "Falling Rate of Profit and Economic Crisis in USA", shows us the continuous fall of profit rate in USA between 1970 and 1987 and with cointegration analysis pointed out that falling profit is leading to fall in investment in the US economy and not the other way round.

⁴Easterly William in his "Economic Stagnation, Fixed Factors and Policy Thresholds" points out how lack of production inputs including land, skilled labor as well as stagnant population can lead to stagnation in an economy.

⁵Edward Prescott and Stephen Parenti in his "An Exogenous Growth Model Based on Total Factor Productivity" shows that the growth rate of a country depends on technology stock of the world and the later a country starts the more the technological stock available for it and higher is its growth rate of output and faster is its development.

⁶Raymond Vernon in his "International Investment and International Trade in the Product Cycle" discusses how a sophisticated product innovated in developed economies and older unsophisticated products outsourced in developing economies. Finally, they find place in least developed economies where developing economies move upward and start producing newer sophisticated products. Finally, when developing economies start innovating new products then it becomes developed.

3. THEORY BEHIND THE MODEL

This model is based on Marxian concept of capital accumulation, Schumpeterian idea of innovation and input output model framework.

By Marxian concept of capital accumulation, we mean that: Two class i.e. capitalist class and labor class. Capitalist class has several properties :- >(1) the desire of continuous capital accumulation; (2) ownership of means of production; (3) capitalist class employs labor class to produce goods and services by using the means of production; (4) capitalist class earns profit by selling goods and services at a price above what was to labor class as wage; (5) this profit is the basis of capital accumulation.

By Schumpeterian concept of innovation, we mean that: (1) Applying new technology to create new goods and services. (2) Applying new technology in existing production i.e. automation.

In our Input-Output model we hold the following assumptions: (1) There is one capital accumulating sector. Labor is supplied from outside the model. (2) Labor is completely mobile between different products. (3) There is full employment of labor i.e. for a specific real wage rate offered the total amount of labor demanded by the accumulating sector is equal to total amount of labor supplied from outside. If more labor is demanded by the capital accumulating sector, it has to offer higher real wage to draw in more labor from outside.

The capitalist class will want to increase profit by introducing new technologies. Whenever a new technology is invented, it can be used by the capitalist class in two ways. First is to raise profit rate in the existing production and second is to raise profits from introducing new production. Now profit rate from existing production can be raised by increasing capital labor ratio in the production process. So this automation of production reduces demand for labor. On the other hand, new production increases demand for labor. So new product introduction brings about rise and fall in demand for labor simultaneously.

This model shows that during initial years of capitalism, when the size of existing production is negligible and all production is new production from capitalist point of view, the demand for labor is high. But as the capitalism matures and existing production size is large enough, the impact of new production increasing demand for labor becomes marginal. Hence the falling labor demand from automation of existing production has more impact. So demand for labor is low.

Now the model also assumes that the goods and services produced are entirely consumed by the labor class while capitalist class used all its income in investing for capital accumulation. So fall in demand for labor implies fall in demand for wage rate which implies fall in demand for consumption of goods and services. So fall in labor demand growth rate entails fall in output growth rate as capitalist economy matures.

Hence, the model predicts that as capitalism matures and the number of production rises, the demand for labor falls. Now growth rate of output also depends on the growth rate of demand for labor which further effects growth rate of real wage. And rise or fall in wage and employment growth rate entails rise or fall in demand for consumption goods. So fall in growth rate of labor demand entails fall in growth rate of output. So as capitalism matures, growth rate of output becomes lower steadily and can end up in stagnation.

4. RELATION BETWEEN PROFIT RATE AND DIRECTION OF TECHNOLOGICAL PROGRESS IN A MODEL OF OLD PRODUCT WITH NO INTRODUCTION OF NEW PRODUCTS

In this model production consists of two types of goods: (1) consumer products and (2) the capital goods required to produce those consumer products.

Both consumer products and capital goods use labor and capital goods as factors.

The capitalist class hires labor and gives wage in return. Labor is hired from outside the model. The more the amount of labor the capitalist class needs to employ the higher is the real wage rate that capitalist class must offer in order to draw in more labor from outside the model.

Similarly, real profit rate rise too as the demand for capital goods rises. This is because capital goods require inputs like labor and different raw materials which are supplied from outside the model. As demand for capital goods rises, demand for these inputs rises as well and so their price. Thus, real profit rate rises.

Moreover, the demand for consumer products comes from the labor class only. Capitalist class spends its entire income in capital accumulation.

NOTATIONS

p = general price level in the economy

Y = aggregate output level in the economy

w = wage rate

r = profit rate

L = amount of labor employed in the economy

K = amount of capital in forms of machineries called capital goods produced and employed in the economy

C = consumer product produced in the economy

p_c = price of consumer good

EQUATIONS

$Y = C + K$ (1)

[There are two types of production: a consumer good and capital goods.]

$C = AK$ (2)

[Where, A is a constant implying the ratio of consumer product produced to the capital goods employed in the economy.]

$pY = wL + rK$ (3)

[Both consumer good and capital goods use labor and capital good as factors.]

$L = aK$ (4)

[Where, a = labor-capital ratio or technological coefficient.]

$w/p = bL = baK$ (5)

[Here b is a positive constant implying real wage rate is directly related to the total amount of labor employed in the economy. As total number of employed labor increase, real wage increase too at a fixed ratio.]

$r/p = hK$ (6)

[Here, h is a positive constant implying that as the employment of capital goods in the economy rise, the real profit rate rise too at a fixed ratio.]

$p_c C = wL$ (7)

[Here we assume the entire consumer goods is consumed by the labor class.]

Here in this system, we have seven equations and seven endogenous variables i.e. Y, C, K, L, a, w and r. The parameters in the system are: A, p, p_c, h and b.

At equilibrium,

$$pY = p(C+K)$$

$$\Rightarrow wL + rK = pC + pK$$

$$\Rightarrow waK + rK = pAK + pK$$

$$\Rightarrow wa + r = pA + p$$

$$\Rightarrow (w/p)a + (r/p) = 1 + A$$

If capitalist class wants to increase (r/p), (w/p)a needs to fall since. (1+A) is constant. Hence, to raise real profit rate, capitalist class either has to reduce wage or reduce labor capital ratio which will entail fall of wage or has to do both simultaneously. So new technology will be used by the capitalist to reduce labor-capital ratio to raise real profit rate.

MATHEMATICAL DEDUCTION

Since we assume that the entire consumer goods is consumed by the labor class then,

$$p_c C = wL$$

Taking natural logarithm on both sides we get,

$$\ln p_c + \ln C = \ln w + \ln L$$

Differentiating both sides with respect to time t we get,

$$(1/p_c) (dp_c/dt) + (1/C) (dC/dt) = (1/w) (dw/dt) + (1/L) (dL/dt)$$

[Let us denote (1/i)(di/dt) = [^]i]

$$\Rightarrow 0 + ^C = ^w + ^L$$

[since, p_c is a constant at equilibrium]

$$\Rightarrow ^C = 2 ^L$$

[since, w/p=bL => ln w - ln p = ln b + ln L => ^w - ^p = ^b + ^L => ^w = ^L as p and b are constants]

$$\Rightarrow ^K = 2 ^L$$

[since, C=AK => ln C = ln A + ln K => ^C = ^A + ^K => ^C = ^K as A is a constant]

$$\Rightarrow ^Y = 2 ^L$$

[since, Y=C+K=> Y=K(1+A) (as C=AK) => Y=KA' => ln Y = ln K + ln A' => ^Y = ^K + ^A' => ^Y = ^K (as A'=1+A is constant)]

⇒ So, growth rate of output = twice the growth rate of labor.

5. MODEL WITH CONTINUOUS INTRODUCTION OF NEW CONSUMPTION PRODUCTS WITH CLOSED ECONOMY AND FIXED POPULATION

Here we assume that the economy is closed, no government intervention, population is fixed and entire population falls within exchange economy i.e. entire population has purchasing power to consume all consumption goods and services. Moreover, a commodity caters to the entire market from the moment it is introduced. There is no lag period between the time of introduction of the model and the time when it is marketed to the entire population to the full extent.

Let K_i = total capital employed by commodity i for making it available to the entire population.

Commodity i = i signifies the order of introduction of the commodity. First commodity introduced will be called commodity i.

a_{ij} = labor to capital ratio or technological coefficient of commodity i in period-j or after [j-i+1] phases of commodity i, i.e. in period-j commodity i is automated for [j-i+1] times.

L_i = total labor amount needed to produce commodity i for making it available to the entire population at the time of its introduction.

Another important assumption is that at each and every period, a new commodity is introduced and older commodities' labor-capital ratio falls. In real world whenever there is an invention of new technology, the capitalist class uses the technology to maximize profit. Profit can be maximized in two ways i.e. introducing new commodities and mechanization of older commodities. Again there is no lag period between introduction of new commodity and automation of older commodities' production process.

TABLE 1: TECHNOLOGICAL COEFFICIENT MATRIX TABLE

K _i	K ₁	K ₂	K ₃	K ₄	.	.	.	K _{n-1}	K _n
Period- 1	a ₁₁								
Period- 2	a ₁₂	a ₂₂							
Period-3	a ₁₃	a ₂₃	a ₃₃						
Period-4	a ₁₄	a ₂₄	a ₃₄	a ₄₄					
.
.
.
Period-n-1	a _{1 n-1}	a _{2 n-1}	a _{3 n-1}	a _{4 n-1}				a _{n-1 n-1}	
Period-n	a _{1n}	a _{2n}	a _{3n}	a _{4n}				a _{n-1 n}	a _{nn}

Estimated technological coefficient of all commodities in their phase-1 or time of introduction

$$\alpha_1 = (a_{11} + a_{22} + a_{33} + \dots + a_{n-1 n-1} + a_{nn})/n$$

Estimated technological coefficient of all commodities in their phase-2

$$\alpha_2 = (a_{12} + a_{23} + a_{34} + \dots + a_{n-1 n})/(n-1)$$

Similarly,

$$\alpha_3 = (a_{13} + a_{24} + a_{35} + \dots + a_{n-2 n})/(n-2)$$

$$\alpha_j = (a_{1j} + a_{2 j+1} + a_{3 j+2} + \dots + a_{n-j+1 n}) / (n-j+1)$$

$$\alpha_n = a_{1n}/1$$

We know that, a₁₁>a₁₂, a₂₂>a₂₃, a₃₃>a₃₄ and so on since, profit rate can be increased only decreasing labor-capital ratio.

$$\Rightarrow \sum^{n-1} a_{ii} > \sum^{n-1} a_{i i+1}$$

$$\Rightarrow \sum^{n-1} a_{ii}/(n-1) > \sum^{n-1} a_{i i+1}/(n-1)$$

$$\Rightarrow \sum^{n-1} a_{ii}/(n-1) > \alpha_2$$

$$\Rightarrow \alpha_1' > \alpha_2 \text{ [Where, } [\sum^{n-1} a_{ii}/(n-1)] = \alpha_1' \text{]}$$

$$\text{Now, } \alpha_1 = \sum^n (a_{ii})/n = [\sum^{n-1} a_{ii} + a_{nn}]/n$$

$$= [\sum^{n-1} a_{ii}/(n-1)] + [[\sum^{n-1} a_{ii}/n] - [\sum^{n-1} a_{ii}/(n-1)]] + a_{nn}/n$$

$$= [\sum^{n-1} a_{ii}/(n-1)] - [\sum^{n-1} a_{ii}/(n(n-1))] + a_{nn}/n$$

α₁ > α₂, according to,

$$[\sum^{n-1} a_{ii}/(n-1)] - [\sum^{n-1} a_{ii}/(n(n-1))] + a_{nn}/n > \alpha_2$$

$$\Rightarrow \alpha_1' - [\sum^{n-1} a_{ii}/(n(n-1))] + a_{nn}/n > \alpha_2$$

[Where, $[\sum^{n-1} a_{ii}/(n-1)] = \alpha_1'$]

$$\Rightarrow n(n-1)\alpha_1' - [\sum^{n-1} a_{ii}] + (n-1)a_{nn} > n(n-1)\alpha_2$$

[Here, both sides are multiplied by $n(n-1)$]

$$\Rightarrow n(n-1)\alpha_1' - [\sum^{n-1} a_{ii}] + (n-1)a_{nn} > < n(n-1)\alpha_2$$

$$\Rightarrow n(n-1)(\alpha_1' - \alpha_2) + (n-1)a_{nn} > < [\sum^{n-1} a_{ii}]$$

$$\Rightarrow n(\alpha_1' - \alpha_2) + a_{nn} > < \alpha_1' [\text{Here, } \alpha_1' - \alpha_2 > 0]$$

Now the larger the value of n , the higher the value of $n(\alpha_1' - \alpha_2) + a_{nn}$.

Hence, greater is the chance that $n(\alpha_1' - \alpha_2) + a_{nn} > \alpha_1'$

\Rightarrow higher the value of n , greater is the chance that $\alpha_1 > \alpha_2$.

\Rightarrow In matured capitalism where n is large implying $\alpha_1 > \alpha_2$.

The economic interpretation is that as the number of goods and services is small, the impact of a new good or service is quite visible and often leading. But as the number of goods and services rise, the impact of new technology on the overall economy is marginal in nature.

Similarly, $a_{12} > a_{13}$, $a_{23} > a_{24}$, $a_{34} > a_{35}$ then $\alpha_2 > \alpha_3$ when n is large.

Similarly, $\alpha_1 > \alpha_2 > \alpha_3 > \dots > \alpha_n$ as the value of n is large i.e. for matured capitalism.

Amount of labor used by commodity i at the time of introduction, $L_i = a_{ii}K_i$

Therefore, $\sum(L_i) = \sum(a_{ii}K_i)$

$$\Rightarrow nL_M = n\alpha_1 K_M$$

[Where, $L_M = \sum(L_i)/n$ & $K_M = [\sum(a_{ii}K_i)]/(n\alpha_1)$]

$$\Rightarrow L_M = \alpha_1 K_M$$

$$\Rightarrow a_1 L_M = \alpha_1 K_M$$

[Where, $a_1 = 1$]

Here, L_M and K_M denote the amount of labor and capital employed by any commodity at the time of its introduction. Here, the value of labor and capital employed by any commodity implies the mean value of total amount of labor and capital employed for all commodities.

Now, α_i is estimated labor-capital ratio of all commodities in their phase- i .

So $\alpha_i K_M$ implies the average of the total labor employed by all commodities in their phase- i .

Now, let, $\alpha_2 K_M = a_2 L_M \Rightarrow a_2 = \alpha_2 (K_M/L_M)$

Here, a_i denotes the average ratio of total labor employed by all commodities in phase- i and total labor employed by all commodities initially.

Similarly, $\alpha_3 K_M = a_3 L_M \Rightarrow a_3 = \alpha_3 (K_M/L_M)$

Similarly, $\alpha_n K_M = a_n L_M \Rightarrow a_n = \alpha_n (K_M/L_M)$

Since, $\alpha_1 > \alpha_2 > \alpha_3 > \dots > \alpha_n$ then, $1 = a_1 > a_2 > a_3 > \dots > a_{n-1}$

Now labor demand function in initial period is: $L_1 = L_M$.

In period-1, there is only one commodity more precisely oldest commodity i.e. commodity-1.

Labor demand function in period-2: $L_2 = a_2 L_M + L_M$.

In period-2, commodity-1 is automated for the first time and commodity-2 is introduced as well.

Labor demand function in period-3: $L_3 = a_3 L_M + a_2 L_M + L_M$.

Labor demand function in period- n : $L_n = a_n L_M + a_{n-1} L_M + \dots + a_2 L_M + L_M = (1 + a_2 + a_3 + \dots + a_n) L_M$

Therefore, $\Delta L_n = (L_n - L_{n-1})/L_{n-1} = a_n / (1 + a_2 + a_3 + \dots + a_{n-1}) = a_n / \sum^{n-1} a_i$.

As n rises, a_n falls and $a_i > 0$ i.e. $\sum^{n-1} a_i$. Hence, ΔL_n falls.

By mathematical deduction (1) it is proved that $\Delta Y = 2 \Delta L$.

So as n rises ΔL falls which entails ΔY falls too.

So as capitalism matures i.e. more and more goods and services are formed, growth rate of output falls.

6. CLOSED ECONOMY WITH CHANGING POPULATION

Here, we assume that population changes at every period i.e. whenever one new production is introduced. Here $g(i)$ denotes the population change rate in period- i when also there are i number of commodities.

Labor demand function in initial period is: $L_1 = L_M(1+g(1))$

Labor demand function in period-2: $L_2 = (a_2 L_M + L_M) (1+g(2))$

Labor demand function in period-3: $L_3 = (a_3 L_M + a_2 L_M + L_M) (1+g(3))$

Labor demand function in period- n :

$$L_n = a_n L_M + a_{n-1} L_M + \dots + a_2 L_M + L_M = [(1 + a_2 + a_3 + \dots + a_n) L_M] (1+g(n)) = L_M \sum^n a_i (1+g(n))$$

Therefore, $\Delta L_n = (L_n - L_{n-1})/L_{n-1}$

$$= [(\sum^n a_i) L_M (1+g(n)) - (\sum^{n-1} a_i) L_M (1+g(n-1))] / [(\sum^{n-1} a_i) L_M (1+g(n-1))]$$

$$= [(1+g(n))/(1+g(n-1))] [1 + [a_n / (\sum^{n-1} a_i)]] - 1$$

$$= \Phi [1 + \Delta L_n \text{ population=constant}] - 1$$

[Where, $\Phi = [(1+g(n))/(1+g(n-1))]$]

Here if $g(n) > g(n-1)$ then, $\Phi > 1$. Hence, $\Delta L_n > \Delta L_n \text{ population=constant}$.

If $g(n) = g(n-1)$ then, $\Phi = 1$. Hence, $\Delta L_n = \Delta L_n \text{ population=constant}$.

If $g(n) < g(n-1)$ then, $\Phi < 1$. Hence, $\Delta L_n < \Delta L_n \text{ population=constant}$.

The larger the value of Φ , the higher is the value of ΔL .

Since, $\Delta Y = 2 \Delta L$, we can conclude that, the larger the value of Φ the higher is growth rate of output. This conclusion is in line with that of demographic dividend theory.

7. UNDER OPEN ECONOMY

Let the matured capitalist economy outsources its old commodities to developing countries while produces the new commodities. In each period, as a new commodity is introduced, one commodity is outsourced. Thus in period-1 of outsourcing, if commodity- $(n+1)$ is introduced, any one commodity- j will be outsourced.

In period-2, as commodity- $(n+2)$ is introduced, commodity- j and commodity- $j+1$ will be outsourced as well. Hence, matured capitalist economy to produce n number of commodities since outsourcing begins. Commodity- j to commodity- $j+k$ will be outsourced in period- $n+k+1$ where there will be $(n+k+1)$ commodities in the total economy. Any of the commodities out of $(n+k+1)$ commodities can be outsourced according to profit maximization motive.

Let it starts outsourcing from period $(n+1)$.

Labor demand function in period 1 is: $L_1 = \sum_{i=1}^{n+1} a_i L_M (1+g(n+1)) (1+g'(j))$

Here,

L_M = amount of labor applied by any commodity at the time of its introduction in matured capitalist economy.

L_i = amount of labor applied by any commodity at the time of its introduction in developing economy.

$g(n+1)$ = population growth rate of matured capitalist economy in period $(n+1)$.

$g'(j)$ = population growth rate in developing economy in period-1 of outsourcing.

Labor demand function in period- $(n+2)$: $L_2 = \sum_{i=1}^{n+2} a_i L_M (1+g(n+1)) (1+g'(j+1))$

Here,

a_i denotes the average ratio of total labor employed by all commodities in phase- i and total labor employed by all commodities initially in matured capitalist economy.

Labor demand function in period- $(n+n)$: $L_n = \sum_{i=1}^{n+n-j} a_i L_M (1+g(n+n))(1+g'(j+n-1))$

where, $J = j + j+1 + j+2 + \dots + j+n-1$

Labor demand function in period- $(n+n-1)$: $L_{n-1} = \sum_{i=1}^{n+n-1-(j-1)} a_i L_M (1+g(n+n-1))(1+g'(j+n-2))$

where, $J-1 = j + j+1 + j+2 + \dots + j+n-2$

Therefore, $\Delta L_{n \text{ open eco}} = (L_n - L_{n-1})/L_{n-1}$

$= [(1+g(n+n))(1+g'(j+n-1))/(1+g(n+n-1))(1+g'(j+n-2))] [\sum_{i=1}^{n+n-j} a_i / \sum_{i=1}^{n+n-1-(j-1)} a_i] - 1$

$= G [1 - \{(\sum_{i=1}^{n+n-1} a_i) / \sum_{i=1}^{n+n-j} a_i\}] - 1$

$= G - G \{(\sum_{i=1}^{n+n-1} a_i) / \sum_{i=1}^{n+n-j} a_i\} - 1$

where, $G = [(1+g(n+n))(1+g'(j+n-1))/(1+g(n+n-1))(1+g'(j+n-2))]$

The larger the value of G , the higher is the value of ΔL .

Since, $\Delta Y = 2 \Delta L$, we can conclude that, the larger the value of G the higher is growth rate of output. This conclusion is in line with that of demographic dividend theory.

$\Delta L_{n \text{ closed eco}} = \Phi [1 + \{a_n / (\sum_{i=1}^{n-1} a_i)\}] - 1$

where, $\Phi = [(1+g(n))/(1+g(n-1))]$

G is high if $(1+g'(j+n+1)) \gg (1+g'(j+n-2)) \Rightarrow$ demographic dividend from catering into developing economy's demand is substantially high.

Hence, $\Delta L_{n \text{ open eco}} > \Delta L_{n \text{ closed eco}}$

when, $(a_{j+n-1} - a_{n+n})$ is small. i.e. when outsourced commodity is less labor intensive (a_{j+n-1} is lower) while newly introduced commodity is more labor intensive (a_{n+n} is higher).

Hence, $\Delta L_{n \text{ open eco}} < \Delta L_{n \text{ closed eco}}$

when, $(a_{j+n-1} - a_{n+n})$ is high i.e. when outsourced commodity is more labor intensive (a_{j+n-1} is higher) while newly introduced commodity is less labor intensive (a_{n+n} is lower).

Again, $1 = a_1 > a_2 > a_3 > \dots > a_{n-1}$ and hence, $(a_{j+n-1} - a_{n+n}) > < 0$ if, $(j+1) < = > n$ and accordingly, $\Delta L_{n \text{ open eco}}$ and hence output growth falls, remains constant, rises.

So it can be said that outsourcing makes matured capitalist economy better off when:

- 1) When demographic dividend from developing economy's market is substantially high.
- 2) When outsourced commodity is less labor intensive such that outsourcing does not generate much job loss in matured capitalist economy which reduces demand for consumption goods and hence reduce growth rate of output.
- 3) When newly introduced commodity is more labor intensive which generate demand for labor and hence demand for consumption goods and hence raise growth rate of output.

8. CONCLUDING OBSERVATIONS

In this analysis we reach our conclusion that as a capitalist economy matures its growth rate slows down due to its own inherent profit maximization logic. During the infant stage of capitalism, the power of new goods and services to generate new demand for labor and with new demand for consumer goods and services is quite strong. Then, profit maximization can go on along with high growth rate of output. But as the capitalism mature, the number of goods and services produced increase, the power of new goods and services to create new demand for labor and consumption becomes marginal in nature. On the other hand, in the infant stage, the number of goods and services are small, so their power to reduce demand for labor and with it consumption level of the economy by increasing automation is small. But as capitalism mature, the number of old goods and services are large, their power to reduce demand for labor and general consumption capacity through automation rise. Hence, there is an inherent tendency of falling growth rate of output as capitalist economy become mature.

Now, in matured level, under closed economy, the only factor that can increase growth rate of output is rising growth rate of population. If growth rate of population in a matured capitalist economy rises at every new period when one more commodity is introduced, then only growth rate of output can be higher than the previous period. Since, population growth rate usually rises with rise in per capita income up to certain level and then falls with rise in per capita income and ultimately becomes very low. So when n is large, when capitalism is matured, either population growth rate is low, even zero or falling then $g(n) \leq g(n-1)$. The growth rate of output is bound to slow down at every period.

Under open economy where outsourcing is allowed by matured capitalist economy, it can reap in demographic dividend from developing countries. But if the outsourced commodity is highly labor intensive, then outsourcing can cause severe job loss and hence matured capitalist economy can be worse off. Thus the matured capitalist economy must not outsource labor intensive commodities.

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CORPORATE SOCIAL RESPONSIBILITY AND THEIR IMPACT ON IT COMPANIES

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ABSTRACT

Corporate Social Responsibility is an old concept. In 1956, it was not compulsory for all companies to contribute to CSR activities. Mean by CSR, "To give back to the society taken from society" or to invest for the welfare of society because the present circumstances in the "Give and Take the Law" is being considered, though in the Companies Act 2013 It is compulsory to contribute to CSR activities on all the companies. It is said that the trend of Indian corporations focuses on certain subjects in their CSR. Spending shows that awareness of the importance of returning is increasing Indian IT industry holds the key to joining in the case of CSR activities, the actual expenditure of the CSR area is not in proportion to revenue and profit, but it can be done in many areas of its use. Health, health, drinking water, etc. are being done in many areas. CSR is lower than many companies in the IT industry. New companies are required to pay 2% profit after tax (PAT) according to the bill. However, soon these IT companies evolved into bigger brands listed on the stock market and their visibility dramatically increased due to their profitability.

KEYWORDS

CSR clauses, corporate social responsibility, company act 2013.

INTRODUCTION

Corporate social responsibility in India is considered to be like corporate practices in the West, though in India the concept is based on the beliefs of the religious nature. Promotion of employee welfare programs, donations to charity, religious practices and investment on beliefs and education, there were some activities which were engaged in business

Charities and academic organizations started becoming socially responsible, but now Large companies have started contributing to this as a symbol of human work.

There was also to achieve goodwill in the larger community but immediately after independence, CSR. It was considered to be the responsibility of business for its social setting; apart from this, a large part of it started social development. However, general awareness was to take social activities in general, to promote their presence in the surroundings around them Steps taken.

CSR initiatives include priority education, health care, Analysis of cleanliness, rural development, women empowerment and micro credit. Some large-scale surveys show that although many companies are taking universal languages of CSR, most of them are primarily the work and extension of philanthropy. Now focusing on a particular social topic has become the aim of the company. The CSR strategy has become an important aspect for the company. Keys have been told that there is a lot of confusion about CSR short-term and long-term, that means short-term and long-term the activity of CSR can be understood without its proper definition. Investigating twin objectives, the immediate benefits of CSR to first companies and CSR is termed as short-term and long-term, as well as other possible benefits for society, company and society. Indian laws have been a great milestone in the laws that govern CSR. The concept of "Corporate Social Responsibility" (CSR) has a number of meanings to various people, but mostly it is considered to know what is right or wrong in the workplace and doing what's right. CSR is generally accepted everywhere the company operates, whether at the national level or at the international level, it must work with the aim of bringing improvement in its employees, and for its customer and also the environment where it is operating. The way companies are involving the stakeholders of the company which may be its shareholders, employees, customers, suppliers, governments, non-governmental organizations, international organizations is usually a basic idea of this. In other words, we can say that CSR embraces both the internal needs of employees as well as the external needs of the society.

LITERATURE REVIEW

Various reasons for changes according to **Maiten and Moon (2008)** a framework was provided for the CSR practice and understanding of different countries The same is explained in detail in the European differences in the CSR practices. In comparison to America, countries argue that they had put forward the differences in CSR countries are due to different types of business systems of countries Which can be called "national trade system" which is affected They investigated the difference in CSR on the basis of historical institutional structure of the four characteristics of national institutional framework which include financial Country's system, political system, labor and education system and Cultural system in the end.

Min Dong Paul Li (2009) said that the study of the effect of ownership patterns of companies and said that On their social performance, they examined the data of pollution management practices and 118 companies were found in a 13 year period and found that publicly organized corporations are Under the high level of external pressures to reduce pollution and participate in it Social development is leading to better environmental and social performance. Traditional belief that public business corporation is more sensitive Corruption and socially irresponsible behavior compared to private-owned corporations Compared to the shareholders' profits, under the pressure of shareholders against the increase and intensity The lack of adequate supervision mechanisms they concluded that the public Corporations are more likely to be socially responsible due to greater Excessive dependence on external artists with exposure to external effects and diverse Interests.

Geeta Mishra (2013) said that universities such as higher education institutions and business schools should have a face lift in incorporating CSR practices so that the student has information about it. As a lesson learned in these centers, there is usually an end in all facets of their work Life span. He proposed that these institutions should increase awareness about CSR By merging students into the syllabus, as a main topic among the students Editing values and especially on the benefits of CSR and how it is positive Impact on society He further suggested that the higher education institute Training staff should be constantly trained on various issues of society and Practice CSR by integrating diversity in the form of environment, recruitment Helping philosophy, promoting and making employees balanced, personal and professional Life and a compensation and prize policy which considers CSR to be an integral form Part. They recommend specific initiatives like green initiatives, illustrated Around the campus, workshops and debates around.

According to United Nations Millennium Development Goals 21, since most companies have not implemented resources for CSR activities Continued, the bill will have major impact on the functioning of the corporation. According to the law, each company which has a revenue greater than Rs 1000 crore or profit Rupee. CSR will have to spend 2% of the average profit for the last three years Activities. In addition, the company board will have to appoint a 3-member CSR committee. Approval of decision on expenditure and employee expenditure will not be classified as CSR Expenditure.

Xiaoli and Kwangjun (2007) said that a controlled experiment to test whether an advertisement with a CSR related message integrated in it generates a favorable response from the customer than the advertisement which does not have any CSR message in it. They found that consumers exposed to an advertisement with a CSR message held significantly more favorable attitudes toward the company compared with those exposed to a regular advertisement without a CSR component. They further elaborated that the relationship was regardless of the level of fit between the sponsoring brand and the social cause but when the social cause fitment with the brand was high consumers tend to be much more favorable to the company.

THE NEED OF THE STUDY

“SARVA LOKA HITAM” i.e. “the well being of all Stakeholders” has regained importance in the current business environment. A successful Organization recognizes its responsibility, and duty towards its various Stakeholders with earns their goodwill. Business involvement in social welfare and development has been a tradition in India and its evolution from individuals’ Charity or Philanthropy to Corporate Social Responsibility, Corporate Citizenship and Responsible Business can be seen in the business sector over the years. The concept of parting with a portion of one’s surplus wealth for the good of the society is neither modern nor a western import into India

COMPANY ACT 2013

The Companies Act, 2013 the concept of CSR is governed by clause 135 of the Companies Act, 2013, which was passed by both Houses of the Parliament, and had received the assent of the President of India on 29 August 2013. The CSR provisions within the Act is applicable to companies with an annual turnover of 1,000 crore INR and more, or a net worth of 500 crore INR and more, or a net profit of five crore INR and more. The new rules, which will be applicable from the fiscal year 2014-15 onwards, also require companies to set-up a CSR committee consisting of their board members, including at least one independent director. The Act encourages companies to spend at least 2% of their average net profit in the previous three years on CSR activities. The ministry’s draft rules, that have been put up for public comment, define net profit as the profit before tax as per the books of accounts, excluding profits arising from branches outside India.

APPLICABILITY

NET WORTH OF RS 500
CRORE OR MORE

TURNOVER OF RS 1000
CRORE OR MORE

NET PROFIT OF RS 5 CRORE
OR MORE

OBJECTIVES OF THE STUDY

1. To analyze the impact of corporate social responsibility on information technology companies.
2. The first and foremost aspect to study of CSR on and their impact on Information technology
3. To assess the impact of CSR by Information technology sector according to the Companies Act, 2013

RESEARCH METHODOLOGY

Descriptive research design is used for this study. Descriptive research design is used in those studies which are concerned with the characteristics of a particular group. Secondary data: Secondary data have been collected from text books, research papers and websites. The study was descriptive in nature. Both primary and secondary sources used to elicit required information. To understand provisions regarding CSR, the Companies Act 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014 have been examined. Also a few executives of CPSEs and NGOs were interacted to solicit opinion on CSR and issues that may crop up as a consequence of amendment of Indian Companies Act and incorporation of CSR Rules.

HYPOTHESIS OF THE STUDY

H0: There is no significance difference in CSR practices between IT companies.

H1: There is significance difference in CSR practices between IT companies.

CORPORATE SOCIAL RESPONSIBILITY AND THEIR IMPACT ON IT COMPANIES

The Indian IT industry’s dominant role in adopting CSR initiatives is well Documented. Indian IT companies have steadily evolved from conducting one-off. Community - based charity activities to adopting CSR initiatives as a business strategy. In the early years, Indian IT companies focused on charity activities for their local Communities since most of them were export-oriented units that had little connection with the communities around them. However, soon these IT companies evolved into bigger brands listed on the stock market and their visibility dramatically increased due to their profitability. This visibility among both shareholders and stakeholders persuaded these companies to take CSR as a brand enhancing activity. Further, being well connected with the global corporate world has helped in faster adoption of long term strategies to carry out CSR initiatives. The Indian IT industry has been at the fore front of the changing face of business responsibility in India. The new Companies Act 2013, with the introduction of new legislation, a lot of new provisions came in the picture. This new provision made CSR activities very important. There was a lot of debate on this provision. Many companies said that this new provision would create financial burden on them as they need to specify the percentage of their profits. Now, since the new act is in force, every company will have to follow the new rules. Considering the law’s intentions that companies take so many resources from society, they should give something, the provision of the CSR is justified. Apart from this, there is nothing good for companies. The companies can spend less than specified percentage. In such case the board need to disclose the reason for lower spending in its report. The Institute of Chartered Accountants of India (ICAI) also issued a guidance note that clarifies that no provision is required in books of companies for CSR spending. The need to book only actual expenditure. Also the above spending will help in benefitting the under privileged who are deprived of basic necessities. Since the new provision is only one and half year old, it is difficult to analyze its benefit. But in long run the society as a whole would surely stand benefitted from it. In cost benefit analysis of this provision, its sure that its benefit will exceed its cost. These are the top IT companies which highly contribution to CSR.

Tech Mahindra Limited is an Indian multinational provider of information technology (IT), networking technology solutions and Business Process Outsourcing (BPO) to the telecommunications industry. Anand Mahindra is the founder of Tech Mahindra, which is headquartered at Pune, India. Indian Multinational provider founded in 1986 by Mr. Anand Mahindra provides networking technology solutions and business support services.

Tata consultancy services. started in 1968. Mr F.C. Kohli who is presently the deputy chairman was entrusted with the job of steering TCS. The early days marked TCS responsibility in managing the punch card operations of Tisco. The company which was into management consultancy from day one, soon felt the need to provide solutions to its clients as well. TCS is presently the top software services firm in Asia.

Wipro Ltd. (NYSE:WIT) : Mr. Aji Premji was the founder of wipro is a global information technology, consulting and outsourcing company with 158,217 employees serving clients in 175+ cities across 6 continents. The company posted revenues of \$7.5 billion for the financial year ended Mar 31, 2015. Wipro is globally recognized for its innovative approach towards delivering business value and its commitment to sustainability. Wipro champions optimized utilization of natural resources, capital and talent. **Wipro Limited (Western India Palm Refined Oils Limited** or more recently, **Western India Products Limited** is an Indian Information Technology Services corporation headquartered in Bangalore, India.

Infosys: is a global leader in consulting, technology, and outsourcing and next-generation services. It enables clients in more than 50 countries to outperform the competition and stay ahead of the innovation curve. With US\$8.7 bn in FY15 revenues and 176,000+ employees, they are helping enterprises renew themselves while also creating new avenues to generate value. It provides enterprises with strategic insights on what lies ahead

HCL Group: Founded in 1976 as one of India’s original IT garage start-ups, today has expanded to four companies in India - HCL Infosystems, HCL Technologies, HCL Healthcare and HCL Talent Care. The group generates annual revenues of over US\$ 6.5 billion with more than 105,000 employees from 100 nationalities operating across 31 countries, including over 500 points of presence in India.

FIGURE 1: IT COMPANIES IN FORBES IN INDIA: CSR IDENTITY CARD

COMPANIES	RANKS 2015	RANKS 2016
TCS	17	19
TECH MAHENDRA	66	80
WIPRO	29	42
INFOSYS	9	11
HCL	41	27

Source: Forbes India – CSR Identity Report Card, 2016

Based on these figures, the leading five IT companies featured among the Forbes top100 companies. What they lack in terms of actual spend, the IT companies make up in diversity and quality of CSR activities. All IT companies are involved in a variety of CSR activities across the country, which is well documented in their company websites, sustainability reports and NGO partner news updates. A large number of these companies are involved in developing their local communities either in rural or urban areas. Training of students and promoting R&D activities among research institutions is another prominent CSR activity. Digital empowerment is also a popular cause.

LIMITATION OF THE STUDY

One of the major limitations of the study is that the data used in the study. In this study only a group of 5 companies were used and in 100 companies in India, so a large number of companies have not been included. This study used the Forbes India 100 ranking. Most of the selected companies are highly reputable companies in their respective companies, hence their reputation has reduced impact variables such as stakeholder power on CSR_CR relationship

SCOPE OF THE STUDY

CSR activities done by different companies, Sectors and Business and impact of CSR on social development but hardly any research is found on- a comparative study of corporate social responsibility and their impact on IT sector of Companies Act, 2013 on CSR activities. Corporate social responsibility has made in India The first country to mandate CSR through a statutory provision while CSR is not mandatory for the companies after companies act 2013 is mandatory all over the India.

CONCLUSION

The role of companies in modern society is an important issue in many countries around the world. The issue has received increased attention in recent years due to several factors, including the process of economic globalization, government deregulation of economic activity, corporate scandals and the fact that in many countries social and environmental issues have been prominent for many years. The debate over the social responsibility of business in the US and in Europe is still developing and important differences exist in how “corporate social responsibility” is defined. Discussions of a company’s social responsibility can serve to remind companies of the importance of complying with legal and ethical standards as well as ensuring that the firm is fully incorporating stakeholder and environmental interests in ways that truly benefit the company. The concept of CSR, however, threatens to evolve in a much more radical manner and to create significant problems for the future. The growth and development of CSR can be felt with the growing expectations of the society and also its stakeholders towards response of the company in pressures related to the environmental, social and economic conditions. Companies should promote the interest’s shareholders, along with it it should also see towards its responsibility towards the society where it is operating. More importantly, in this age of widespread communication customers of any product or service are unlikely to feel satisfied in buying from a company that is seen to violate the expectations of ethical and socially responsible behavior

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A STUDY ON STRESS MANAGEMENT OF EMPLOYEES WITH SPECIAL REFERENCE TO STERLING HOLIDAYS, OOTY

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ABSTRACT

Stress is the emotional and physical strain caused by our response to pressure from outside the world. It is a dynamic condition in which an individual is confronted with an opportunity, constraint, or demand related to what he or she desires and for which the outcome is perceived to be both uncertain and unimportant. Stress is also often typified by a lack of control over conditions at work. Stress is the physical and mental response of the body to demands made upon it. It is the result of our reaction to outside events, not necessarily the events themselves. Stress is the anticipated and unavoidable element of life due to unavoidable element of life due to ever increasing complexities and competitiveness in living standards. The speed of change in humankind today is certainly overwhelming and breathtaking. In the fast changing world of today, no individuals are free from stress nor is any profession stress free. It is just not enough to treat the causes but the consequences of stress one physical, emotion and behaviors areas also require due attention.

KEYWORDS

signs of stress, causes of stress, physical & mental response.

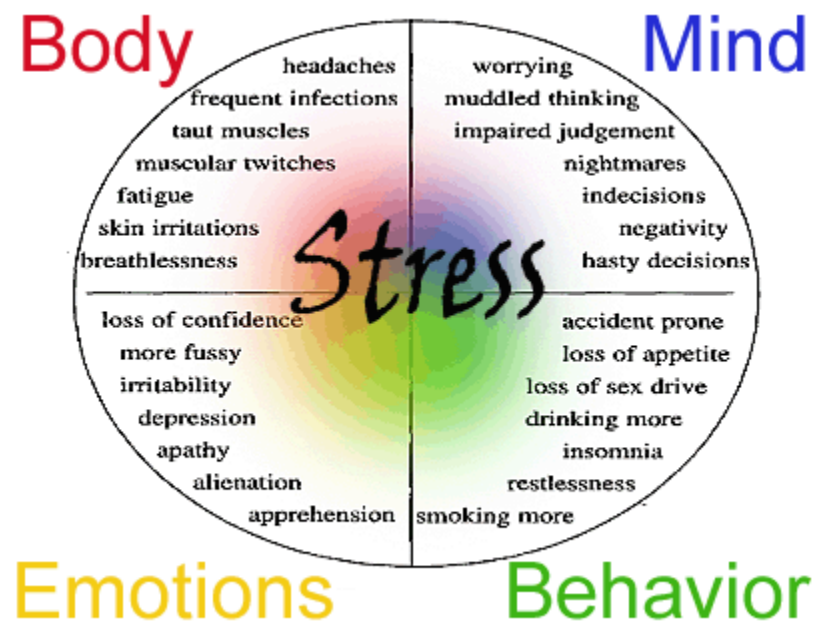
INTRODUCTION

 Stress is a normal physical response to events that makes one feel upset in some way or the other. In today's modern world, life is so full of hassles, deadlines and demand that stress has become a mode of life. People usually think of stress as a negative experience. According biological point of view, stress can be a neutral, negative or positive experience. It is not always bad and it can help individuals to perform well under pressure. But a person constantly running in the emergency mode is sure to harm one's mind and body. It is thus essential to balance and manage stress in positive way to lead a healthy life in body, mind and spirit.

SOME SIGNS OF STRESS

- **PHYSICAL SIGN**
 - a) Increased heart rate
 - b) Muscle aches, stiffness or pain
 - c) High blood pressure
 - d) Weight gain or loss
- **BEHAVIOURAL SIGNS**
 - a. Increased smoking, drinking, drug etc
 - b. Aggression (i.e. yelling, swearing)
 - c. Changes eating habits
 - d. Changes sleeping hob
- **MENTAL SIGNS**
 - a. Difficulty concentrating
 - b. Decreased memory
 - c. Confusion
 - d. Difficulty making decision
- **EMOTIONAL SIGNS**
 - a. Anxiety
 - b. Anger
 - c. Irritability: short temper
 - d. Impatience

FIG. 1



OBJECTIVES OF THE STUDY

1. To identify the major sources of stress of employees in the company.
2. To assess the level of stress experienced by the workers.
3. To identify the situations that cause stress among workers.
4. To understand satisfaction level and physical & mental strain of workers.

STATEMENT OF THE PROBLEM

Modern living has brought with it, not only immeasurable means of comfort, but also an overabundance of demand that tax human body and mind. Nowadays, everyone talks about stress. It is prevalent across all socioeconomic group of population. Not only just high pressure executives are its key victims but it also includes laborers, slum dwellers, working women, businessmen, professionals and even children.

Stress is the anticipated and unavoidable element of life due to ever increasing complexities and competitiveness in living standards. The speed of change in humankind today is certainly overwhelming and breathtaking. In the fast changing world of today, no individual is free from stress nor is any profession stress free.

LIMITATIONS OF THE STUDY

- The study is confined to limited period i.e. 45 days
- Some of the respondents were unwilling to answer the questions.
- Most of the respondents hesitate to give their personal details related to stress
- The sample size chosen is covered only a small portion of the whole population of sterling holidays
- The study is limited with the permanent employees.

SCOPE OF THE STUDY

- The organization have now realized the importance of stress management however, they focus on the reduction or management of the job related stressors alone, but the impact of personal stressors like family and social commitments do have a bearing on the emotional stability and physical ability of the employee.
- It is just not enough to treat the causes but the consequences of stress one physical, emotion and behaviors areas also require due attention.
- In this way, this study could be extended so as to include the personal stresses and the consequences of the stress may those be identified so as to enable the employee is the better management of their response to stressors.
- Considering the role of worker the data can be obtained at different stages of the schedule of work and the variations in the stress level can also be studied.

RESEARCH METHODOLOGY

Research in common parlance refers to search of knowledge. Business research can be defined the systematic enquiry whose objective is to provide information to solve managerial problem.

RESEARCH DESIGN

It is the arrangement of conditions for collection and analysis of data in a manual that aims to combine relative to the research purpose with economy in procedure. The research design is the conception stature for the collection, measurement and analysis. The nature of study is a descriptive research. It studies those, which are concerned with describing the characteristics of a particular individual or of a group.

SAMPLING DESIGN

The sample design that has been under taken is convenient sampling.

METHODS OF DATA COLLECTION

The task of data collection begins after a research problem has been and research design or plan chalked out.

PRIMARY DATA

Primary data are those, which are collection afresh and for the first and thus happen to be original in character. The primary data is collected through questionnaire method. In this method, questionnaire is sent to the presence concern with request to answer the question and return the questionnaire. A questionnaire consists of number of questions printed or typed in a definite order on a form or set of forms.

SECONDARY DATA

Secondary data means, data that already available. They refer to the data is have already been collected and analyzed by someone else. Secondary may either be published data or unpublished data usually data available in technical and trade journals, reports and publication of various association connect with business and industry, letter, research work.

TOOLS FOR DATA COLLECTION

The data collected through questionnaires were analyzed using

- ✓ Simple percentage method,
- ✓ Chi-square method and
- ✓ Ranking analysis.

TABLE 1: SIMPLE PERCENTAGE METHOD

Variables	Category	Percentage	Variables	Category	Percentage
Age	20-30	33.6	Opinion regarding the excessive work overload	Strongly Agree	30
	30-40	35.2		Agree	20
	40-50	29.6		Neutral	25
	50 above	1.6		Disagree	40
Gender	Male	65.6	Opinion regarding the time pressure & deadlines	Strongly Disagree	5
	Female	34.4		Strongly Agree	40
Marital status	Married	42.4		Agree	25
	Unmarried	57.6		Neutral	20
Qualification	Diploma	29.6		Disagree	10
	Engineer	32		Strongly Disagree	5
	Graduate	25.6		Opinion regarding the conflicting job demand, loyalties	Strongly Agree	20
Experience	Post graduate	12.8		Agree	40
	0 – 3	20		Neutral	25
	3 – 7	42.5		Disagree	7.5
	7 – 10	21		Strongly Disagree	7.5
Salary	10 above	16.5	Opinion regarding the physical and mental hard work	Strongly Agree	45
	4000 – 8000	47		Agree	20
	8000 – 15000	13		Neutral	21
	15000 - 20000	33.5		Disagree	9
	20000 above	6.5		Strongly Disagree	5

CHI SQUARE

TABLE 2: CROSS TABULATION BETWEEN GENDER AND STUDY VARIABLE

VARIABLES	CHI SQUARE	SIGNIFICANT/NOT SIGNIFICANT	REMARK
Number of dependents on your income	.331	NOT SIGNIFICANT	ACCEPT
Experience of the respondents	.888	NOT SIGNIFICANT	ACCEPT
Excessive work overload	.092	NOT SIGNIFICANT	ACCEPT
Time pressure and dead line	.688	NOT SIGNIFICANT	ACCEPT

INTERPRETATION

From the above table it could be inferred that the hypothesis is accepted, hence there exist no significant relationship between Gender and study factor at significant, except all variables only very less % of the dependent variable (The value) can be explained by independent variable (gender).

TABLE 3: CROSS TABULATION BETWEEN AGE AND STUDY VARIABLE

VARIABLES	CHI SQUARE	SIGNIFICANT/NOT SIGNIFICANT	REMARK
Conflicting job demand loyalties	.240	NOT SIGNIFICANT	ACCEPT
Existence of rumours and gossips	.004	SIGNIFICANT	REJECT
Existence of sex discrimination and prejudices	.054	NOT SIGNIFICANT	ACCEPT
Administration and paper work	.430	NOT SIGNIFICANT	ACCEPT

INTERPRETATION

From the above table it could be inferred that the null hypothesis is rejected, as there is a significant relationship between age and the existence of rumors and gossips @ 5% level of significance.

RANKING ANALYSIS

TABLE 4: SHOWING PROBLEM FACED BY THE EMPLOYEES

S.No	Problems	Total	Rank
1	Less time to spent with family	972	VI
2	Physical strains	958	VII
3	Low morale and work force	1000	V
4	Job is too stressful	1032	I
5	Distance from place your reside	1027	II
6	Too much criticism	1006	IV
7	No opportunities for advertisement	1023	III

Source: Primary Data

INTERPRETATION

The above ranking analysis shows that job is too stressful (Rank 1) is the most problem faced by respondents from sterling holidays. Its followed by after distance from place your reside (2), no opportunities for advertisement (3), too much criticism (4), low morale and work force (5), less time to spent with family(6), physical strains(7).

The major of respondents stated that job is too stressful is the common problem faced.

REVIEW OF LITERATURE

“Salve Hans in 1936” The concept of stress was first introduced in the life science (Salve Hans in 1936) It was derived from the Latin word ‘stringers it means the experience of physical need, malnourishment, agony and pain. Stress means “the non-specific response of the body to any demand placed upon it”. Further, stress was defined as “any external event or internal drive which threatens to upset the human being stability”

"Stephen Robbins in 1999" Stress has been stated by Stephen Robbins (1999) as "a dynamic condition in which an individual is confronted with an opportunity, constraint or demand related to what he /she desires and for which the outcome is perceived to be both uncertain and important". Stress affect not only our physical health but our mental well –being too.

"Burns in 1990" The first part of this report will deal with the nature of stress and its impact on the mental and physical health of people. In the second part the review of literature will provide different strategies for improving our ability to deal with stressful situations.

"Weihrich and Koontz, 1993" is an adaptive response, mediated by individual differences and/or psychological processes, that is, a consequence of any external (environment) action, situation, or event that places excessive psychological and/or physical demands on a person. (Weihrich and Koontz, 1993)

"Murray & Lopez, in 1997" In the Global Burden of Disease study. It was predicted that by the year 2020 depression would be second only to heart disease. That report also indicated that mental disorders, and alcohol-use disorders, were linked to disability and death by suicide.

FINDINGS

- Majority 31% of the respondents are neutral.
- Majority 29% of the respondents are having neutral opinion with the statement.
- Majority 45% of the respondents strongly agree.
- Majority 44% of the respondents strongly agree for face conflicting demand from superiors.

SUGGESTIONS

- ❖ It is very difficult to work in continuous shift. The company can avoid such situation.
- ❖ The company can try to increase the employee earnings and improve their present working conditions.
- ❖ The workload of the employees can be reduced by the company for reducing the stress of employee.
- ❖ Company should provide the feedback for the employee's performance. It helps in reducing the stress level of employees.
- ❖ Management should provide adequate infrastructure facility. It will help in reducing the stress of employees.

CONCLUSION

Discuss stress and its management are should understand that this is not the exhaustive list of the stress factors and various techniques. Stress can be confronted and reduced if and only. If we understand ourselves better, analyze the behavior and identify the stressors. The stress management techniques will work if we are honest with ourselves and adopt the techniques in their fullest spirit.

The project was carried out in STERLING HOLIDAYS Pvt. Ltd. It was an attempt to study the roles stress among employees in the company and to evaluate the overall satisfaction level of employees towards the stress provided in the company. The descriptive research design, chi-square and correlation test are used.

From this data analysis, I have given few suggestion regarding the role of stress, more improvement in the company is supportive (physically, emotionally and (financially) in case of illness, accident, bereavement etc.

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