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A COMPREHENSIVE STUDY OF THE HUMAN RESOURCE PRACTICES OF THE CONSTRUCTION SECTOR IN TAMIL NADU

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ABSTRACT

For organization of any size and scale, Human Resource Management (HRM) is a critical function in general and this function comes along with its own set of complex issues and challenges specific to this sector. The management decided to diversify their business portfolio by entering into Real estate Construction projects sector and believed that a complete study on Human Resources (HR) challenges and practices in the Construction industry is still in the nascent stage at this point in time. The success of any project is a direct reflection of the skills of the workers who completed it and the managers who supervised it. In building and maintaining a strong workforce, businesses in the construction industry face several unique human resource challenges, including a lack of qualified candidates to fill open positions, high employee turnover, perpetual safety concerns, and the burden of complying with employment laws. The issues are far-reaching and diverse, and due to other factors such as notice periods and other aspects and thereby, it becomes imperative that a skilled HR team would be required to be integrated into the management framework from the very beginning. There were two main phases in this project – Primary data collection phase to gather data from the target group through interviews and questionnaires and Secondary data collection phase consisted of a comprehensive Literature Review on the current studies in this area. The Primary and Secondary data were analysed for key issues and practices pertaining to administering the human resource functions. These suggestions were presented to the management and they had given a confirmation that they would use this report as a reference document while framing their HR Policies for the upcoming new Real Estate construction business.

KEYWORDS

HRM practices, real estate sector, construction industry.

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INTRODUCTION

Construction is an essential part of any country's infrastructure development. Construction industry, with its backward and forward linkages with various other industries like cement, steel, bricks etc. catalyses employment generation in the country. Broadly, Construction can be classified into 3 segments namely Infrastructure, Industrial and Real Estate. Infrastructure segments involve construction projects in different sectors like roads, railways, ports, irrigation, power etc. Industrial construction is contributed by expansion projects from various manufacturing sectors. Real estate construction can be sub-divided into residential, commercial, malls, multiplexes etc. The construction industry operates on the basis of contractual agreements. Over the years different types of contracts have been developed. It mainly depends on the magnitude and nature of work, special designs needs annual requirements of funds and complexities of job. Construction projects can be materialized through a number of smaller contracts that mainly depends upon size of the project and diversified nature of activities to be carried out in the project. As a result, Subcontracting is a common phenomenon in the construction industry. The sector also faces headwinds in oil exporting countries, as oil prices are decisive for infrastructure investments. According to statistics, in the United States, the sector could be reinforced by the decision of the new government. Some countries continue to face difficulties on inflation (China) while others have weathered the storm (France, Spain).

REAL ESTATE IN INDIA

With increasing Globalization and supporting policies of the Indian government, Real estate in India has attracted a huge attention globally from investors and developers. With a contribution of around 6.3% to the Gross Domestic Product (GDP) of the country, it stands second in employment generation. Research shows that in the next one decade, the sector may touch US\$ 25 billion FDI from the present US\$ 4 billion. This huge investment may be attributed to the factors like increasing income of the people, increasing urbanization, migration to urban areas, infrastructure development, trend of nuclear families and increasing housing demands. It is also estimated that with these high investment inflows the annual revenues during 2020 may increase to US\$ 180 billion.

REVIEW OF LITERATURE IN THE AREA OF STUDY

A Comprehensive Literature review was done by referring to various research papers, articles, websites and books. The focus of the secondary research exercise was to understand the current HR challenge and practices specific to the Real Estate construction sector.

Mehrdad Arashpour and Mohammadreza Arashpour (2015) their research paper was to introspect the changing construction labor market in Hong Kong. The research addresses the important labor resource context related to the construction industry, including the trends of the critical indicators of the labor market in construction and the implications of the changing markets and technology on the future pattern of skill requirements and the government policies on construction personnel. Primary research was done using questionnaires to measure HR effectiveness, Historical perspective of the professions, Values, Principles, Organizational Maxims, and Culture, Talent sourcing of HR professionals and executives and Key challenges to HR in construction industry. HR is a member of the top-level management team in the construction firms with the head of HR reporting to the CEO, and is more focused on the strategic and long-term activities of the firm including strategy formulation, organizational design, leadership and organizational development. In the construction environment, there was a noted preference for informal performance management characterized by frequent dialogue as opposed to formal annual reviews that are highly structured and documented. Additionally, in the construction firms, the general management development is relatively unstructured culture plays a role in an organization. With increased outsourcing and splitting off of the administrative functions of HR, studies have suggested new measurements of HR effectiveness are required. HR departments can no longer rely on traditional measurements of transactional activities. Indeed, most of the data indicated that many in the profession are making this transition. Malkani Z.A.K. and Kambekar A.R (2013) research paper focuses on the identification of HRM related issues within the construction company. The main focus was on the human resource practices that are generally pursued in the Indian construction industry, availability of skilled labor and formal or informal method or forms commonly adopted for the management of the human resource. Research methodology tools were used to gather information from the target group. Some of the major issues of discussion were about the hiring of the right people, developing the right process, helping employee develop right skills, motivating and retaining the workforce, creating culture of innovation and Succession planning. Majority of the construction companies have separate department for management of their human resource and the department is designated as human resource department. The main function of this department is recruitment, selection, attendance, salary fixation, rewards etc. Almost all the companies have human resource policy but the average rating for formal procedure was low. Out of all the companies having human resource policies only a few companies were identified with combination of implicit and explicit policy.

The most critical issue in management of human resource is motivating and retaining the workforce and hence our study indicates that keeping human force motivated throughout the service span has to be given the highest priority. This issue is followed by hiring the right employee, developing the right process of recruitment, helping employee develop right skill, creating culture of innovation and the last priority observed was succession planning. Training for upgradation of skills and knowledge is the major issue in current scenario due to faster development in the technology. It was observed that many companies do not have specific training module and program for the workforce. It was observed that though most of the companies have a separate department for managing their human resource only few companies follow the formal practices completely. On the other hand, in most companies formal HRM systems tend to be under-utilized. Adrian Wilkinson, Stewart Johnstone and Keith Townsend (2012) research paper focuses on managing people in the construction sector that is labor intensive and recognizes that the way employees are managed can have important implications for organizational performance. This could even be a differentiator between successful and unsuccessful organizations. The main focus was on the micro and macro perspectives on elements of Human Resource Management across three dimensions namely human focus, resource focus and management focus. The sector is distinctive in terms of the extensiveness of subcontracting and outsourcing arrangements have been central to business recipe of the industry worldwide for some time. Human focus places a strong emphasis on employee rights, needs and well-being. This perspective is evident in developments in the areas of occupational health & safety, grievance management, work design, work-life balance, equality and diversity. Core workers in the construction sector are likely to be highly regarded permanent employees, to be well paid and enjoy good career prospects. They involve in key business activities. Peripheral workers, on the other hand, provide high flexibility in terms of number of staffs working at a particular time and the amount of hours worked. Both the categories needs to be addressed based on the requirement of projects.

Nicola King, Andrew D.F.Price and Andrew R.J.Dainty (2014) their research paper examines the multi-faceted nature of the Strategic Human Resource Management function and particularly the perspectives of employee relations. The need for more strategic approaches to HRM in the Construction industry is evident when examining the sector's reliance upon- virtu contracted labor and multi-organizational project delivery structures. It is believed that small firms account for a significant part of economic activity in a country. Almost 97% of firms employ fewer than 20 employees and over 99% fewer than 100. Though small firms dominate the construction industry, it remains unclear as to how effectively construction SMEs aligns their HRM activities with their strategic needs. Business decision-making processes in organizations should encourage the participation of employees i.e., type of work, verification & validation of projects etc. Such situation provokes formal methods of communication, staff meetings and social gatherings. Roles and responsibilities are different for all management employees. Matters that are considered to be more serious in nature are dealt with by directors and senior managers. Lower level issues and relationships are dealt by line managers. The management style for addressing grievances involves systems and processes that are to be dealt informally for providing effective solutions to the problems. Studies suggest that larger organizations and clear difference exist between larger and smaller organizations. An area of improvement in this sector would be to align closely the employee relation strategies between organisation goals and employees in order to improve organizational performance.

OBJECTIVES OF THE STUDY

The objective of the Project work was to study, understand and analyze the current Human Resource - Challenges, Practices and Policies in the Real estate construction business and provide relevant recommendations on them. This Project report will be taken as a reference document by Aquoion to frame their HR Policies in their Real estate construction division.

SCOPE OF THE STUDY

The study is limited to Real Estate Construction sector in Salem, Tamil Nadu. All the 203 respondents for the survey, were part of the Salem District Industrial Association and Salem District Engineer Association, both these associations based out of Salem –Tamil Nadu. Observations, Findings and Recommendations made from the Project study will only be used by Aquoion as a reference document for framing their HR Strategy and Policies.

METHODOLOGY

Research methodology is the process used to collect information and data for the purpose of making business decisions. The methodology adopted in this project includes publication research, interviews and surveys. The primary data collection phase included distribution of questionnaires within the target group of HR professionals and Real estate Construction industry members (Managers, Engineers, Contractors and Technical staffs). Likert scales were used in the questionnaire degree of agreement with a statement or set of statements. Each level on the scale is assigned a numeric value or coding, usually starting at 1 and incremented by one for each level. Microsoft Excel software were used to analyses the data obtained. Unstructured Interviews with the HR Manager was also carried out to know about the policies and practices in the Real estate Construction sector. Data regarding the policies and practices with regards to the sector has been sourced from various articles and books. A Comprehensive Literature Review was done by referring to research papers related to HRM in Construction Industry.

SAMPLING DESIGN

The sampling technique used for this study is Convenience Sampling. Convenience sampling is a specific type of non-probability sampling method that relies on data collection from population members who are conveniently available to participate in study. Some of the advantages of Convenience Sampling are simplicity of sampling, ease of research and data collection can be facilitated in short duration of time. The population selected for this study included the members of the District Industrial Association and Salem District Engineer Association, which was around 4500. The sample size for the survey was 203 members from their database and the roles of those respondents are related to HR professionals and Real estate Construction industry members (Managers, Engineers, Contractors and Technical staffs).

TIME PERIOD COVERED

The duration for the entire Project work was 60 days. The time taken to finalize the Project design, Literature review, Objective formations, selecting dimensions to measure questionnaire formations, refining the questionnaire etc. was around 30 days and the data collection were carried out in 14 days.

TOOLS & TECHNIQUES FOR COLLECTION OF DATA

The primary data collection was done using questionnaires and responses were received from HR professionals and Real estate Construction industry members (Managers, Engineers, Contractors and Technical staffs). The primary structured questionnaire in this study consisted of questions regarding HRM policy and recruitment, selection and training methods adopted. Along with the questionnaire, there were face to face Interactions with a few HR managers to understand and analyze the awareness of HR practices in the Construction projects companies. Secondary data was collected from reviewed literature as applicable to the construction industry. The most important and relevant data sets were chosen to develop further correlation between primary and secondary data sets.

PLAN OF ANALYSIS FOR PRIMARY RESEARCH

The questionnaire has been designed to collect information for the following HR functions: Human Resource Planning, Recruitment and Selection, Training and Development, Performance Management, Compensation and Benefits, Career Management and Development, Employee Relations and Health, Safety & Environment. The Likert scale was used to assign value to each of those responses and derive observations on the level of awareness and maturity of HR Policies in Small, Medium and Large companies. The study also looked at the underlying factors for the following responses - Neutral, Partially agree and Partially disagree. For the purpose of analyses, the Microsoft Excel software has been used. The results of the analyses have been presented in the form of bar charts. Data regarding the HR best practices were retrieved from the comprehensive Literature Review related to HRM in the Real estate Construction projects sector. An in-depth analysis from various websites, articles and books was done to further support the study.

LIMITATIONS

Due to time constraints, the Primary data collection was limited to only 203 respondents within the sector. The Primary data collection has been conducted for selected respondents from a particular region in Tamil Nadu. Hence the inferences and findings of the analysis need not hold good totally for the Construction sector across Tamil Nadu as a whole or the country at large. In many companies, there were senior people who took care of multiple functions including Administration, Procurement, Material management and Human Resources. Since, many of them had limited knowledge on HR specific information, it was difficult to get specific HR information from them. The data collected may not be a representation of the entire population. This study was limited to the capacities and willingness of the respondents in appropriately answering the questions and hence the information provided by respondents may or may not be true.

ANALYSIS OF THE DATA

In Phase one of the Project, Primary data was collected from HR professionals and Real estate Construction industry members (Managers, Engineers, Contractors and Technical staffs) through survey research techniques namely questionnaires and interviews. Most of the personal interviews were to gather information about the HR activities, challenges and practices in the Real Estate Construction industry. The most important and relevant data sets were chosen and included for developing further correlation between primary and secondary data sets.

PRIMARY DATA COLLECTION ANALYSIS

A total of 120 completed responses were received from the target group and those responses were used for the analysis.

TABLE 1: RESPONDENTS BY COMPANY TYPE

Type of Company	Number of Respondents
Large	
Casa Grande	4
L&T	3
Prestige groups	2
Purvankara groups	2
Shoba Builders	2
Medium	
ARRS Builders	2
Landmark Builders	9
Mukesh Associates	2
SKS Builders & Promoters	2
Sri Krithika Builders	12
Small	
Balaji Builders	22
Chola Builders	20
Pugal Builders	14
Shabari Builders	14
Sona Builders	10
Grand Total	120

Source: Primary Data

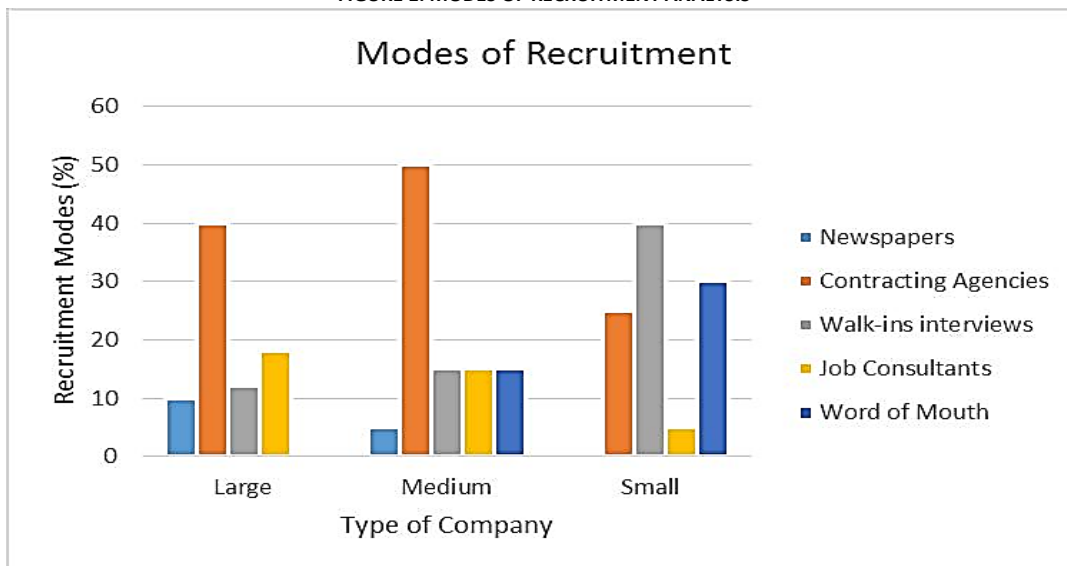
HUMAN RESOURCE PLANNING

The Primary data analysis revealed that all the companies have a formal system of Human Resources Planning in place and are able to forecast manpower as per the Business requirement. Many Organizations still face the challenge of having minimal planning time to create the right HR Strategies when the work is with multiple Contractors. Although there is long lead time from bidding to award in the constructions sector, the bids tend to be awarded to the contractors on a short notice. Many companies use a lot of contractors to supplement their existing manpower available on the site. The short notice to contractors reduces the scope to implement a proper HR strategy. Ideally, the entire project team should have the right skill mix to keep the project under control. Many companies are still in the process of developing policies for Contractors and these policies would define the skill requirements for each role, safety processes and trainings, which needs to be imparted on a regular basis.

RECRUITMENT AND SELECTION OF EMPLOYEES

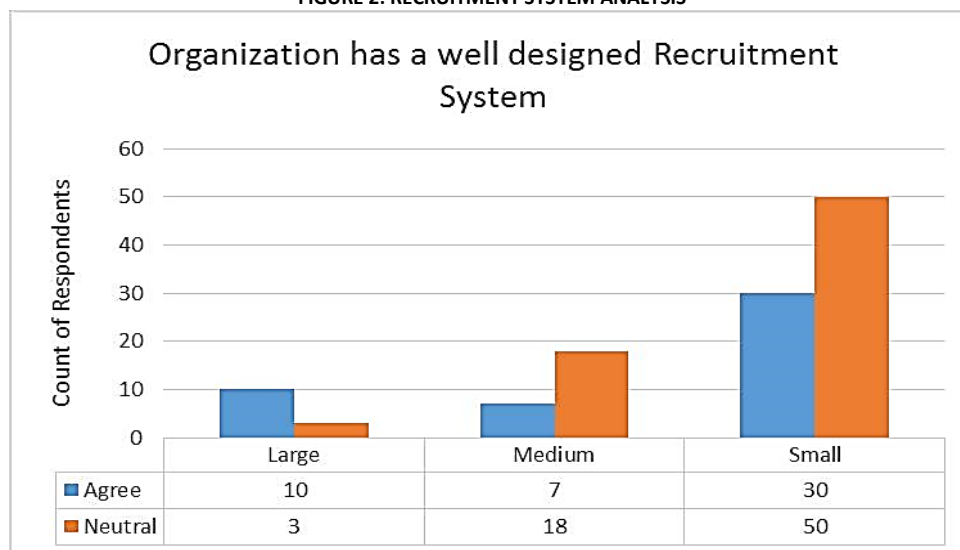
The construction industry requires specific skills that are often difficult to locate. HR managers in the construction industry must find qualified applicants for on a project specific basis. To facilitate the recruitment process, the HR manager for a construction company should come up with a clearly defined job description for each team member. Many companies have leveraged the most effective mediums for reaching their desired candidates such as social media/ job sites to post job descriptions that clearly explain the requirements of the position.

FIGURE 1: MODES OF RECRUITMENT ANALYSIS



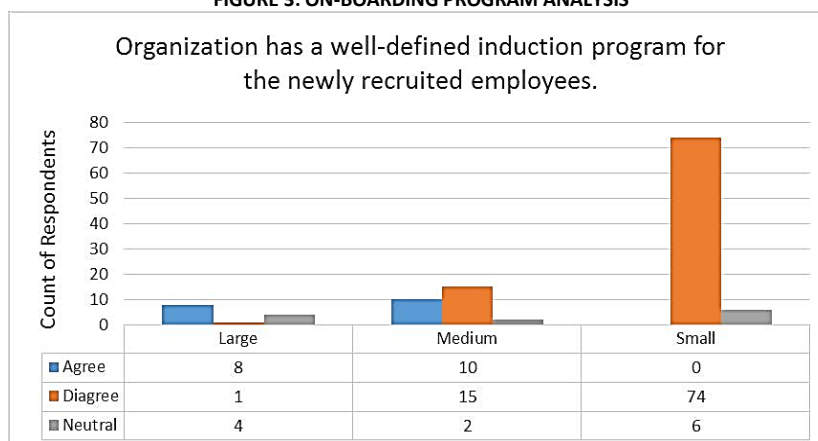
The Primary data analysis revealed that main modes of recruitment are contracting agencies and walk-in interviews. The small and medium companies also preferred to recruit through their association of engineers by word of mouth. It was noted that all the large organization has a structured recruitment system in place with proper documentation on Job descriptions compared to Small and medium organization. With multiple projects taking off simultaneously, it becomes imperative that people with right skill sets are chosen for managerial roles and technical roles.

FIGURE 2: RECRUITMENT SYSTEM ANALYSIS



The Analysis reveals that all the companies have a recruitment system but there were many respondents in the Small and medium companies who had given neutral responses. Interviews with the managers of small and medium companies revealed that those companies have a recruitment system but it was not properly followed by those involved in recruitment. With the rise of Contractors to perform specific technical work, the HR teams face a critical challenge to on-board the Contractors as fast as possible to make them work alongside the Organization's work Working with force different. Contractors and managing them is one of the challenges faced by the Companies today. As most of the projects executed on an ad-hoc bases, the construction workforce tends to be made up of transient contractors. With this approach, the overall workforce tends to work for longer hours, less overall control and constant work-life issues. Moreover, as staff turnover tends to be high on construction projects, this often piles on the pressure to the day to day workload. The rate of attrition is very high as much as 23% in large companies and 27% in medium companies.

FIGURE 3: ON-BOARDING PROGRAM ANALYSIS

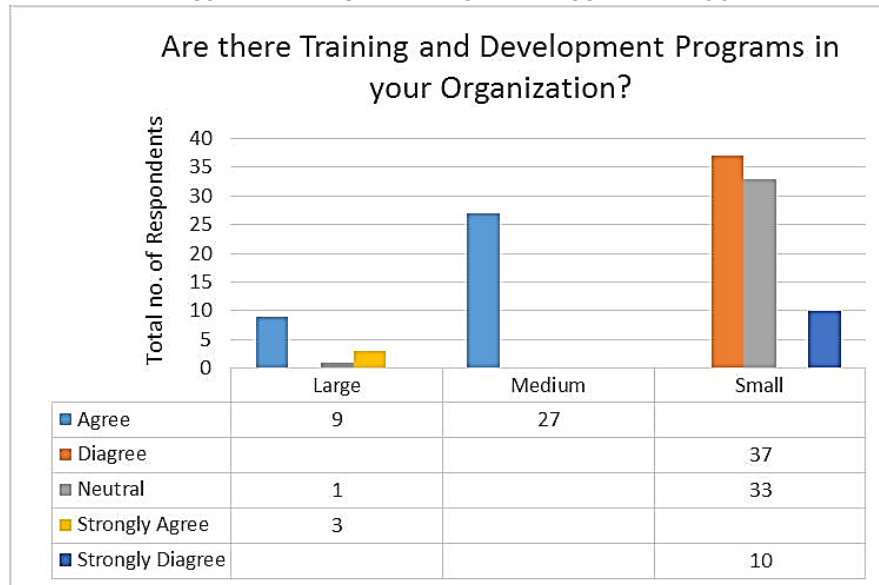


The analysis revealed that the Small and Medium companies did not have a well-defined induction program to on board the new employees and this can be attributed to lack of dedicated Human resource teams in these organizations. Although, all organization conducts tests and interview to access the candidates and their skills, only the large companies had a well-defined induction program for the newly recruited employees.

TRAININGS FOR TECHNICAL AND ADMINISTRATIVE STAFF

With the introduction of new types of materials for construction from manufacturers across the globe, training is essential for the workers on the field to understand the new ways of working. Apart from technical training, Managers would also needs to aware of the cultural aspects of working with people from different regions and make sure that they are utilized to their capacities. There are numerous training courses which are offered by companies and manufacturers but they are not available in all cities in India. In the current scenario, limited time is allotted for training classes leading to accidents on the work site. The HR team would need to manage the de-skilling and re-skilling of the labor force due to the introduction of new technology and strategies should be to create an innovative, responsive training delivery system to maintain skill currency that could be leveraged across all Projects. The HR department needs to come up with clear policies relating to training. It also should provide information about time off and compensation for off-site training.

FIGURE 4: TRAINING AND DEVELOPMENT PROGRAM ANALYSIS



It has been observed in the data analysis that none of the Small companies have Training & Development (T&D) programs for employees. Although, T&D Policies existed in large companies, Training has always been a major issues because of cost and the companies do not get a complete Return on Investment (ROI) by investing construction training courses. Any Training investments would neither lead to higher productivity or financial returns for the organization. This is evident as the Real estate construction workers are a transient workforce and do not stay with company for a longer period of time. In 80% of the large companies, employee’s Training & Dev identified through an annual performance appraisal mechanism and plans are established to address any gaps. Inspire of these efforts, the construction workers felt it was a time consuming process and there was insufficient or no interest among the workers to learn new skills. Most of administration teams take regular trainings on leadership skills and managing people. In IT sector, the customers check the skillsets of the delivery team before awarding a project and will scan the resumes of every person to make sure that they are the best people to work for the customer. Contrary to the IT sector, the customer of the Real Estate construction projects do not show much interest on skillsets possessed by the labors; rather they are only concerned about the project progress, timelines and costs.

COMPENSATION STRATEGY

One of the top challenges facing construction companies today involves devising the best compensation strategy to retain top talent while also meeting business goals. The Primary data analysis showed that 20% of the Small companies, 60% of the medium companies and all the large companies have compensation policies in place.

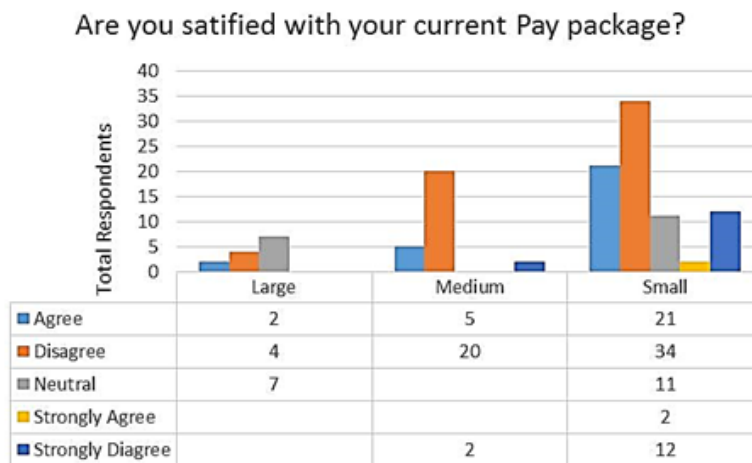
TABLE 2: PRIMARY DATA ANALYSIS ON PRESENCE OF COMPENSATION POLICIES

Type of Company	Policies exist for Compensation
Large	
Casa Grande	Yes
L&T	Yes
Prestige groups	Yes
Purvankara groups	Yes
Shoba Builders	Yes
Medium	
ARRS Builders	Yes
Landmark Builders	Yes
Mukesh Associates	Yes
SKS Builders & Promoters	No
Sri Krithika Builders	No
Small	
Balaji Builders	No
Chola Builders	No
Pugal Builders	No
Shabari Builders	Yes
Sona Builders	No

Source: Primary Data

In order for organizations to remain competitive, companies must aggressively pursue talent to increase productivity and profitability, leveraging human capital to maintain a competitive advantage. It becomes important to offer competitive pay and benefits, but ensure employees develop the right skills and also create a friendly environment to be able to develop and sustain its workforce.

FIGURE 5: COMPENSATION SATISFACTION ANALYSIS



It was observed that 70% of the employees in all companies are dissatisfied with their current pay and this would be another factor to become demotivated and underperform in their roles. With these responses, it cannot be concluded that compensation and benefits are lead, lag or medium as it does not represent the entire population set. Most companies tend to align their compensation structure to the Market rate and do not look to match pay for performance. To meet this challenge, companies, regardless of industry and size, must craft a clear and compelling strategy for implementing a well thought-out total reward/compensation plan to attract, retain and motivate key talent. This total reward strategy should integrate key components including Total compensation, Benefits, Work-life balance and Training, career and personal growth opportunities.

HIGH EMPLOYEE TURNOVER RATE

The Real estate construction section in India has seen a lot of inter-state moment of skilled and unskilled workers. These workers are hired in huge numbers on a temporary basis in various companies. Although, most of the construction workers are hired on a temporary bases for specific projects, they are highly prone to shift companies because of better wages and benefits. Construction companies understand this very well and have policies to retain them but unfortunately, Interviews with the HR Managers revealed that these policies are not well understood by the employees and they continue to shift companies. In 80% of the cases in large companies, construction workers are not provided an opportunity to exchange views with the top management and only in some cases, the top management is supporting of certain labor management strategies and goals. With numerous construction companies, another major challenge is to retain the construction workers in the company for a longer time.

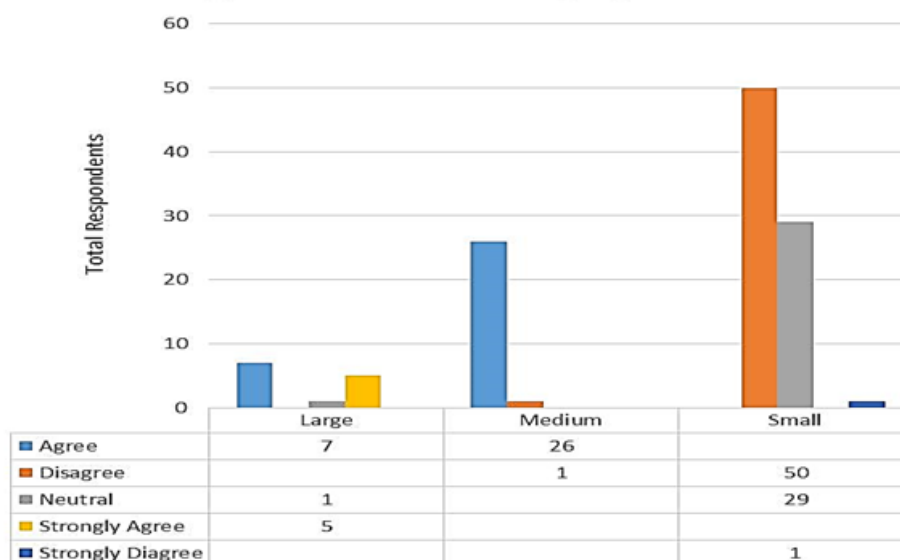
It was observed that large organizations recognizes the career growth needs of its employees and does career planning to meet objectives of both individuals and the organization but that's not the case with small companies do not have this function in place. One of the most effective steps that companies can take to keep employees engaged is to equip them with the tools they need to succeed such as training and development programs, establish communication channels etc. By empowering workers to achieve their full potential, companies will reduce turnover, improve safety, and boost productivity. HR Policies for employee retention should focus on incentive bonuses when a project milestone is reached. HR staff can also offer project-based incentives such as housing, automotive or tool allowances, and educational reimbursement for required certifications. And because much of the work is project-based, HR should develop policies on allowing extended vacation time between projects.

One HR strategy that can help construction companies retain valuable workers is to implement employee mentoring programs. These programs assist staff members in high stress jobs by allowing smaller tasks to be delegated to a junior member under their supervision. From a HR perspective, this improves employee retention by keeping employees invested in the success of their co-workers.

HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

Health and safety aspect is also a massive issue in the construction industry. Although the health and safety team should be ensuring best practice is followed, accidents still occur no matter how stringent the enforcement. Safety would be the prime concern for any construction company as any risk activity and workplace accident would lead to costs apart from affecting the brand reputation of the company.

FIGURE 6: HEALTH, SAFETY AND ENVIRONMENT PRACTICE ANALYSIS
Does your Organization recognize the career growth needs of its employees?



It was observed that most companies had policies and practices pertaining to employee's Health, Safety Interviews and with Environment the Managers (H revealed that only a few companies followed them. There was a strong disagreement from the employees of the small companies on the daily usage of HSE practices. Over the last few years, many companies have hired certified Quality, Safety and Environment managers to overlook the HSE activities that take place - before,

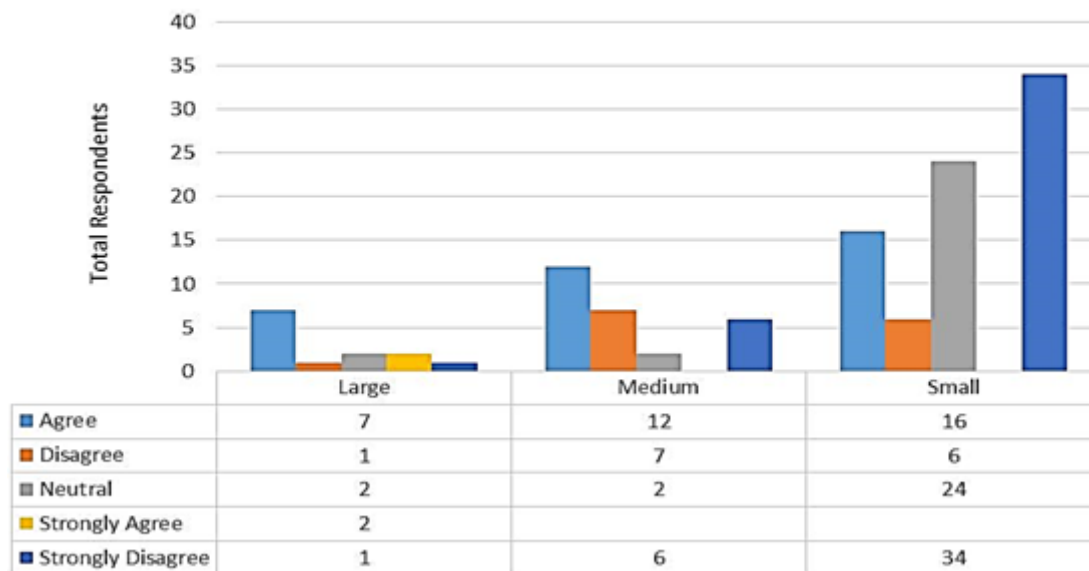
during and after the task. It has also been observed that QSE (Quality, Safety and Environment) role has been neglected in many companies and they tend to engage contractors for most of the work. Although the contractors have been given the mandate to follow the policies and guidelines, they do not tend to follow for the lack of time and cost. This negligence results in many direct and indirect costs include medical expenses, lost productivity as the injured worker heals, costs incurred in recruiting and training substitute workers, and the possibility of lawsuits stemming from the incident. Therefore, safety should be the paramount consideration at any worksite. All construction companies must have comprehensive safety plans in place, including regular training for all workers and clear protocols to follow in the event of injuries.

MEETING SKILLED LABOUR DEMAND AND SUPPLY

The entire construction Industry has a scarcity of skilled and experienced personnel to perform the activities effectively and specifically for Real Estate construction projects, every project carries different requirements and most of the companies struggles to find the right talents with the requisite skills, experience, and certifications. With a lot of problems related to the quality and quantity of resources assigned to projects in the recent past, some of the customers are also looking into the resumes of skilled personnel and have dedicated resources from quality of work performed by the resources. Another problem is the aging workforce and replacement of the loss of skilled trade’s in the coming years. All types of companies had most of their employees on contract basis so that they could be flexible enough to ramp up or down based on their project needs.

FIGURE 7: LABOR DEMAND SUPPLY ANALYSIS

Are Best practices pertaining to employee’s Health, Safety and Environment followed in the organization?



It was noted during the Primary data analysis that 60% of the organization are facing challenges with meeting skilled labor demand and supply. The Large companies have well defined contracts with the Contracting agencies, which would make them virtually exclusive of any labor shortage in the market. The Small and medium companies face a major challenge and they would have to resort to finding skilled workers in other states to meet the demand. For example, smaller construction companies often struggle to find management-level estimators, project managers, superintendents, engineers or administrative staff trained to process construction-specific documentation. Experienced craftsmen to head project field teams or divisions are also difficult to find.

USAGE OF SUB-CONTRACTORS

All types of companies would outsource part or majority of the work to contractors and that would save cost over the entire lifecycle of the project. The sub-contracting would help companies to focus on core activities and spend their time in administrative activities. The Contractors would bring labor to the construction site when needed and disengage them when it is no longer required after completion of the work. The HR Policies and benefits would not be applicable to sub-contractors and therefore would save time and cost for the companies.

In all the large companies and 20% of the medium companies, policies existed for sub-contractors to keep track of their performance. Some of the sections which are part of the Sub-contractor policies as follows: Scope details, Recruitment Profiles and Delivery Locations, Audit Procedures, Health & Safety, Sustainability, Quality Assurance, Performance management, Staff recruitment and development, Financial management, Contract Monitoring and Review and Contract Termination.

COST CONTROL METHODS

In one of the Real estate construction companies, a cost analysis is done by the admin department to check the areas where cost can be trimmed down and some of initiatives taken are shown below: Based on the appraisal report of employees during the progress of the project, the employee is referred for rewards. Promotions are based on talent recognition and even a meagre amount would help retain employees and increase their morale. It would be more expensive to poach employees from other companies. Employees who could not perform as per the expectations are trained and transferred to other departments and in case of continuous failures; they would ask the employee to leave the company. The recruitment team continuously checks in the market for basic remuneration packages for employees who possesses certain skill set and propose the standard pay or less to the prospective joiners. Have qualified and experienced personnel work on multiple projects. This is mostly done during the finishing stages or the starting stages so that they can provide a direction to the junior employees as well as check the finished project for any flaws and rectify them as soon as possible. This would help the company reduce cost of hiring new employees. For people working in the company for a long period of time, the salary and other benefits such as gratuity, promotion, bonus etc. are bound to increase. In those cases, the responsibility would be delegated to junior staffs with a minor pay raise, the person would be promoted with additional responsibilities, or they would be given an option for voluntary retirement.

For a project forecasted to begin in a few months, having the present manpower on payroll would add to burden of the company and increase the costs. At the same time, the employees are not asked to leave as they company, as this would lead to additional acquisition costs. There would also be some employees who have the environment knowledge and they would be difficult to replace. These employees would be given an option for Long leave without pay. Employees are ready to accept these options, as they would continue to enjoy other benefits (such as Insurance, Medical etc.). Another approach, which would compensate for the lost labour is by adopting prefabrication, standardization and modularization, and redesign of construction processes and the second approach would be to increase the available supply by retraining the existing labourers, developing multi-skilled labour, and through motivation and mechanization.

FINDINGS

The important findings from the analysis are as follows:

- Human Resource Management is still at nascent stage in the Real estate construction sector.
- Existence of a full-fledged HR department in companies was dependent on the company size (Small, Medium and Large). Small companies did not have a separate department for management of their human resources and the function was taken over by the Administrative team.
- Only large organizations have a structured recruitment system in place with proper documentation on Job Descriptions.
- Small and medium companies preferred to recruit through their association of engineers by word of mouth and Contracting agencies.
- Large companies have well defined contracts with Job contractors but Small and Medium companies face a lot of challenges to find skilled workers.
- In all the large companies and 20% of the medium companies, policies existed for sub-contractors. Lack of Sub contractor policies could have negative effects in Sub-contractor performance and also could lead to Legal hassles.
- All companies did not get a complete Return on Investment (ROI) by investing in Construction training courses. Trainings have neither led to higher productivity nor financial returns for the organization.
- Small and Medium companies did not have a well-defined induction program to on-board new employees/ contractors due to the lack of dedicated Human resource teams.
- Most of the small companies did not have a career growth recognition system leading to a high employee turnover rate.
- 70% of employees in all companies are dissatisfied with their current pay and this would be as a result of the Organization's unclear Compensation and Rewards programs.
- Primary data analysis showed that 20% of the Small companies, 60% of the medium companies and all the large companies have compensation policies in place. Small and Medium companies face the highest attrition rates.
- Health, Safety and Environment (HSE) Policies existed in all companies but only a few companies followed them. Companies that do not follow the HSE Policy guidelines have faced many direct and indirect costs.

RECOMMENDATIONS

The following recommendations have been suggested taking into account the current findings of the existing HR practices, existing HR Policies, current HR challenges in Real estate construction sector and standard HR Practices mentioned in this report. Frame new HR Policies for the Real estate construction business by leveraging existing HR Policies and Standard HR practices mentioned in the Report. The new policies (specifically the Training & Development and Compensation policies) could take into account the specific challenges related to Real estate Construction sector. Aquoion may consider leveraging the Organizational chart, which was created, based on interaction with the various internal stakeholders. Aquoion could adopt the HR cost control techniques mentioned in this report. Aquoion could look at the alternate approaches to compensate for shortage of Labor staff and those approaches are mentioned in this report. Aquoion may consider to increase the minimum budget allocation for IT Systems of Human Resource management and this could lead to effective tracking of Employees and Projects. Aquoion could look at translation of HR documents in their native language as most of the employees did not understand them, leading to poor involvement of employees towards various HR initiative. Aquoion could look at investments in employer branding, which is the process of cultivating a positive reputation as an employer. Businesses with strong employer brands save time and money on recruitment because candidates are more likely to seek them out.

CONCLUSIONS

The Project report was created with main intention that Aquoion gets strategic view on the Industry, Competition, existing HR Challenges and Practices, which would be followed, by analysis, findings and recommendations. At a high level, the report provides extensive analysis for Recruitment and Selection of Employees, Meeting skilled labor demand and supply, Trainings for Technical and Administrative Staff, Usage of Sub-contractors, Human Resource Planning, Health, Safety and Environment Issues, High employee turnover rate over, Compensation strategy and Cost control methods. These details would help Aquoion understand the current situation of the Real estate construction business and take an informed decision while creating their HR Strategy. The report in its entirety could be used to frame the HR Policies for the new Real Estate construction company. The scope for future study would be to have a detailed HR study for each of the HR functions including Human Resource Planning, Recruitment and Selection, Training and Development, Performance Management, Compensation and Benefits, Career Management and Development, Employee Relations, Health, Safety & Environment.

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A STUDY ON CURRENCY FLUCTUATIONS IMPACT ON GOLD PRICE DETERMINATION IN SELECTED COUNTRIES (2005 TO 2015)

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ABSTRACT

The present study has been emphasized on high gold imported countries in the world from 2005 to 2015. The project aim of the analysis is to identify the influence of inflation and currencies of the selected countries. The kendels bivariate correlation result reveals that Hong Kong, Korean, Mexico countries gold prices are strongly negative correlation with the international gold prices. The regression weight estimation indicates that the Singapore country currency failed to influence the its gold prices. The inflation of these countries is significantly influencing the gold prices. The vector auto regression predicted the British gold price is expected to go up comparing with other country gold prices. This project study will be useful to the investors of gold.

KEYWORDS

inflation, currency.

JEL CODES

P24, P44, E4.

INTRODUCTION

During the Gold Standard, gold's price depended upon its purchasing power and whenever there are paper currencies, they were measured against gold. However, the World Wars have resulted in paper currency inflation forcing all countries to abandon the Standard. That was when gold lost its role as currency. Then came the Bretton-Woods Accord of 1944, which made the US dollar convertible to gold at a fixed rate and establishing it as the world's reserve currency. The fixed rate of US dollar to gold has allowed the United States to inflate the paper currency without recourse. It was then set by decree by Franklin Roosevelt in 1934 that gold was worth \$35 an ounce.

During the Great Depression Era, the US government needed increased spending in order to boost the economy. They did this through creating inflation so people would spend more. To create inflation, the government had to devalue the dollar but devaluing the dollar at the time did not necessarily lead to an increase in spending since gold was still considered as money. Therefore, Roosevelt forcedly declared that it was illegal to own gold in 1933, which made it free for him to print as much paper money as possible. During the time of 1933, the gold price was fixed at \$20.67, which meant that \$20 gold coin contained 0.9675 ounces of gold. After the declaration was made, citizens were forced to exchange their gold for paper money in dollars at this rate therefore leaving the government with abundance of gold. The next year, Roosevelt announced the gold price at \$35 an ounce, which instantaneously devalued the paper dollars. We can see that the devaluing of the dollars will somehow have certain effects on the gold price and the government had full control over its price; whenever the reserve depletes, the government is able to devalue the dollar and vice versa.

Gold in other currencies work closely with how the currencies move in general. Its price in terms of any other currency is easily calculated by multiplying the dollar gold price by the exchange rate of the currency. An inflated currency will usually affect the gold price to go up; so for example, if there was an inflation of the dollar, which means less buying power, the gold price will go up. The gold price is always quoted in US Dollars since this currency has become the reserve currency of the world. This reserve currency came about rising from two reasons – one, it was convertible to gold and two, the dollar is in demand to settle international transactions since the United States holds the world's largest economy.

In the conference where Tun Dr. Mahathir suggested gold to become a currency, he also urged that gold be used to settle international settlement in the first place. Now that predictions are pointing to the weakening of the US Dollar, there are questions on whether the Euro could become the next reserve currency to control the economic situation. The introduction of the euro has made it level up with the dollar especially with the fact that Europe has its advantage of trade surplus as compared to United States' deficit condition.

Already in 2007, several countries have started to convert massive amounts of dollars to euro. We will see in the future that if demand for Euros rise further, the need for dollar will definitely decrease. This probably will end up in the massive increase of gold price but the question whether gold could become the worldwide currency is still unanswered. The emergence of gold to again become one of the important usages in the economic system has been enhanced with the advent of Islamic finance. This is because scholars who oppose the usage of fiat or paper money in today's world are strongly debating that gold should be the currency of the whole system regardless of location. This has been the case even before the coming of Islam, and in today's economic condition, there has been suggestions to go back to gold. One such suggestion was given by the former prime minister, Tun Dr Mahathir in an International Conference held in Kuala Lumpur. With his understanding of the exploitative nature of the current monetary system, he called for a return to the gold dinar so it would benefit more for the Muslims as it did in the times of the Prophet (pbuh). It is believed that with this system, Muslims could 'extricate themselves from the economic oppression and exploitation' (Hosein, 2007).

However, there are scholars who accept the use of paper money as long as it is backed by an asset, preferably gold. Why it is that gold is so much favored among the Islamic scholars? The answer lies within the characteristic of gold, which contains an intrinsic value or has a value in itself if compared to the paper money. The paper money wouldn't have any value if it were not backed by a certain asset since the value that is written on it is obviously not the value of the paper itself. Therefore, gold still wins over paper money in its characteristics. As Muslims, it may be easy to adopt this understanding when we have true faith without demanding any proof from the real economic data to show that gold could actually function well to serve the economy from the Quran and various Hadiths. However, in general, it is hard to persuade people into believing such thing when initially they do not believe the same thing as Muslims do.

Therefore, this study will try to use some relevant data to see how gold is actually performing and how far it could go from here. Many previous studies have delved into the movements of gold prices in connection to various other commodities, stock prices, and also to see which macro-economic variables actually gives bigger impact on gold. Most of them conclude that gold can function as a hedge against the dollar in most cases but none to the knowledge of the author has studied the movement of gold prices in terms of other currencies to see the correlation and volatility through different time frames and frequencies as used here with the wavelet technique. Therefore, this paper tries to show this through the pairing of various currencies in terms of gold price to see which of them tend to lead and lag in different time horizons.

OBJECTIVES OF THE STUDY

1. To study the relationship selected country's gold prices with international gold price.
2. To measure the inflation impact on gold prices of selected countries.
3. To credit the future movement of gold prices with currencies of selected countries.

SCOPE OF THE STUDY

The study as expected the price of 2005 to 2015 the following country currency for consider for the study process

Australian Dollar (AUD) - Australia
 British Pound (GBP) - United Kingdom
 Canadian Dollar (CAD) - Canada
 Hong Kong Dollar (HKD) - Hong Kong
 Japanese Yen (JPY) - Japan
 South Korean Won (KRW) - South Korea
 New Zealand Dollar (NZD) - New Zealand
 Singapore Dollar (SGD) - Singapore
 US Dollar (USD) - USA
 Mexican Peso (MXN) – Mexico

NEED OF THE STUDY

Many previous studies have delved into the movements of gold prices in connection to various other commodities, stock prices, and also to see which macro-economic variables actually gives bigger impact on gold. Most of them conclude that gold can function as a hedge against the dollar in most cases but none to the knowledge of the author has studied the movement of gold prices in terms of other currencies to see the correlation and volatility through different time frames and frequencies as used here with the wavelet technique. Therefore this project tries to show this through the pairing of various currencies in terms of gold price to see which country gold influencing with inflation and currencies, so that the investors of these country's can take inform decision.

RESEARCH AND METHODOLOGY

This study is based on the currencies of different countries and the international gold price.

The source for secondary data are as follows

- Internet
- Magazines
- News papers
- Journals

In this research the following software's and tools were used for analyzing the data they are:

1. E-views Software

EViews (Econometric Views) is a statistical package for Windows, used mainly for time-series oriented econometric analysis. It is developed by Quantitative Micro Software (QMS), now a part of IHS. Version 1.0 was released in March 1994 and replaced MicroTSP. The TSP software and programming language had been originally developed by Robert Hall in 1965. The current version of EViews is 9.0, released in March 2015.

2. SPSS Software

SPSS Statistics is a software package used for statistical analysis. Long produced by SPSS Inc., it was acquired by IBM in 2009. The current versions (2015) are officially named IBM SPSS Statistics. Companion products in the same family are used for survey authoring and deployment (IBM SPSS Data Collection), data mining (IBM SPSS Modeler), text analytics, and collaboration and deployment (batch and automated scoring services) The software name originally stood for Statistical Package for the Social Sciences (SPSS), reflecting the original market, although the software is now popular in other fields as well, including the health sciences and marketing.

Kendall's Tau-b

The Kendall Tau Rank Correlation Coefficient is used to measure the degree of correspondence between sets of rankings where the measures are not equidistant. It is used with non-parametric data

The Kendall coefficient is denoted with the Greek letter tau (τ).

$$\tau = (4P / (n * (n - 1))) - 1$$

Where P is the number of concordant pairs and is calculated as the sum over all the items, of items ranked after the given item by both rankings.

Kendall is used with two ordinal variables or an ordinal and an interval.

Before computers were commonly available, Spearman correlation was often used as a substitute as it was easier to calculate. Kendall is now often viewed as being a superior metrics.

The measure is sometimes just referred to as 'Kendall's tau'.

The main advantages of using Kendall's tau are as follows:

- The distribution of Kendall's tau has better statistical properties.
- The interpretation of Kendall's tau in terms of the probabilities of observing the agreeable (concordant) and non-agreeable (discordant) pairs is very direct.
- In most of the situations, the interpretations of Kendall's tau and Spearman's rank correlation coefficient are very similar and thus invariably lead to the same inferences.

Bi-variate Correlation

Bi-variate correlation is a measure of the relationship between the two variables; it measures the strength of their relationship, which can range from absolute value 1 to 0. The stronger the relationship, the closer the value is to 1. The relationship can be positive or negative; in positive relationship, as one value increases, another value increases with it. In the negative relationship, as one value increases, the other one decreases.

Pearson's correlation coefficient when applied to a population is commonly represented by the Greek letter ρ (rho) and may be referred to as the population correlation coefficient or the population Pearson correlation coefficient. The formula for ρ is:

$$\rho_{X,Y} = \frac{\text{cov}(X, Y)}{\sigma_X \sigma_Y}$$

where

cov is the covariance,

σ_X is the standard deviation of X.

The Spearman correlation coefficient is defined as the Pearson correlation coefficient between the ranked variables.

For a sample of size n, the n raw scores X_i, Y_i are converted to ranks rgX_i, rgY_i and r_s is computed from:

$$r_s = \rho_{rgX,rgY} = \frac{\text{COV}(rgX,rgY)}{\sigma_{rgX} \sigma_{rgY}}$$

where,

ρ denotes the usual Pearson correlation coefficient, but applied to the rank variables.

$\text{cov}(rgX,rgY)$ is the covariance of the rank variables.

σ_{rgX} and σ_{rgY} are the standard deviations of the rank variables.

GRANGER CAUSALITY TEST

Granger causality test is a statistical hypothesis test for determining whether one time series is useful in forecasting another. A time series X is said to Granger-cause Y if it can be shown, usually through a series of t-tests and F-tests on lagged values of X (and with lagged values of Y also included), that those X values provide statistically significant information about future values of Y.

AUGMENTED DICKEY-FULLER TEST

In statistics and econometrics, an augmented Dickey–Fuller test (ADF) is a test for a unit root in a time series sample. It is an augmented version of the Dickey–Fuller test for a larger and more complicated set of time series models. The augmented Dickey–Fuller (ADF) statistic, used in the test, is a negative number. The more negative it is, the stronger the rejection of the hypothesis that there is a unit root at some level of confidence.

JARQUE-BERA TEST

Jarque-Bera is a test statistic for testing whether the series is normally distributed. The test statistic measures the difference of the skewness and kurtosis of the series with those from the normal distribution. The statistic is computed as:

$$\text{Jarque-Bera} = \frac{N}{6} \left(S^2 + \frac{(K-3)^2}{4} \right)$$

where S is the skewness, and K is the kurtosis.

The Jarque-Bera test is used to check hypothesis about the fact that a given sample S is a sample of normal random variable with unknown mean and dispersion. As a rule, this test is applied before using methods of parametric statistics, which require distribution normality.

Standard Deviation is a measure of dispersion or spread in the series. The standard deviation is given by:

$$s = \sqrt{\left(\sum_{i=1}^N (y_i - \bar{y})^2 \right) / (N-1)}$$

where N is the number of observations in the current sample and \bar{y} is the mean of the series.

Skewness is a measure of asymmetry of the distribution of the series around its mean. Skewness is computed as:

$$S = \frac{1}{N} \sum_{i=1}^N \left(\frac{y_i - \bar{y}}{\hat{\sigma}} \right)^3$$

where $\hat{\sigma}$ is an estimator for the standard deviation that is based on the biased estimator for the variance $(\hat{\sigma} = s\sqrt{(N-1)/N})$. The skewness of a symmetric distribution, such as the normal distribution, is zero. Positive skewness means that the distribution has a long right tail and negative skewness implies that the distribution has a long left tail.

Kurtosis measures the peakedness or flatness of the distribution of the series. Kurtosis is computed as

$$K = \frac{1}{N} \sum_{i=1}^N \left(\frac{y_i - \bar{y}}{\hat{\sigma}} \right)^4$$

where $\hat{\sigma}$ is again based on the biased estimator for the variance. The kurtosis of the normal distribution is 3. If the kurtosis exceeds 3, the distribution is peaked (leptokurtic) relative to the normal; if the kurtosis is less than 3, the distribution is flat (platykurtic) relative to the normal.

VECTOR AUTOREGRESSION (VAR) TEST

The Vector Autoregression (VAR) is an econometric model used to capture the linear interdependencies among multiple time series. VAR models generalize the univariate autoregressive model (AR model) by allowing for more than one evolving variable. All variables in a VAR are treated symmetrically in a structural sense (although the estimated quantitative response coefficients will not in general be the same); each variable has an equation explaining its evolution based on its own lags and the lags of the other model variables. VAR modelling does not require as much knowledge about the forces influencing a variable as do structural models with simultaneous equations. The only prior knowledge required is a list of variables, which can be hypothesized to affect each other intertemporally.

LIMITATIONS OF THE STUDY

1. The study had considered only 10 countries, which imports highest gold.
2. The present study had considered only two economic factors (currency and inflation).
3. The short term impacts may not be reflected due the annual average of variables in the study.

REVIEW OF LITERATURE

Gold price movements in selected currencies

(SharifahFairuz Syed Mohamad, INCEIF)

Investment in gold has been in demand for the past few years especially in hedging strategies. At the same time, various calls for gold to go back to its historical function even before the coming of Islam have been popular among Islamic scholars due to its characteristic of having intrinsic value as compared to the fiat money enhancing the argument for those supporting gold as a currency. Many studies have been dedicated to the relationships between gold and various commodities and suggesting gold as a hedge against the dollar. This study intends to see the relationship of selected currencies in the price of gold to see the movements and how gold has been performing in different sectors. The wavelet approach is used to show the different movements of paired currencies (US index-US Gold, US Gold-Euro Gold, US Gold-Ringgit

Gold, and Euro Gold-Pound Gold) in terms of their gold price in different time horizons (time scales). The findings of the study are of benefit to gold investors especially for diversification and investment purposes.

The main research objective of this paper is to see the relationship in terms of lead and lag times of the gold price in two different currencies at a time. This is to test whether it is true that:

- 1) The US dollars in terms of gold price follows the movement of the Dollar Index inversely
- 2) The Malaysian Ringgit follows the US Dollars in terms of gold price
- 3) The Euro follows the US Dollars in terms of gold price
- 4) The Pound follows the Euro in terms of gold price

Computations on volatility and correlation among the pairs will also derive information on whether there are any investment benefits of trading gold in selected currencies.

CONCLUSIONS

We have shown through the wavelet approach that gold in terms of different currencies move differently in different time horizons. From the correlations in this study, we have found negative relationships between the US Index and US gold price, between the US gold price and Malaysian Ringgit gold price and between the US and Euro gold price. Whereas only between the Euro and Pound gold price, we see a positive correlation that shows these currencies move together, which adheres to intuition. From these findings we can conclude that we cannot generalize that the US index will always influence the US gold price to move up and down, although at some point in time, they do actually look like one is the follower and one is the leader. And from the US-Ringgit relationship in terms of gold prices, we conclude that there are possible diversification strategies to benefit from which is indicated from the negative or low correlation. While for the stronger currencies, there is also room for the Euro to become the next reserve currency if it is true, as the speculators are seeing the down-going of US dollars and at the same time, its price in gold has been moving quite consistently with the US and Pound prices.

In terms of Islamic financial perspective, it can be said from this limited research that gold does have a bright future seeing that it allows for diversification of assets and minimizing risk with the right combination of currencies as for example the US and Ringgit prices of gold. At the same time, if demand for gold were to increase in the next years or so, there will be enhancement on the trading of gold in different currencies and thus could become a currency itself and possibly take over the fiat money era.

DATA ANALYSIS AND INTERPRETATION

OBJECTIVE 1

To study the relationship of selected country's gold prices with international gold price.

TABLE 1

Kendall's tau_b	AUS	BRITISH	CANADA	HONGKONG	JEPAN	KOREA	NEWZEALAND	SINGAPORE	USA	MEXICO	GOLD
AUS	1										
	.132										
BRITISH	.328**	1									
	0	.132									
CANADA	.811**	.321**	1								
	0	0	.132								
HONGKONG	-.712**	-.195**	-.730**	1							
	0	0.002	0	.132							
JEPAN	.650**	.146*	.669**	-.654**	1						
	0	0.013	0	0	.132						
KOREA	-.716**	-.256**	-.751**	.818**	-.603**	1					
	0	0	0	0	0	.132					
NEWZEALAND	.765**	.404**	.710**	-.643**	.548**	-.652**	1				
	0	0	0	0	0	0	.132				
SINGAPORE	.743**	.389**	.832**	-.742**	.655**	-.743**	.723**	1			
	0	0	0	0	0	0	0	.132			
USA	1.000**	.328**	.811**	-.712**	.649**	-.717**	.765**	.743**	1		
	0	0	0	0	0	0	0	0	.132		
MEXICO	-.636**	-.281**	-.679**	.805**	-.587**	.767**	-.549**	-.699**	-.636**	1	
	0	0	0	0	0	0	0	0	0	.132	
GOLD	.678**	0.052	.651**	-.731**	.666**	-.681**	.496**	.584**	.678**	-.655**	1
	0	0.378	0	0	0	0	0	0	0	0	.132
	132	132	132	132	132	132	132	132	132	132	132

Interpretation

The above analysis of Kendall's tau-b (tb) correlation coefficient of bi-variate has been applied on select country gold prices. Hong kong korea mexico are the observed strongly negative correlation with gold the rest of the selected country prices are having positive correlation.

OBJECTIVE 2

To measure the inflation impact on gold prices of selected countries

TABLE 2

Model Summary	
Multiple R	0.972
R Square	0.945
Adjusted R Square	0.943
Std. Error of the Estimate	1.59E+04
Log-likelihood Function Value	-777.315

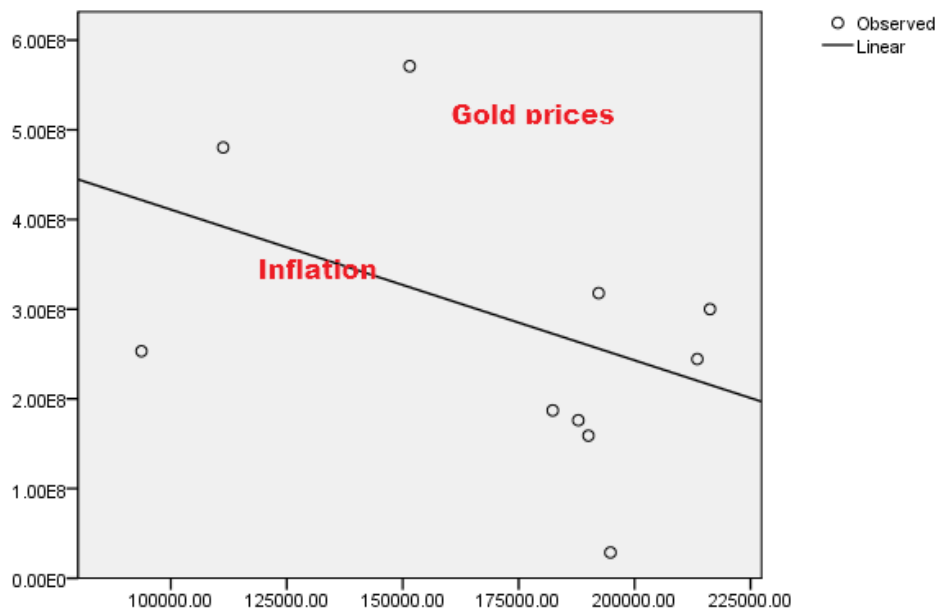
TABLE 3

	Unstandardized Coefficients		Beta	Std. Error	t	Sig.
	B	Std. Error				
(Constant)	1344.321	129.548			10.377	0
AUS	35.154	4.349	0.83	0.103	8.083	0
BRITISH	-15.005	1.283	-0.455	0.039	-11.694	0
CANADA	-19.458	5.53	-0.357	0.101	-3.519	0.001
HONGKONG	-1860.779	253.971	-0.358	0.049	-7.327	0
JAPAN	1014.329	182.905	0.272	0.049	5.546	0
KOREA	-16.442	4.234	-0.418	0.108	-3.883	0
NEWZEALAN	-66.365	3.684	-1.169	0.065	-18.012	0
SINGAPORE	0.081	4.804	0.002	0.096	0.017	0.987
USA	68.759	3.914	1.425	0.081	17.568	0
MEXICO	-591.804	271.934	-0.169	0.078	-2.176	0.031

Interpretation

The above analysis of regression weight estimation result reveals that probability values are observed to be significant which is > 0.05. The R square value is observed to be 94.5% > 60%. All the selected countries gold prices are influenced by the inflation except Singapore country's gold price.

GRAPH 1



Interpretation

The above graph depicts the inflation influence on gold prices of selected countries. The linear graph shows that the trend line of inflation is moving down, almost all countries gold prices influenced by the trend line, the observed values are fallen in scatered form.

OBJECTIVE 3

To predict the future movement of gold prices with currencies of selected countries.

TABLE 4

Gold	a	b	x	y
Aus	1069.945	-573.533	37.76225	-20588
British	1069.945	658.7438	5.043613	4392.394
Canada	1069.945	-958.838	44.44668	-41547.2
Hongkong	1361.68	2515.795	-11809.6	-3E+07
Japanese	1069.945	-645.727	3416.207	-2204867
korean	1758.491	2690.793	-85.9442	-229500
Newzealand	1069.945	-133.62	32.71326	-3301.2
Singapore	1069.945	-210.175	35.42283	-6375.05
Usa	1069.945	-572.713	37.74719	-20548.4
Mexico	1361.68	2419.752	-6537.11	-1.6E+07

Interpretation

The above table depicts the regression equation to predict the future movement of the selected countries gold price. The British gold future is observed to be higher than the current price. The selected nine highest imported countries gold future price is expected to go down side.

FINDINGS

1. The study observed that Hong Kong, Korea, Mexico currencies are strongly negative correlation with gold prices.
2. All the selected country currencies are significantly influencing the gold prices.
3. Singapore currency is not having the influence on its gold price.
4. The vector auto regression result indicates that the British gold price is expected to move up due to currency fluctuations.
5. The study observes that except British gold all the selected countries gold prices are expected to go down in near future.
6. The vector auto regression indicates that Japanese gold price will fall more than other country gold prices. The least effected country gold price will be New Zealand

SUGGESTIONS

1. The study has suggested to the investors of British to buy gold because regression equation predicted the gold price to go upside.
2. The present study emphasized on currency influence on gold price of top imported countries. It has been suggested to the gold investment community not to allocate majority investment in gold; instead, they can shift to other assets to maximize the portfolio returns.
3. Japanese gold price is going to experience lowest fall in gold price, hence the study suggest to the investors to give high priority to allocate in instead of equity investment.
4. The international gold price mainly depends on global economy future movement. The top global gold imported countries may rethink to import gold due to down fall of the prices.
5. The investments in gold will give returns in gloomy economy but if the global economy moves into stronger zone, and then the selected countries gold also will go down. The gold investors of these counties should be cautious.
6. The gold investors are suggested to observe the factors which may influence the currencies of these selected countries, so that they can take the inform decision.

CONCLUSION

The regression weight estimation analysis reveals that inflation is having the influence on the gold prices of the gold imported countries. The VAR model has been applied and found that British gold is expected to go up but rest of the 9 countries gold prices are expected to go down. The gold investors in these countries are advised to be cautious before they take the decision. The present study had considered only two economic factors; hence, there is a further research scope to do research in this area by considering the various factors, which will have the influence on currency and gold as well.

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DIGITAL MARKETING CONSEQUENCES ON URBAN CONSUMER BEHAVIOR IN NAGPUR CITY

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ABSTRACT

With the increase in the usage of Digital Marketing or Internet marketing has become the crucial for any organization across the globe. The consumer behavior study has been becoming more centric and crucial for any business in any industries. The main aim of the paper is to obtain quantitative describing the actuality of digital marketing in the case of the India in order to explain the development of digital marketing and its consequences on urban consumer behavior in Nagpur city. The research paper build on the relevant studied literature and at the same time examines urban consumer behavior by structured questionnaires. Furthermore, this paper support the research questions that including recent trends and different issues in digital shopping, and impact factors for urban consumer behavior. Also, the result of the research shows that significant relationship on the consumers buying behavior through internet due to security concern and digital marketing strong impacts on their purchasing decisions. Apart from this Consumer's trust, privacy concerns, security concerns are the major factors for using internet for shopping, the trust on websites influence to the purchasing decision of urban consumer.

KEYWORDS

digital marketing, consumer behavior, privacy and security, consumer trust.

JEL CODE

M3

INTRODUCTION

Every business organization is existed with the aim of accomplishing two main objectives, firstly economic objective and social objective. These two objectives can be accomplished only if the product produced by the organization satisfies the needs and wants of the consumers. In today's highly competitive marketing scenario, the marketer cannot sell the product without marketing efforts and what he offers to sell or produces but he can successfully sell only proper marketing what is desired by the consumer.

But what the consumer desire is not easy to understand. This brings a big problem before the marketer. This problem can be solved only by getting the necessary information regarding the consumers and market conditions. If the information reveals that consumers are not satisfied with the marketer's products or services, he makes decision to adapt it accordingly. This helps the marketers to raise the level of performance of the organization and modify the current marketing strategies.

Since the survival and growth of a company depends upon the satisfaction of the needs and wants of the consumers it serves, it is measurable for a marketer to monitor continuously the trend of the consumer market and its behavior before a sound marketing plan can be developed or modified to serve the consumers. According to Philip Kotler and Gary Armstrong, "consumer behavior refers to the buying behavior of final consumers - individuals and households who buy goods and services for personal consumption. All of these final consumers combined make up the consumer market."

Digital marketing has lots of advantages and disadvantages than conventional and traditional marketing. It has fast implementation strategy. Using Online marketing makes your store open 24 hours a day, 7 days a week. The consumers worldwide can reach and can shop anytime and anywhere and basically do business anytime they want to.

In addition to that, there are also lots of competitions in online marketing. And measuring what actual factors influences the consumer minds. By the time the costumer discovers and locates the website, they have already been clicking several links not unless; they can discover and locate what they are looking for.

SIGNIFICANCE OF THE STUDY

The present study deals with internet marketing aspects on consumer behavior. It is the most visible component of Internet Marketing. Internet marketing carries out the function of promotions and online advertising along with other necessary activities. Internet marketing is nothing but marketing via Net. It is an interface between the customer and the Marketing function of an Organization.

Businesses or companies can sell their goods & services 24 X 7 Hours and 365 Days a year without interruption using their online / eMarketing concepts. Business sell their variety of products through the useful sites such as Amazon, Flipkart, Ebay, Snapdeal etc. and bears the cost of technology.

Consumer behavior study insight into their consumption related decisions; what they buy, when they buy, why they buy, how they buy and the promotional influences that persuade them to buy. The study of consumer and consumer buying behavior will enable them to become better and wiser consumers.

SCOPE OF THE STUDY

In the study, the study and survey will be conducted each and every one the way through questionnaire to collect the statistics and facts from the targeted respondents of urban consumer Nagpur city. To the impact of internet marketing on consumer behavior to measure the effectiveness and applicability of E-Marketing approaches among the urban consumers. The consumer behavior and internet marketing has very wide scope to study how the consumers take a decision to purchase product online or on internet. The internet has become an ongoing emerging source that tends to expand more and more. The growth of this particular media attracts the attention of advertisers as a more productive source to bring in consumers.

Most of companies have put lots of effort and money to create newer and newer product for online selling every year. The present study is an attempt to sketch the behavioral aspects of online consumer that which factors largely impact on consumer and different stages of the consumer decision making process in the online shoppers in Nagpur city.

OBJECTIVES OF THE STUDY

The specific objectives of the study are given below:

1. To study the acceptance of digital marketing among urban consumers in Nagpur city.
2. To study the impact of Digital-marketing on purchase decision of urban consumers.
3. To study awareness of Digital-marketing among the people in Nagpur city.

LITERATURE REVIEW

Miyazaki & Fernandez (2001) identify privacy and security as major obstacles in the growth of e-business and e-commerce. Therefore, the marketer requires thinking on the phenomena to formulate the new and proper provision. They explore risk perceptions in new and repeat online consumer and conclude that risk perception is an inhibitor for online purchasing in new and experienced online shoppers.

Ruchi Nayyar (2010) in the study of website factors on internet shopping buying behaviour and the study found that online shoppers perceive different factors such as website design, fulfillment/reliability, privacy/security and consumers service impacting online purchase activity differently.

J Suresh Reddy (2003) Marketing is one of the business function most significantly affected by emerging information technologies. Internet is providing business organizations new channels of communication and interaction between marketer and consumer, suppliers. It can create closer more cost effective with consumers in sales, marketing. Companies can use web to provide ongoing information, service and support. It also creates positive interaction with customers and marketer that can be long term.

V.Kumar and Denish Shah have published research paper entitled "Pushing and Pulling on the Internet" The internet is fast arriving as a field for sales. The Internet is growing & it impact on online consumer which shifts the consumer behavior.

METHODOLOGY

HYPOTHESES OF THE STUDY

For the execution of the research, following hypotheses are formulated and studied.

Appropriate statistical tests are used to test and validate the hypotheses.

The following hypotheses are:-

- H₀₁: Internet marketing has no impact on consumer buying decision
- H₁₁: Internet marketing has a significant impact on consumer buying decision.
- H₀₂: There is no significant relationship on the consumers buying behavior through internet due to security concern.
- H₁₂: There is significant relationship on the consumers buying behavior through internet due to security concern.

UNIVERSE FOR THE STUDY

The universe or population represents the entire group of units which is the focus of the study Thus, the population or universe of the study consist of urban consumers from different urban areas of Nagpur city. The study has been carried out on the basis of an adequate size of sampled consumers in urban areas throughout the Nagpur city, Consumers who have experience in buying product including students, Business professionals, and service men (Private and govt).

SAMPLING METHOD

All the samples are selected from the urban and rural areas of the Nagpur district so; the research is carried out by random convenient sampling.

Random convenience sampling (also known as availability sampling) is a specific type of non-probability sampling method that relies on data collection from population members who are conveniently available to participate in study.

SAMPLE SIZE

The research study used a survey method for data collection. Sample of 300 respondents from Nagpur district were taken which 300 Nagpur urban consumers.

ANALYSIS OF THE STUDY

After the collection of data, a number of closely related operations such as establishment of categories, the application of these categories to raw data through coding & tabulation are done and then statistical inferences are drawn. The collected data was in nominal, ordinal and interval form and hence simple percentile analysis of the data was done. The variables were analyzed based on their frequency of occurrence. The testing of hypotheses is done by analyzing the data using appropriate statistical tests such as one sample "t" test, with the help of Statistical Package for Social Science (SPSS Package) and the charts and graphs were prepared in MS excel 2010 version.

HYPOTHESIS-1

- H₀₁: Internet marketing has no impact on consumer buying decision
- H₁₁: Internet marketing has a significant impact on consumer buying decision.

These hypothesis regarding role of internet marketing on consumer buying decision is tested through One Sample t-test using statistical software SPSS.

URBAN CONSUMERS

TABLE 1

N	Mean	Std. Deviation	Std. Error Mean
300	2.4267	1.51181	.08728

TABLE 2

Test Value = 5					
t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
				Lower	Upper
-29.482	299	.000	-2.57333	-2.7451	-2.4016

To test this hypothesis; a Likert scale is used. Responses of 300 respondents are recorded from urban area inputted in the SPSS software. The mean value generated is 2.4267 of urban & 2.96 of rural and Standard Deviation is 1.511 of urban. The test value is set as 5 as Likert scale is five level scale to record the responses. From the above One Sample t-test hypothesis is significant i.e. 0.000 of urban. So the NULL hypothesis is rejected and the alternate hypothesis 'Internet marketing has a significant impact on consumer buying decision' is accepted.

Hypothesis-2

- H₀₂: There is no significant relationship on the consumers buying behavior through internet due to security concern.
- H₁₂: There is significant relationship on the consumers buying behavior through internet due to security concern.

These hypothesis regarding consumers buying behavior through internet due to security concern is tested through One Sample t-test using statistical software SPSS.

TABLE 3

N	Mean	Std. Deviation	Std. Error Mean
300	2.0733	1.10697	.06391

TABLE 4

Test Value = 5					
t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
				Lower	Upper
-45.793	299	.000	-2.92667	-3.0524	-2.8009

To test this hypothesis; a Likert scale is used Response of 300 respondents are recorded from urban area inputted in the SPSS software. The mean value generated is 2.073 of urban & 1.90 of rural and Standard Deviation is 1.106 of urban. The test value is set as 5 as Likert scale is five level scale to record the responses. From the above One Sample t-test hypothesis is significant i.e. 0.000 of urban. So the NULL hypothesis is rejected and the alternate hypothesis 'There is significant relationship on the consumers buying behavior through internet due to security concern' is accepted.

The primary factor/reason causing consumers lack on e-business is security risks associated with online transactions. There is a certain relationship between electronic security issues and customer online shopping attitudes and behavior. Consumer security in e-business environment is an ongoing research issue especially in current digital marketing domain. Consumer buying behavior study analyses and study of security concerns of consumer and is closely associated with these issues.

LIMITATIONS OF THE STUDY

The present study is based on primary statistics and facts taken from various respondents of Nagpur district including urban and rural by filling a prescribed questionnaire. The purity of the result is depends on the purity of the statistics and facts. Each conclusions and suggestions are given from the statistical analysis of the several coded data. The research is restricted to the Nagpur (Maharashtra state) city only.

FINDINGS OF THE STUDY

1. It was found that almost all the respondents had very strongly agreed to the fact that most urban consumers accept digital marketing has a significant impact on their buying decision.
2. Online marketing provides the most satisfying experience and provides unique experience for the urban consumers. The reason is the online shopping sites offer attractive offers, free cash on delivery, free gifts, discounts and time saving ease of use.
3. Youngers / students do prefer more online shopping in urban Nagpur because they do shopping for fun and entertainment and are risk takers and know the procedure of online shopping. The study found that young/ students prefer more online shopping than business professional and farmers in urban.
4. Online shopping sites are offering different promotional schemes like discounts, free gifts, free shipping, pay cash on delivery, combo packs, and value for money schemes to attract and retain the customers.
5. Urban consumers hesitant while shopping online because of security issues of their payment and risk of the products.

SUGGESTIONS OF THE STUDY

1. The study suggests that the Nagpur urban customers give the most importance to security issues privacy to generate trust. Privacy of customer information can be improved by ensuring their trust and their feedback about their online shopping.
2. There is need to create great awareness and encourage about internet marketing in urban areas of Nagpur so online marketers should create more awareness about internet marketing to sells their products online and should use different online channels.
3. Online stores should use effective implementation of website factors such as information design, features, communication, privacy and security, as a marketing tool by which trust towards the website can be created among the urban consumers and subsequently enhance purchase intention.

SCOPE OF THE RESEARCH

In the study, the study and survey will be conducted each and every one the way through structured questionnaire to collect the statistics and facts from the targeted respondents of Nagpur district State of Maharashtra to measure the factors affecting of internet marketing on consumers and their behavior, and applicability of eMarketing approaches among the consumers and online businesses so the scope of it would help to consumer behavior study and for e-marketer. Different online shopping sites effect will be selected from the selected urban places within the Nagpur Region to conduct research study. The research focuses on internet marketing impact of consumers in Nagpur district and their buying behavior.

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A STUDY ON JOB SATISFACTION OF EMPLOYEES IN ORGANISED RETAIL WITH SPECIAL REFERENCE TO BELAGAVI CITY

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ABSTRACT

The retail sector has been at helm of India's growth story. Job satisfaction and organization commitment are the most studied and researched topics in organizational behaviour and psychology since it has direct link with the organization. Either they are studied independently or jointly to know what is keeping an employee to enjoy the job and retain association with the organization. An employee enters into an organization to perform some job hence job and organization is tightly linked. Researches on retail sector are conspicuously scanty especially in India. In this paper, we aim to study the job satisfaction of employees of organized retailing. A sample 120 respondents was selected by using Stratified Random Sampling method and the data was collected with the help of structured questionnaire. The study reveals most of the employees in organised retail stores in Belagavi city are not satisfied because of low pay package and job security.

KEYWORDS

Belagavi, behaviour, organised retail, job satisfaction.

JEL CODE

J28.

INTRODUCTION

Retail in India is a flourishing sector that provides employment to millions of people and retail is a labour intensive economic activity in which the front line workers acts as the major link between the retail outlets and the customers.

The term job satisfaction figures prominently in any discussions on management of human resources. It refers to a person's happiness in performing a job, which acts as a motivation to work

The concept of employee's job satisfaction has gained significance in the corporate world especially in the organised retailing. As employee's job satisfaction and working environment are strongly related to each other, they are being linked with welfare measures and monetary factors.

REVIEW OF LITERATURE

Srivastava (1987) studied the relationship of job satisfaction and organization climate for which he selected 50 junior management level officers and 50 middle management level managers from various ministries and departments of Central Government located in Delhi. He found significant relationships between job satisfaction and organization climate in junior and middle level officers but the difference was statistically insignificant in terms of perception of climate and job satisfaction.

Joshi and Sharma (1997) have investigated the role of job and organizational related factors in job satisfaction among managerial employees of a private sector organization. They found from the study that only two variables, i.e. job content and training were the best predictors of job satisfaction. It was also found that Job content, training, scope for advancement, grievance handling, monetary benefits, participation, objectivity, recognition, welfare activities, support and warmth, communication, top management commitment, performance appraisal were positively and significantly related to managerial satisfaction.

Yadav and Halyal (1999) have investigated the influence of job involvement and family involvement on marital and job satisfaction. A sample of 500 male college teachers who had at least five years of married and teaching experience, at least one child, and unemployed wife were administered the questionnaire. Analysis of the data indicated that psychological identification with job and family were positively correlated with job and marital satisfaction. Job involvement and family involvement were positively correlated to each other, having an additive interactive influence on job satisfaction and marital satisfaction.

Brown and Lam (2008) in their meta-analysis study on relationships linking employee satisfaction to customer responses indicated statistically significant and substantively important relationships linking employee satisfaction to customer satisfaction and perceived service quality. They found that the employee satisfaction is consistently important driver of customer responses

Thekedam (2010) has tested factors that influence job satisfaction in Kerala, India and reported that individual characteristics are important predictor of job satisfaction which are not limited to demographic variable but include psychological and attitudinal characteristics as well. He mentioned that attainable goals will result greater job satisfaction. He has reported lower job satisfaction among females is probably because of their attempt to cope with work and family responsibility.

STATEMENT OF THE PROBLEM

Retailing as a field of academic interest has recently started getting interest and attention of both academics and practicing executives. Particularly in India, retailing has started gaining pace after post 2002 economic growth and development. Though efforts have started developing and framing retailing as a separate field of study but as a subject of interest it requires more research work. Since Indian organised retail market is virgin and offering excellent growth opportunity for organizations. The organization cannot be imagined without employees therefore it is necessary to study and understand behaviour of employees, which acts as pillar for the growth. Due to nascent stage of the subject for the research work, hence very few studies are found on subject related studies. Hence, the present study is an attempt to examine the level of job satisfaction among the employees of organised retail outlets and factors influencing on the job satisfaction.

OBJECTIVES OF THE STUDY

1. The main objective of the study is to determine whether employees of organised retail stores in Belagavi city are satisfied or not.
2. To identify the various factors affecting the job satisfaction of employees in organised retail stores in Belagavi city.

METHODOLOGY

This study is empirical in nature. The data used in this study is primary data, obtained through a survey conducted to analyse the satisfaction level among employees of organised retail store. The stratified random sampling method was used to collect the data. The survey was conducted on the randomly selected 120 respondents from Belagavi city. A structured questioner was designed to meet the objective of the study.

A structured questionnaire was prepared for the collection of data from those respondents who are working in organised store. The questionnaire was designed in such a way that the aim of collecting essential information for the study would meet the set of objectives.

ANALYTICAL TOOLS

To analyse the data for the study, the researchers have applied following tools

- Percentage analysis
- Chi-square test
- Scaling Techniques

HYPOTHESIS OF THE STUDY

- Age of the employees does not influence the attitude of the employees towards their job
- Job satisfaction of the organised store employees is independent of their gender.
- Job satisfaction is not determined by the income level of the organised retail store employees.
- Type of the family has an influence on the job satisfaction of the organised stores employees.
- Educational qualification of the employees influences the job convenience.
- Employees working experience has a bearing on their attitudes towards welfare measures.

SCOPE OF THE STUDY

The study will be very helpful to the research and others in several ways. The study on the job satisfaction of employees of organised stores in Belagavi city would be helpful to the Business people doing organised retail business in the city for several years. The result obtained by the study would throw light on their attitude towards job, income distribution, job satisfaction, physical working Conditions, opinion regarding various welfare measures etc. Provided By the management to them in the organised retails of Belagavi city

FACTORS INFLUENCING JOB SATISFACTION OF ORGANISED RETAIL EMPLOYEES IN BELAGAVI CITY

1. Socio-Economic factors of organised stores in Belagavi City
2. Other factors influencing job satisfaction of employees in Belagavi City

SOCIO-ECONOMIC BACKGROUNDS OF ORGANISED STORES EMPLOYEES AND JOB SATISFACTION

The Socio-economic factors of Organised stores employees to their job satisfaction May be of large in number. Among them, only a few factors are considered as given below.

1. Age
2. Income
3. Sex
4. Type of family
5. Educational Qualification
6. Working Experience
7. Age

Naturally, age has a tremendous influence in changing one’s own attitude and character. An employee, who starts his career at his young age, may have a good amount of ambition and aspiration. His expectations rise to very high levels from various angles. When his aspirations do not get satisfied, he becomes frustrated and highly dissatisfied. But as age advances, he becomes more and more adjustable. He feels more satisfied when compared to the other younger employees.

TABLE 1: THE AGE GROUP OF EMPLOYEES OF ORGANISED STORE

Age	No of Respondents	Percentage
20-30	55	45.83%
31-40	30	25.00%
41-50	20	16.67%
Above 50	15	12.50%
Total	120	100

Source: Survey Data

TABLE 2: THE JOB SATISFACTION LEVEL AMONG EMPLOYEES

Response	No of Respondents	Percentage
Satisfied	45	37.5%
Dissatisfied	75	62.5%
Total	120	100

Source: Survey Data

It is clear that from above tables that out of 120 respondent’s majority of them dissatisfied i.e 62.5% and 37.5% are satisfied.

TABLE 3: AGE WISE CLASSIFICATION OF JOB SATISFACTION LEVEL

Age	Satisfied	Dissatisfied	Total
20-30	18	37	55
31-40	14	16	30
41-50	08	12	20
Above 50	05	10	15
Total	45	75	120

Source: Survey Data

TABLE 4: CHI-SQUARE TEST TABLE

S No	Particulars	Values
1	Calculated Values	3.52
2	Table value at 5% LOS	7.81
3	DOF	3
4	Result	H ₀ is accepted and it is evident that age and job satisfaction are not significant

Since the calculated value 3.52 is less than the table value, null hypothesis is accepted for the job satisfaction age is not a significant factor.

TABLE 5: GENDER AND JOB SATISFACTION OF EMPLOYEES IN ORGANISED STORES

Gender	Satisfied	Dissatisfied	Total
Male	28	58	86
Female	14	20	34
Total	45	75	120

Source Survey Data

TABLE 6: CHI-SQUARE TEST TABLE

S No	Particulars	Values
1	Calculated Values	1.08
2	Table value at 5% LOS	3.84
3	DOF	1
4	Result	H ₀ is accepted so gender and job satisfaction are not significant

Above Table proves that the calculated values of chi square test is 1.08, which is less than the tabulated value of 3.84. Hence, null hypothesis is accepted. It prove gender and job satisfaction are independent.

TABLE 7: INCOME LEVEL WISE JOB SATISFACTION

Income	Satisfied	Dissatisfied	Total
2000-4000	00	15	15
4000-6000	12	32	44
6000-8000	18	20	38
8000-10000	08	05	13
Above 10000	07	03	10
Total	45	75	120

Source Survey Data

TABLE 8: CHI-SQUARE TEST TABLE

S No	Particulars	Values
1	Calculated Values	32.09
2	Table value at 5% LOS	9.54
3	DOF	5
4	Result	H ₀ is rejected so gender and job satisfaction are significant

From Above table it is clearly states that calculated value of chi square test is 32.09 is more than the tabulated value of 9.54. Hence, there is the relationship between income and job satisfaction.

TABLE 9: TYPE OF FAMILY OF RESPONDENTS

Type of Family	Satisfied	Dissatisfied	total
Joint Family	20	34	54
Nuclear Family	25	41	65
Total	45	75	120

Source Survey Data

Type of the family play vital role in job satisfaction from above table it is clear that there is the relationship between type of family and job satisfaction among employees of organised retail outlets.

TABLE 10: CHI-SQUARE TEST TABLE

S No	Particulars	Values
1	Calculated Values	0.023
2	Table value at 5% LOS	3.84
3	DOF	1
4	Result	H ₀ is accepted so family type and job satisfaction are significant

As the calculated value is lower than the table value, the H₀ is accepted, which means that, the Job satisfaction and type of the family are related to each other.

TABLE 11: EDUCATION LEVEL OF EMPLOYEES

Qualification	satisfied	Dissatisfied	Total
Below VII	04	03	7
Between VII & SSLC	09	10	19
SSLC	10	06	16
PUC	07	14	21
UG	06	13	19
PG	05	19	24
Diploma	03	08	11
Professional	01	02	03
Total	45	75	120

Source Survey Data

From above table, it reveals that the majority of employees have passed PG followed by PUC. More than 50% of respondents are having less than UG qualification.

TABLE 12: CHI-SQUARE TEST TABLE

S No	Particulars	Values
1	Calculated Values	32.09
2	Table value at 5% LOS	14.1
3	DOF	6
4	Result	H ₀ is rejected so Education qualification and job satisfaction are significant

As calculated value is 32.09 and table value is less than that so null hypothesis is rejected.

TABLE 13: JOB EXPERIENCE OF THE RESPONDENTS

Experience	Satisfied	Dissatisfied	Total
0-2	11	34	45
2-5	20	29	49
More than 5	14	12	26
Total	45	75	120

Source Survey Data

TABLE 14: CHI-SQUARE TEST TABLE

S No	Particulars	Values
1	Calculated Values	6.44
2	Table value at 5% LOS	4.61
3	DOF	3
4	Result	H_0 is rejected so experience and job satisfaction are significant

From the above table it proves that calculated values is more than the table values i.e 4.61 hence the the null hypothesis is rejected

CONCLUSION AND FUTURE RESEARCH

All these factors may be considered by the management by paying more attention to employees salary structure and job security in organised retail stores in Belagavi city.

The present study is confined to selected organized retails outlets in Belagavi city. The future researchers can conduct study taking into account more number of organized retail outlets to generalize their findings. The future researcher can conduct a study taking into account both organized and unorganized retail outlets in the country to find out how they are different from each other in terms of job satisfaction and organizational commitment of their employees.

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CUSTOMERS' PERCEPTION TOWARDS GST WITH SPECIAL REFERENCE TO INSURANCE AND AUTOMOBILE INDUSTRY IN TIRUPUR DISTRICT

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ABSTRACT

Insurance and Automobile Industries are growing sector with distinctive products and services in India. At present, the industries taxes have been changed and formulated by Indian government as Goods and Service Tax (GST). Most of the people have adopted the GST concept initiated and practiced by the customers in the nation. Tirupur District is fairly populated area and containing more textile work employees in Tamilnadu State. In this district, the men and women were occupying predominant place as a significant variable to distinguish in the changing phenomenon. The present study has taken effort to empirically explore the customers' perception on GST with special reference to insurance and automobile industries in Tirupur District. The researcher has collected primary data from 100 sample respondents from July 2017 to November 2017. The convenient sampling method has been used for choosing the sample size and the present study. The study also analyses the effect of GST on the buying behavior changes of customers and it has examines that the influences of the GST concept in Tirupur District. Such an analysis is likely to be helpful for providing the idea about effectiveness of GST initiation in Indian economy. Results of the study indicate that the customers' having good perception that GST concept brings lucidity in taxation structure is comparatively better than Value Added Tax (VAT) in India.

KEYWORDS

automobile, insurance, good and service tax, textile industry.

JEL CODES

C80, E21, G18, G20, H24, H7.

1. INTRODUCTION

Tax payment is an obligatory legal responsibility for each and every citizen of the nation. Indian tax system is classified into direct tax and indirect tax. The Goods and Services Tax (GST) is charged and implemented as indirect tax for all products and services. Indian government has successfully implemented and resolved the complications after the implementation. Most of the industries have faced numerous challenges after its adoption and changed their accounting practices with online GST registration. The structure of GST council and passed GST Bill from both houses namely Lokshaba and Rajyashaba, which have showcased the government purpose to implement the tax reforms. Though the government claims regarding its preparation of GST mechanism through rigorous training of revenue officials history have demonstrated time and again that such reforms which are to be implemented at national level for 125 billion population needs careful deliberation.

Indian government has been changed the value added tax concept as Goods and Service Tax (GST) after 1st July 2017. Now a day, the people have practically adopted this GST in their life and implemented in other sales and service concepts. The government has framed indirect tax rate upto 28 percent and the tax rate is classified into more slabs from 5 to 28 percent based on the products and services in India. In that way, the Insurance and Automobile Industries GST rate applied as 18 percent and 28 percent respectively. These industries are growing segments with distinctive products and services in India. At present, the industries taxes have been changed and formulated by Indian government as Goods and Service Tax (GST). Most of the people have adopted the GST concept initiated and practiced by the customers in the nation. Tirupur District is fairly populated area and containing more textile work employees in Tamilnadu State. In this district, the men and women were occupying predominant place as a significant variable to distinguish in the changing phenomenon.

TABLE 1: GST TAX SLABS IN AUTOMOBILE AND INSURANCE INDUSTRY IN INDIA

Industry	Products	Tax Slab in % (Maximum)
Automobile	Most of the Goods	28%
Insurance	Medical Insurance	18%
	Life & Endowment Policy	4.5%

Source: Business Line

2. LITERATURE REVIEW

The earlier studies which help to frame objectives and identifying the problems related to the present study. The literature reviews are Poonam (2017) has studied about problems of Indian tax system with the effect from Cascading and tax evasion; twist can be reduced by adopting GST. A single charge would assist to uphold ease and lucidity by indulgence all goods and services as identical without charitable special tax in whole other industries. The Indian government has adopting GST as third leading economy first time in Asian Countries. Shakhwipee (2017) his paper discussed about awareness level towards GST surrounded by the entrepreneurs' small business in state of Rajasthan. The study concluded that the chief areas to be paying attention comprise guidance and software availability in computer. Mohamad (2016) has elaborated in that study on "Introducing the GST in Malaysia". The researcher has viewed about that planning, thorough preparation, participation of community and wide-ranging public education program of government is the key achievement in the realization of GST in other nations. Nasir (2015) has revealed about tax morale and it influences more factors to awareness of tax. The study suggested that powerful focus on public familiarity and approach towards the realization of GST concept.

3. NEED FOR THE STUDY

GST would have momentous impact on the way individuals, retailers and business concerns in India. Most of the industries, GST tax slab rate have been increased based on the different criteria which would be considerably impacted by GST is the automobile, insurance and retail sector. The present study has taken more responsibility to explore the customers' perception on GST and it also describes the pros and cons of the GST system in India.

4. OBJECTIVES OF THE STUDY

The main objectives of the present study are,

1. To know the perception level of customers' towards existing GST rates of insurance and automobile industry in Tirupur District.
2. To discuss about the pros and cons of GST implementation on customer's view.
3. To identify the significant difference between demographic details and customers perception on GST.

5. METHODOLOGY

The present study has taken effort to empirically explore the customers' perception on GST with special reference to insurance and automobile industries in Tirupur District. The data has collected on the basis Tirupur south, north, east and west of the study area. The researcher has collected primary data from 100 sample respondents from July 2017 to November 2017 (Short period study like case study). The researcher has used structured questionnaire for the data collection and it contains Likert's scale to evaluate the customers' perception on GST in descriptive manner. The convenient sampling method has been used for choosing the sample size and the present study. The study also analyses the effect of GST on the buying behavior changes of customers and it has examines that the influences of the GST concept in Tirupur District. The researcher has adopted the analytical tools like percentage analysis, Garrett ranking technique, ANOVA test for the calculations IBM SPSS 20.0 software version. Such an analysis is likely to be helpful for providing the idea about effectiveness of GST initiation in Indian economy.

6. SCOPE OF THE STUDY

The present study has focused on the customer's problems and clear perception on GST system in Tirupur district. The selected respondents are paying GST for products and services in various places and business concern in selected study area. This present study provides that actual position and condition on the basis of demographic factors and their perception on GST tax system in Tirupur District. The present study helps to recommend the changes in current GST tax slabs in our developing country.

7. ANALYSIS AND INTERPRETATION

The tax system is crucial one for economic development and more infrastructure changes in the nation. Most of the companies and retailers are essentially providing more quality goods and services to the people. In that way, the government integrated the tax rates based on the goods and services for the restructuring in India. For the purpose, the researcher has analyzed the customer's perception on GST based on demographic variables of the sample respondents in the present study. The researchers have made an effort to discover the GST impact and the growth of such industries like automobile and insurance industry in Tirupur District.

TABLE 1: DEMOGRAPHIC FACTORS OF THE SAMPLE RESPONDENTS IN THE PRESENT STUDY

Sl. No.	Variables	Particulars	Frequency	Percentage
1	Gender	Male	54	54.00
		Female	46	46.00
2	Age in years	Below 30 years	27	27.00
		31 – 40 years	60	60.00
		Above 40 years	13	13.00
3	Marital Status	Married	55	55.00
		Single	45	45.00
4	Educational Qualification	Schooling	21	21.00
		Upto HSC	29	29.00
		UG	15	15.00
		PG & above	35	35.00
5	Occupation	House wife	10	10.00
		Retailer / Employed	65	65.00
		Retired	12	12.00
		Unemployed	13	13.00
6	Monthly Family Income	Below Rs.20,000	45	55.00
		Rs.20,001-30,000	25	25.00
		Rs.30,001-40,000	10	10.00
		Above Rs.40,000	20	20.00
7	Residential Area	Urban	53	53.00
		Semi-urban	24	24.00
		Rural	33	33.00
	Total		100	100.00

Source: Primary Data

The above Table 1 reveals that the demographic variables of the GST paying customers in the present study. Out of one hundred respondents, 54 percent are males and 46 percent are female respondents. The analysis result indicates that the 31-40 years age category persons who are mostly purchasing goods and there were more married persons. The sample respondents who have post-graduation degree and who have the monthly family income of below Rs. 20,000. They were living urban area of Tirupur district.

TABLE 2: PROS AND CONS OF IMPLEMENTED GST SYSTEM

Sl. No.	Reason	Rank
PROS		
1.	Transparent Tax	2
2.	No hidden Tax	1
3.	Price Reduction in Some automobile Products	3
4.	Goods and Services Tax Verification	5
5.	Integrated cost and tax platform	4
6.	GST paid by manufacturer directly	6
CONS		
1.	GST increased in real estate and automobiles	4
2.	No major reduction in number of tax layers	5
3.	Insurance premium of product is more expensive	3
4.	Not implemented by small retailers	6
5.	Trouble in adoption and migration to the New GST system	2
6.	Retailers have included old VAT amount with GST system	1

Source: Primary Data

The above table-2 ranked the pros of GST system as integrated tax system and transparent tax opportunities. There are most of the cons on GST system is given in the above table like more expensive and trouble in the business on implementation. The customers have faced more problems and getting benefits on GST system in Tirupur district.

TABLE 3: CUSTOMER'S PERCEPTION LEVEL ON IMPLEMENTED GST SYSTEM

Satisfaction Level	No. of Respondents	Percentage
Low	30	30.00
Medium	25	25.00
High	45	45.00
Total	100	100.00

Source: Primary Data

The above table-3 reveals that the perception level of the sample respondents in Tirupur. The 25 customers' have medium level perception with the GST payment system followed by 30 respondents have low level perception in Tirupur District. There were 60 respondents who have highly dissatisfied in the present study. The 45 sample respondents who have mostly good perception level due to the may or may not by the pros and some cons of GST system in Tirupur District.

TABLE 4: ANOVA TEST – CHANGES BETWEEN PERCEPTION VARIABLES AND DEMOGRAPHIC DETAILS

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	11477.204	2	5738.602	24.699	.000
Within Groups	92237.953	97	232.337		
Total	103715.157	99			

Source: Calculated Value

The above ANOVA table-4 indicates that the variable perception have significant changes at the value of 0.000 in Tirupur City. The customer's demographic variables (independent variable) have differences and changes in perception level (dependent variable) on GST in Tirupur District.

8. FINDINGS AND SUGGESTIONS

The findings of the study indicate that the customers' having good perception that GST concept brings lucidity in taxation structure is comparatively better than Value Added Tax (VAT) in India. In the last two decades, the customers' tastes and preferences have been rapidly increased in the automobile and insurance industry due to the technological development. The GST payment system mostly adopted the customers' by compulsion in the study area. The researcher has suggested that the GST concept has not understandable easily to whole population in the country. The government should provide more awareness programme and training on GST concept. It would help to develop the nation with more integrated tax and revenues to the government.

9. CONCLUSION

GST concept has been developing by the greater participation of people and the business concern in Indian economy. The present study offers that the GST system with customers facing more problems in some other circumstances. They are unaware about the GST system in proper manner and more tax chargeable for both automobile and insurance industry like 28 percent and 18 percent respectively. The customers' who have high good perception level due to the may or may not by the pros and some cons of GST system in Tirupur District. The customer's demographic variables have differences and changes in perception level on GST in Tirupur District. The government should provide more awareness programme and training on GST concept. It would help to develop the nation with more integrated tax and revenues to the government.

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IMPACT OF CELEBRITY ATTRIBUTES ON CONSUMERS BUYING DECISION WITH SPECIAL REFERENCE TO TWO WHEELER

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ABSTRACT

This study aims to finding out whether celebrity attributes influence the buying decision of consumers with special reference to two wheeler. The study is conducted in Rewari District. The Sample size is 200 respondents. The attributes of celebrity, which are selected for the study, are expertise, trustworthiness, similarity, likeability and product match with celebrity. The study found that there is positive impact of celebrity's attributes on the buying decision of consumers about two wheeler.

KEYWORDS

celebrity endorsement, celebrity attributes, consumer buying behavior.

JEL CODE

M31

INTRODUCTION

Celebrity endorsements appear to be a very popular advertising tool in the modern day marketing. Advertisement featuring celebrities act as stimuli and attract the attention of consumers which results in recognition of brands, create brand awareness and instant recall and recognition of brands advertised by celebrities and motivates consumers to buy endorsed products (Kulkarni, 2014). Advertisers attempts to steal at least a fraction of a person's time to inform him or her of the amazing and different attributes of the product at hand. Because of the constant media saturation that most people experience daily, they eventually become numb to the standard marketing techniques. The challenge of the marketer is to find a hook that will hold the consumer's attention. The hooks that can hold the consumer's attention are the celebrities (Arjun, Dhandha and Nagra 2012). In India, celebrity endorsements have produced positive impact on consumers buying behaviour by increasing public attention and sales volume of endorsed brands (Priya Chetty, 2011). Aamir Khan is used by Titan to communicate the message that Titan watches are trustworthy as the actor is for his films. This celebrity endorsement has also been quite effective in influencing consumers buying decision. Similarly various endorsements by Shahrukh Khan, Sachin Tendulkar and others have been found to be successful in affecting consumer's buying decision (Joshi and Ahluwalia, 2008).

REVIEW OF LITERATURE

Pradeep Agarwal and S.K Dubey (2012); in their paper entitled "Impact of celebrity endorsement on consumer's buying behaviour" celebrity endorsement is an effective tool to affect positively the consumer's decision towards a product. Male celebrity endorsers are more effective than female celebrity endorser and endorsement by bollywood star are more effective than other celebrities. **C.S.Jayanti Prasad (2012)**; in his paper "Brand Endorsement by Celebrities impact towards consumer satisfaction" concluded that consumers perceive the endorsed brand to be of higher quality and are therefore willing to pay more. Endorser who is viewed positively by consumers and who is known to possess attributes which match up with the attributes of the product, have significantly impact the consumer's perception. **Saeed et al. (2014)**; in their research on "Impact of celebrity and non-celebrity advertisement on consumer perception" found that there is a positive relation of celebrity advertisement and non-celebrity advertisement on consumer perception, but celebrity advertisements has greater impact on consumer perception than non-celebrity advertisements because the celebrity has already established a meaning outside the advertisement world. Celebrities have more credibility in conveying a meaningful message and people admire them. **D.Ganesan, M.G.Saravanaraj and A.Pughazhendi (2012)**; in their paper "A study on effectiveness of celebrity endorsements towards television viewers" found that most of viewers impressed by their favorite personality in television commercials and the impact are high. They influenced by attractiveness of celebrity. There is an association between age of viewers and endorsers they like most. Celebrity endorsed ads gain more public coverage than any other ads. They suggested that multi brand endorsement by the same celebrities may be avoided to get the message clarity of particular brand. **Vipul Jain (2011)**; His study on "Celebrities endorsement and its impact on sales: A Research Analysis Carried out in India" has a positive inclination towards the belief that people are motivated to buy products as a result of celebrity endorsement. The research also indicates that celebrity endorsement helps in brand promotion. The respondents also strongly agree that celebrities bring brand equity to the product.

OBJECTIVES OF THE STUDY

The objective of the study is to study the effect of celebrity's attributes (Expertise, Trustworthiness, Similarity, Likeability, Product match with celebrity) on the buying behavior of consumers with special reference to their demographic characteristics.

HYPOTHESIS OF THE STUDY

- Ho1: Celebrity's attributes has similar impact on the purchase decision of consumers related to different residential area.
- Ho2: Celebrity's attributes has similar impact on the purchase decision of consumers related to different gender.
- Ho3: Celebrity's attributes has similar impact on the purchase decision of consumers related to different age group.
- Ho4: Celebrity's attributes has similar impact on the purchase decision of consumers related to different educational level.
- Ho5: Celebrity's attributes has similar impact on the purchase decision of consumers related to different occupation.
- Ho6: Celebrity's attributes has similar impact on the purchase decision of consumers related to different income.

RESEARCH METHODOLOGY

Research design adopted for this study is **Exploratory cum Descriptive**. Population of Rewari district constitutes the universe of the study and only people having two wheeler and users of two wheeler included in the survey and constitute the survey population. The sample size is 200. The sample was collected through Purposive sampling technique. Both primary and secondary data were used for the study. Primary data collected through questionnaire and analyzed by using SPSS. The detail of sample composition show in table 1.

TABLE 1: SAMPLE COMPOSITION

GENDER		RESIDENTIAL AREA		ROW TOTAL
		URBAN	RURAL	
MALE	AGE 18-25	16 (16.0%)	16 (16.0%)	32 (34.0%)
	26-35	17 (17.0%)	17 (17.0%)	34 (34.0%)
	above 35	17 (17.0%)	17 (17.0%)	34 (34.0%)
COLUMN TOTAL		50 (50.0%)	50 (50.0%)	100 (100.0%)
FEMALE	AGE 18-25	16 (16.0%)	16 (16.0%)	32 (32.0%)
	26-35	17 (17.0%)	17 (17.0%)	34 (34.0%)
	above 35	17 (17.0%)	17 (17.0%)	34 (34.0%)
COLUMN TOTAL		50 (50.0%)	50 (50.0%)	100 (100.0%)

Data Analysis

Respondents were asked to give responses to a list of nine statements. These statements were examining the response of perception of consumers about celebrity endorsement of two wheeler. Chi square test is used to test the hypothesis.

$$\chi^2 = \sum \frac{(O - E)^2}{E}$$

Here:

O= Observed Value

E= Expected Value

Statements Regarding to examine the impact of Celebrity's attributes on Consumer buying decision

Label	Statements
S1	Expertise (level of knowledge, experience) of the celebrity as an attribute that can influence my purchase decision to their endorsed two-wheeler brand.
S2	Trustworthiness/Honesty of the celebrity is an attribute that can influence my purchase decision of two-wheeler.
S3	Similarity between me and the celebrity endorser can influence my purchase decision.
S4	Likeability (level of celebrity's fame in the public opinion and how popular the celebrity is) of the celebrity as an attribute that can influence my purchase decision to their endorsed two-wheeler brand.
S5	Match between the celebrity and product can influence my purchase decisions to their endorsed two-wheeler brand.

Ho1: Celebrity's attributes has similar impact on the purchase decision of consumers related to different residential area.

TABLE 2: TABULAR REPRESENTATION OF HYPOTHESIS 1

Statement		Agree	Disagree	Total	Significant Value of chi square at 1 df
S1	Urban	96 (48.0%)	4 (2.0%)	100 (50.0%)	.733 >.05
	Rural	95 (47.5%)	5 (2.5%)	100 (50.0%)	
	Total	191 (95.5%)	9 (4.5%)	200 (100.0%)	
S2	Urban	95 (47.5%)	5 (2.5%)	100 (50.0%)	.756 >.05
	Rural	94 (47.0%)	6 (3.0%)	100 (50.0%)	
	Total	189 (94.5%)	11 (5.5%)	200 (100.0%)	
S3	Urban	61 (30.5%)	39 (19.5%)	100 (50.0%)	.014 <.05
	Rural	77 (38.5%)	23 (11.5%)	100 (50.0%)	
	Total	138 (69.0%)	62 (31.0%)	200 (100.0%)	
S4	Urban	65 (32.5%)	35 (17.5%)	100 (50.0%)	.006 <.05
	Rural	82 (41.0%)	18 (9.0%)	100 (50.0%)	
	Total	147 (73.5%)	53 (26.5%)	200 (100.0%)	
S5	Urban	97 (48.5%)	3 (1.5%)	100 (50.0%)	.121 >.05
	Rural	92 (46.0%)	8 (4.0%)	100 (50.0%)	
	Total	189 (94.5%)	11 (5.5%)	200 (100.0%)	

Table No. 2 reveals that chi square value is greater than 0.05 of S1, S2 and S5. Hence the null hypothesis accepted for these statements which means celebrity attributes has similar impact on the buying decision of consumers related to different residential area. But the chi square value is less than 0.05 of S3 and S4. Thus, the null hypothesis rejected for these statements and we can say that celebrity attributes has not similar impact on the buying decision of consumers related to different residential area.

Ho2: Celebrity's attributes has similar impact on the purchase decision of consumers related to different Gender.

TABLE 3: TABULAR REPRESENTATION OF HYPOTHESIS 2

Statement		Agree	Disagree	Total	Significant Value of chi square at 1df
S1	Male	96 (48.0%)	4 (2.0%)	100 (50.0%)	.733 >.05
	Female	95 (47.5%)	5 (2.5%)	100 (50.0%)	
	Total	191 (95.5%)	9 (4.5%)	200 (100.0%)	
S2	Male	96 (48.0%)	4 (2.0%)	100 (50.0%)	.352 >.05
	Female	93 (46.5%)	7 (3.5%)	100 (50.0%)	
	Total	189 (94.5%)	11 (5.5%)	200 (100.0%)	
S3	Male	65 (32.5%)	35 (17.5%)	100 (50.0%)	.221 >.05
	Female	73 (36.5%)	27 (13.5%)	100 (50.0%)	
	Total	138 (69.0%)	62 (31.0%)	200 (100.0%)	
S4	Male	62 (31.0%)	38 (19.0%)	100 (50.0%)	.000 <.05
	Female	85 (42.5%)	15 (7.5%)	100 (50.0%)	
	Total	147 (73.5%)	53 (26.5%)	200 (100.0%)	
S5	Male	94 (47.0%)	6 (3.0%)	100 (50.0%)	.756 >.05
	Female	95 (48.0%)	5 (2.5%)	100 (50.0%)	
	Total	189 (94.5%)	11 (5.5%)	200 (100.0%)	

Table No. 3 reveals that chi square value is greater than 0.05 of S1, S2, S3 and S5. Hence, the null hypothesis accepted for these statements, which means celebrity attributes, has similar impact on the buying decision of both male and female consumers. But the chi square value is less than 0.05 of S3 and S4. Thus, the null hypothesis rejected for these statements and we can say that celebrity attributes has not similar impact on the buying decision of male and female respondents. Ho3: Celebrity's attributes has similar impact on the purchase decision of consumers related to different Age.

TABLE 4: TABULAR REPRESENTATION OF HYPOTHESIS 3

Statement	Agree	Disagree	Total	Significant Value of chi square at 2df	
S1	18-25	64 (32.0%)	0 (0.0%)	64 (32.0%)	.05 = .05
	26-35	62 (31.0%)	6 (3.0%)	68 (34.0%)	
	Above 35	65 (32.5%)	3 (1.5%)	68 (34.0%)	
	Total	191 (95.5%)	9 (4.5%)	200 (100.0%)	
S2	18-25	58 (29.0%)	6 (3.0%)	64 (32.0%)	.136 >.05
	26-35	64 (32.0%)	4 (2.0%)	68 (34.0%)	
	Above 35	67 (33.5%)	1 (0.5%)	68 (34.0%)	
	Total	189 (94.5%)	11 (5.5%)	200(100.0%)	
S3	18-25	52 (26.0%)	12 (6.0%)	64 (32.0%)	.020 <.05
	26-35	46 (23.0%)	22 (11.0%)	68 (34.0%)	
	Above 35	40 (20.0%)	28 (14.0%)	68 (34.0%)	
	Total	138 (69.0%)	62 (31.0%)	200 (100.0%)	
S4	18-25	56 (28.0%)	8 (4.0%)	64 (32.0%)	.001 <.05
	26-35	51 (25.5%)	17 (8.5%)	68 (34.0%)	
	Above 35	40 (20.0%)	28 (14.0%)	68 (34.0%)	
	Total	147 (73.5%)	53 (26.5%)	200 (100.0%)	
S5	18-25	62 (31.0%)	2 (1.0%)	64 (32.0%)	.317 >.05
	26-35	65 (32.5%)	3 (1.5%)	68 (34.0%)	
	Above 35	62 (31.0%)	6 (3.0%)	68 (34.0%)	
	Total	189 (94.5%)	11 (5.5%)	200 (100.0%)	

Table No. 4 reveals that chi square value is equal and greater than 0.05 of S1, S2 and S5. Hence, the null hypothesis accepted for these statements, which means celebrity attributes, has similar impact on the buying decision of consumers related to different age group. But the chi square value is less than 0.05 of S3 and S4. Thus, the null hypothesis rejected for these statements and we can say that celebrity attributes has not similar impact on the buying decision of consumers related to different age group.

Ho4: Celebrity's attributes has similar impact on the purchase decision of consumers related to different Education level.

TABLE 5: TABULAR REPRESENTATION OF HYPOTHESIS 4

Statement	Agree	Disagree	Total	Significant Value of chi square at 3df	
S1	10 th	21 (10.5%)	1 (0.5%)	22 (11.0%)	.728 >.05
	12 th	37 (18.5%)	3 (1.5%)	40 (20.0%)	
	UG	69 (34.5%)	2 (1.0%)	71 (35.5%)	
	PG	64 (32.0%)	3 (1.5%)	67 (33.5%)	
	Total	191 (95.5%)	9 (4.5%)	200 (100.0%)	
S2	10 th	22 (11.0%)	0 (0.0%)	22 (11.0%)	.378 >.05
	12 th	36 (18.0%)	4 (2.0%)	40 (20.0%)	
	UG	68 (34.0%)	3 (1.5%)	71 (35.5%)	
	PG	63 (31.5%)	4 (2.0%)	67 (33.5%)	
	Total	189 (94.5%)	11 (5.5%)	200 (100.0%)	
S3	10 th	10 (5.0%)	12 (6.0%)	22 (11.0%)	.055 >.05
	12 th	26 (13.0%)	14 (7.0%)	40 (20.0%)	
	UG	53 (26.5%)	18 (9.0%)	71 (35.5%)	
	PG	49 (24.5%)	18 (9.0%)	67 (33.5%)	
	Total	138 (69.0%)	62 (31.0%)	200 (100.0%)	
S4	10 th	12 (6.0%)	10 (5.0%)	22 (11.0%)	.053 >.05
	12 th	26 (13.0%)	14 (7.0%)	40 (20.0%)	
	UG	56 (28.0%)	15 (7.5%)	71 (35.5%)	
	PG	53 (26.5%)	14 (7.0%)	67 (33.5%)	
	Total	147 (73.5%)	53 (26.5%)	200 (100.0%)	
S5	10 th	19 (9.5%)	3 (1.5%)	22 (11.0%)	.174 >.05
	12 th	39 (19.5)	1 (0.5%)	40 (20.0%)	
	UG	69 (34.5%)	2 (1.0%)	71 (35.5%)	
	PG	62 (31.0%)	5 (2.5%)	67 (33.5%)	
	Total	189 (94.5%)	11 (5.5%)	200 (100.0%)	

Table No. 5 reveals that chi square value is greater than 0.05. Hence, the null hypothesis accepted which means celebrity attributes has similar impact on the buying decision of consumers related to different education level.

Ho5: Celebrity's attributes has similar impact on the purchase decision of consumers related to different Occupation.

TABLE 6: TABULAR REPRESENTATION OF HYPOTHESIS 5

Statement		Agree	Disagree	Total	Significant Value of chi square at 3df
S1	Student	60 (30.0%)	0 (0.0%)	60 (30.0%)	.119 >.05
	Business	37 (18.5%)	4 (2.0%)	41 (20.5%)	
	Service	67 (33.5%)	3 (1.5%)	70 (35.0%)	
	Other	27 (13.5%)	2 (1.0%)	29 (14.5%)	
	Total	191 (95.5%)	9 (4.5%)	200 (100.0%)	
S2	Student	54 (27.0%)	6 (3.0%)	60 (30.0%)	.235 >.05
	Business	39 (19.5%)	2 (1.0%)	41 (20.5%)	
	Service	67 (33.5%)	3 (1.5%)	70 (35.0%)	
	Other	29 (14.5%)	0 (0.0%)	29 (14.5%)	
	Total	189 (94.5%)	11 (5.5%)	200 (100%)	
S3	Student	48 (24.0%)	12 (6.0%)	60 (30.0%)	.172 >.05
	Business	26 (13.0%)	15 (7.5%)	41 (20.5%)	
	Service	46 (23.0%)	24 (12.0%)	70 (35.0%)	
	Other	18 (9.0%)	11 (5.5%)	29 (14.5%)	
	Total	138 (69.0%)	62 (31.0%)	200 (100%)	
S4	Student	53 (26.5%)	7 (3.5%)	60 (30.0%)	.002 <.05
	Business	24 (12.0%)	17 (8.5%)	41 (20.5%)	
	Service	46 (23.0%)	24 (12.0%)	70 (35.0%)	
	Other	24 (12.0%)	5 (2.5%)	29 (14.5%)	
	Total	147 (73.5%)	53 (26.5%)	200 (100%)	
S5	Student	58 (29.0%)	2 (1.0%)	60 (30.0%)	.399 >.05
	Business	40 (20.0%)	1 (0.5%)	41 (20.5%)	
	Service	65 (32.5%)	5 (2.5%)	70 (35.0%)	
	Other	26 (13.0%)	3 (1.5%)	29 (14.5%)	
	Total	189 (94.5%)	11 (5.5%)	200 (100.0%)	

Table No. 6 reveals that chi square value is greater than 0.05 of S1, S2, S3 and S5. Hence, the null hypothesis accepted for these statements, which means celebrity attributes, has similar impact on the buying decision of consumers related to different occupation. But the chi square value is less than 0.05 of S4. Thus the null hypothesis rejected for the statements and we can say that celebrity attributes has not similar impact on the buying decision of consumers related to different occupation.

Ho6: Celebrity's attributes has similar impact on the purchase decision of consumers related to different Income (monthly) group.

TABLE 7: TABULAR REPRESENTATION OF HYPOTHESIS 6

Statement		Agree	Disagree	Total	Significant Value of chi square at 2df
S1	Below 15000	46 (23.0%)	2 (1.0%)	48 (24.0%)	.969 >.05
	15000-30000	98 (49.0%)	5 (2.5%)	103 (51.5%)	
	Above 30000	47 (23.5%)	2 (1.0%)	49 (24.5%)	
	Total	191 (95.5%)	9 (4.5%)	200 (100%)	
S2	Below 15000	43 (21.5%)	5 (2.5%)	48 (24.0%)	.179 >.05
	15000-30000	98 (49.0%)	5 (2.5%)	103 (51.5%)	
	Above 30000	48 (24.0%)	1 (0.5%)	49 (24.5%)	
	Total	189 (94.5%)	11 (5.5%)	200 (100%)	
S3	Below 15000	30 (15.0%)	18 (9.0%)	48 (24.0%)	.511 >.05
	15000-30000	74 (37.0%)	29 (14.5%)	103 (51.5%)	
	Above 30000	34 (17.0%)	15 (7.5%)	49 (24.5%)	
	Total	138 (69.0%)	62 (31.0%)	200 (100%)	
S4	Below 15000	33 (16.5%)	15 (7.5%)	48 (24.0%)	.547 >.05
	15000-30000	79 (39.5%)	24 (12.0%)	103 (51.5%)	
	Above 30000	35 (17.5%)	14 (7.0%)	49 (24.5%)	
	Total	147 (73.5%)	53 (26.5%)	200 (100%)	
S5	Below 15000	45 (22.5%)	3 (1.5%)	48 (24.0%)	.877 >.05
	15000-30000	97 (48.5%)	6 (3.0%)	103 (51.5%)	
	Above 30000	47 (23.5%)	2 (1.0%)	49 (24.5%)	
	Total	189 (94.5%)	11 (5.5%)	200 (100%)	

Table No. 7 reveals that chi square value is greater than 0.05. Hence, the null hypothesis accepted which means celebrity attributes has similar impact on the buying decision of consumers related to different income group.

FINDINGS

- Majority of respondent's opinion that expertise of celebrity about two wheelers influences their purchase decision.
- Majority of respondent's opinion that Trustworthiness attribute of celebrity highly influence their purchase decision of two wheelers, particularly above 35 age groups.
- Majority of respondents agreed that credibility of celebrity endorser is very important attribute.
- Majority of respondents found that similarity attribute highly influence their purchase decision, especially rural area and 18-25 age group respondents.
- Majority of respondents have opinion that likeability has highest effect on their purchase decision of two wheelers. Particularly female, students and 18-25 age groups respondents.
- Majority of respondents found that celebrity endorser should be attractive.
- Majority of respondents agreed that match between celebrity and product; influence their purchase decision of two wheelers.

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CORPORATE SOCIAL RESPONSIBILITY – A CONCEPTUAL FRAMEWORK**RR REDDY****RESEARCH SCHOLAR****DEPARTMENT OF BUSINESS ADMINISTRATION****VELTECH DR. RR & DR. SR UNIVERSITY****AVADI****Dr. K. KALA****ASST. PROFESSOR****DEPARTMENT OF BUSINESS ADMINISTRATION****VELTECH SCHOOL OF MANAGEMENT****AVADI****ABSTRACT**

CSR has become increasingly prominent in the Indian corporate scenario because organisations have realized that besides growing their businesses it is also vital to build trustworthy and sustainable relationships with the community at large. This is one of the key drivers of CSR programs. In this paper, an attempt is made to know, the origin and history of Corporate social responsibility, meaning and concept of CSR, the drivers of CSR in India and benefits and challenges for implementation of CSR.

KEYWORDS

corporate social responsibility, ethical consumerism, globalisation, stakeholders, social responsibilities of business.

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INTRODUCTION

Globalisation is the process that has come to dominate the world since the nineties of the last century with the end of the cold war and the break-up of the former Soviet Union. Globalisation opened up economies world over and offered scope for investment in any part of the world and also brought the new opportunities to developing countries to participate globally in socio-economic and cultural affairs. Greater access to markets of developed countries and technology transfer hold out promise of improved productivity and higher living standards. The process of globalisation has thrown up new challenges like growing inequality across and within nations, volatility in financial market, environmental degradation and competition among the corporations, to overcome these challenges the globalisation has given rise to the practice and concept of Corporate Social Responsibility (CSR).

Corporate Social Responsibility (CSR) is commitment by organizations to balance financial performance with contributions to the quality of life of their employees, the local community and society at large is gaining worldwide value as a business tool and social effort. Organizations are increasingly called upon to evolve beyond focusing on the financial bottom line and consider the social and environmental impact of their business decisions, particularly as globalization continues. Corporate social responsibility includes a broad range of practices and activities, from charitable donations to cause branding to business strategies addressing human rights and labor issues. How organizations demonstrate corporate social responsibility and the rationale behind such practices may vary according to the industry, sector and country in which organizations operate.

Corporate Social Responsibility (CSR) is defined as a strategy in which operating a business in a manner that meets or exceeds the ethical, legal, commercial and public expectations that society has of business. In the last twenty years, there has been a sea change in the nature of the triangular relationship between companies, the state and the society (Edenkamp, 2002). CSR has become increasingly prominent in the Indian corporate scenario because organisations have realized that besides growing their businesses it is also vital to build trustworthy and sustainable relationships with the community at large. This is one of the key drivers of CSR programs (Ramya Sathish, 2010). CSR is coming out of the purview of 'doing social good' and is fast becoming a 'business necessity'. Corporate houses are realizing that what is good for community, environment and workers health is also good for the business (Indu Jain, 2010). CSR also refers to the relationship of corporation with society as a whole. CSR is therefore a dramatically expanding area of activity for management and academics. The standard code for CSR is to contribute to protect and promote the interest of community and society at large and the operations at the global level have helped to increase the importance of CSR world over. Now the CSR activities will not remain limited to the company itself, but also touch upon their economic partners and communities too.

OBJECTIVES OF THE STUDY

1. To know the origin and concept of Corporate Social Responsibility.
2. To study the evolution of Corporate Social Responsibility in India.
3. To know the motives of Corporate Social Responsibility.

RESEARCH DESIGN AND METHODOLOGY

Research design: The present study is explorative in nature

Sources of data: The study primarily used secondary sources of data

Nature of the study: An overview of literature relating to Historical background of CSR, Meaning and concept of Corporate Social Responsibility and Motives for Corporate Social Responsibility.

ORIGIN AND HISTORY OF CORPORATE SOCIAL RESPONSIBILITY

Although the concept of CSR has become increasingly recognized in the latest decades, its core idea can be traced through history. Already in the 18th century employers realized the value of having an efficient workforce and that a lack of food, housing and healthcare had a negative effect on the workforce. Medical facilities, housing and subsidized food that might have been seen as philanthropic improvements was actually created out of self-interest (Brown & Christopher Stephen, 2005). Thus, in the 18th century people saw positive economic consequences of CSR actions. The history of CSR highlights the ways in which business leaders and scholars have struggled to define and conceptualize CSR. As America and Europe emerged from World War II and confronted the emerging Cold War tensions, thinking about business and the future course of the economic system in the West intensified. The preliminary research for the envisioned project revealed a range of opinion and ongoing efforts to articulate business responsibilities, to provide a philosophical foundation for those responsibilities, and to develop effective ways of responding to or implementing those responsibilities. A few selected examples of this evolution are offered below:

Dempsey and David: Although the term corporate social responsibility was not used, Bernard Dempsey, in his 1949 Harvard Business Review (HBR) article – “The Roots of Business Responsibility,” laid out a rationale for responsible business practice. Dempsey provided a philosophical foundation for arguments in an HBR article two months prior by Donald K. David, Dean of the Harvard Graduate School of Business Administration, titled “Business Responsibilities in an Uncertain World.” David called upon business leaders to become engaged in public affairs beyond the immediate economic functions of business which they regarded as its fundamental contribution to society.

Dempsey provided philosophical foundations arguing the responsibilities of businessmen arose from four concepts of justice: exchange justice – the trust underlying exchanges in the market; distributive justice – the just relation between the government and individuals; general justice – acceptance of legal frameworks but beyond this to acceptance of ethical obligations; and especially social or contributive justice – the obligation to contribute to the well-being and progress of individuals and society.

Morrell Heald: He wrote the only comprehensive history on this topic “The Social Responsibilities of Business: Company and Community 1900 - 1960” (published in 1970). Heald focused not on the theory of social responsibility but on “how businessmen themselves have defined and experienced it.” In particular, he looked to their policies and practices to tell the story. Heald notes that the “trusteeship concept” of business leadership and responsibility was enunciated nearly a quarter century before World War II. Indeed, Andrew Carnegie offered an even earlier statement of the trustee or stewardship concept in June 1889 in his North American Review article titled “Wealth.” In 1906, Yale president Arthur Hadley advised business leaders to remember that they are also trustees of the public interest and to align their sense of ethics and obligation accordingly. In the 1920s, the trusteeship concept emerged boldly in the words and practices of Owen D. Young, chairman, and Gerard Swope, president of the General Electric Company. In their eyes, shareholders were only one constituency to whom business leaders were responsible, and as Young put it in 1926, the public and employees ranked ahead of shareholders. Young and Swope envisioned and sought to build partnerships and cooperation between business, labor, government and community – not open hostilities. Well before World War II, the practices of giving (philanthropy) and of community involvement were well established in community chest drives of the 1920s and in dealing with labor and community issues associated with neighboring plants and in company towns – although certainly not embraced by all business leaders. As the 1950s unfolded Heald describes business leaders moving beyond philanthropy to substantive cooperation and outright leadership on a range of community initiatives. He developed extensive profiles of business initiatives with higher education, working to become a good neighbor, and business support for the arts.

Archie Carroll: He provided the most comprehensive overview of the evolving definition of corporate social responsibility in the post-World War II period. Carroll examines and compares all of the main contributions from scholars from 1950 through the mid-1990s including: Howard Bowen, Keith Davis, Clarence Walton, William Frederick, the Committee for Economic Development, Prakash Sethi, Donna Wood, and many others. Carroll credits Howard R. Bowen, 1953 author of the book Social Responsibilities of the Businessman, as the “Father of corporate Social Responsibility” because his book dealt directly with the concept of social responsibility. Bowen asserted that social responsibility “refers to the obligations of businessmen to pursue those policies, to make those decisions, or to follow those lines of action which are desirable in terms of the objectives and values of our society.” The past sixty years have been notable for the increasing attention given to the concept, for its continuing evolution, and for the lack of consensus on what it means – and even whether it is legitimate.

William Frederick: In the midst of these developments, William Frederick, writing in 1986, challenged CSR scholars for failing to dig deeply into the underlying value conflicts between business and changing societal expectations. Frederick described two waves. One he called CSR and noted its focus on responsibility, the second he called CSR and noted its focus on responsiveness (or how a business could respond to and manage issues with all the tools and strategies that might entail). Neither was sufficient for Frederick. He urged business leaders and CSR scholars to look deeper and deal with normative foundations and conflicts. He was a strong proponent of connecting the field of business ethics with CSR. Anchoring consideration of CSR in the moral foundations of business ethics led to a third approach or CSR3 what he called corporate social rectitude.

HISTORY OF CSR IN INDIA

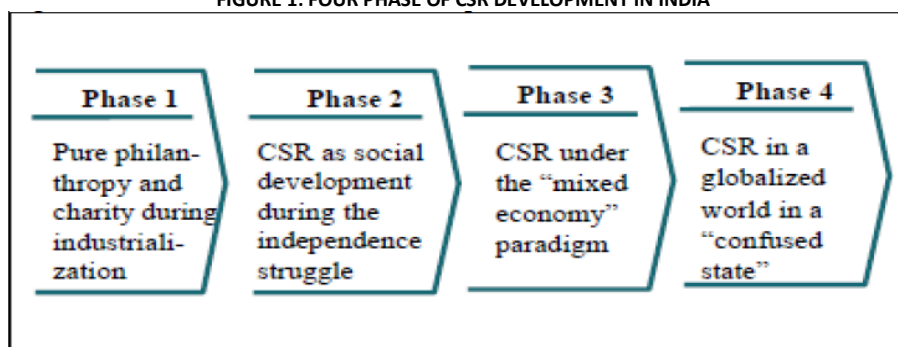
India had a very well-developed commerce and industrial sector since ancient times. The concept of helping the poor and disadvantaged was cited in much of the ancient literature. The idea was also supported by several religions where it has been intertwined with religious laws. “Zakaat”, followed by Islam, is two percent donation from one’s earnings, which is specifically given to the poor and disadvantaged. Similarly, Hinduism follows the principle of “Dhramada” and Sikhs the “Daashaant”. In the global context, the recent history goes back to the seventeenth century when in 1790s, England witnessed the first large scale consumer boycott over the issue of slave harvested sugar which finally forced importer to have free-labor sourcing. All the philosophical, religious and spiritual literature available of that period is testimony to this fact. The great Indian philosopher Kautilya (in 4th Century BC) in his book Arthshashtra has described in detail the trade and crafts, manufacturing, agricultural, mining and forestry sector present during the time of Maurya Empire (Rangarajan & Kautilya). Reference to presence of trade and craft is also found in Vedic literature, the Jataka tales and in Mahabharata one of the greatest Indian epics of all times (Jawaharlal Nehru, 2004).

In recent times, many business houses believe that the role of business in society should not be limited to creation of wealth for its owners and promoters but also for the larger society. The early pioneers of Indian Industry, whether TATAs, Birlas, or Bajajs, firmly believed in the concept of social responsibility of business. The founder of TATA Steel, Jamshedji Nusserwanji Tata expressed in his speak in 1903: “We generate wealth for the Nation. What comes from the people must, to the extent possible, therefore, get back to the people”. Gandhiji went on to elaborate this concept further by emphasizing the moral responsibility of business through his idea of Trusteeship. He viewed owners of capital, as Trustees holding resources on behalf of the society, which to produce goods and services, will benefit society, at large. The founder of Bajaj group, Shri Jamnalal Bajaj said: “Our wealth should be utilised for improving the quality of the society and the nation. We should never fail to spend at least a portion of our incomes on the social, economic and educational development of the province where we live.”.

DEVELOPMENT OF CSR IN FOUR STAGES

Given India’s long tradition in this field, its CSR agenda continues to be characterized mainly by philanthropic and community development activities. To understand the current state and future prospects of CSR and the role of the United Nations Global Compact (UNGC) in India, the country’s political and economic history must be taken into account. Against this background, the development of CSR in India can be divided into four main phases. According to Sundar (2000), the following four phases of CSR development can be identified. These phases parallel to India’s historical development and resulted in different CSR practices must be regarded as an analytical tool. However, it is not static; rather features of one phase can also be observed in the others, as is particularly evident from the last phase.

FIGURE 1: FOUR PHASE OF CSR DEVELOPMENT IN INDIA



Source: (Tatjana Chahoud, et al., 2007)

First phase: CSR motivated by charity and philanthropy: The first phase of CSR is predominantly determined by culture, religion, family tradition, and industrialization. Business operations and CSR engagement were based mainly on corporate self-regulation. Being the oldest form of CSR, charity and philanthropy still influence CSR practices today, especially in community development. In the preindustrial period up to the 1850s, merchants committed themselves to society for religious reasons, sharing their wealth, for instance, by building religious places like Majids, church and religious places like Masjids, Church and temples. Moreover, "the business community occupied a significant place in ancient Indian society and the merchants provided relief in times of crisis such as famine or epidemics throwing open go downs of food and treasure chests (Arora & Puranik, 2004).

Under colonial rule, Western types of industrialization reached India and changed CSR from the 1850s onwards. The pioneers of industrialization in the 19th century in India were a few families such as the Tata, Birla, Bajaj, Lalbhai, Sarabhai, Godrej, Shriram, Singhanian, Modi, Naidu, Mahindra and Annamali, who were strongly devoted to philanthropically motivated CSR (Mohan 2001). The early pioneers of industry in India were leaders in the economic, as also in the social fields. Nevertheless, it has been pointed out that their engagement was not only altruistic and stimulated by religious motives: It had business considerations in supporting efforts towards industrial and social development of the nation and was influenced by caste groups and political objectives (Mohan, 2001). The underlying pattern of charity and philanthropy means that entrepreneurs sporadically donate money (e.g. to schools or hospitals) without any concrete or long-term engagement. Charitable and philanthropic CSR is practised outside the company, focusing on such external stakeholders as communities and general social welfare bodies.

Second phase: CSR for India's social development: The second phase of Indian CSR (1914-1960) was dominated by the country's struggle for independence and influenced fundamentally by Gandhi's theory of trusteeship, the aim of which was to consolidate and amplify social development. During the struggle for independence, Indian businesses actively engaged in the reform process. Not only did companies see the country's economic development as a protest against colonial rule; they also participated in its institutional and social development (India Partnership Forum, 2002). The corporate sector's involvement was stimulated by the vision of a modern and free India. Gandhi introduced the notion of trusteeship in order to make companies the "temples of modern India": businesses (especially well-established family businesses) set up trusts for schools and colleges; they also established training and scientific institutes (Mohan, 2001). The heads of the companies largely aligned the activities of their trusts with Gandhi's reform programmes. These programmes included activities that sought in particular the abolition of un-touchability, women's empowerment and rural development.

Third phase: CSR under the paradigm of mixed economy: The paradigm of the "mixed economy," with the emergence of Public Sector Units it and ample legislation on labour and environmental standards, affected the third phase of Indian CSR (1960- 1980). This phase is also characterized by a shift from corporate self-regulation to strict legal and public regulation of business activities. Under the paradigm of the "mixed economy", the role of the private sector in advancing India receded. During the Cold War, India decided to take a third course between capitalism and communism. In this scenario, the public sector was seen as the prime mover of development. The 1960s have been described as an "era of command and control", because strict legal regulations determined the activities of the private sector (Arora & Puranik, 2004). The introduction of a regime of high taxes, quota and license system imposed tight restrictions on the private sector and indirectly triggered corporate malpractices. As a result, corporate governance, labour and environmental issues rose on the political agenda and quickly became the subject of legislation. Furthermore, state authorities established PSUs with the intention of guaranteeing the appropriate distribution of wealth to the needy (Arora & Puranik, 2004). However, the assumption and anticipation that the public sector could tackle developmental challenges effectively materialized to only a limited extent. Consequently, what was expected of the private sector grew, and the need for its involvement in socio-economic development became indispensable. An initial and cautious attempt at reconciliation was made by Indian academics, politicians and businessmen at a national workshop on CSR in 1965 (Mohan, 2001). According to this agenda, businesses were to play their part as respectable corporate citizens, and the call went out for regular stakeholder dialogues, social accountability and transparency. Despite these progressive acknowledgements, this CSR approach did not materialize at that time.

Fourth phase: CSR at the interface between business and society: In the fourth phase from 1980 until the present) Indian companies and stakeholders began abandoning traditional philanthropic engagement and, to some extent, integrated CSR into a coherent and sustainable business strategy, partly adopting the multistakeholder approach. In the 1990s, the Indian government initiated reforms to liberalize and deregulate the Indian economy by tackling the shortcomings of the "mixed economy" and tried to integrate India into the global market. Consequently, controls and license systems were partly abolished, and the Indian economy experienced a pronounced boom, which has persisted until today (Arora & Puranik, 2004). This rapid growth did not lead to a reduction in philanthropic donations; on the contrary, the increased profitability also increased business willingness as well as ability to give, along with a surge in public and government expectations of businesses" (Arora & Puranik, 2004). Against this background, India has meanwhile become an important economic and political actor in the process of globalization. This new situation has also affected the Indian CSR agenda, with more Transnational Corporations (TNCs) resorting to global sourcing, India has become an attractive and important production and manufacturing site. As Western consumer markets are becoming more responsive to labour and environmental standards in developing countries, Indian companies producing for the global market need to comply with international standards.

MEANING OF CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility (CSR) is viewed as a comprehensive set of policies, practices and programs that are integrated into business operations, supply chains, and decision-making processes throughout the organization wherever the organization does business and includes responsibility for current and past actions as well as future impacts. CSR involves addressing the legal, ethical, commercial and other expectations society has for business, and making decisions that fairly balance the claims of all key stakeholders. Effective CSR aims at "achieving commercial success in ways that honor ethical values and respect people, communities, and the natural environment." Simply put it means "what you do, how you do it, and when and what you say." Several terms have been used interchangeably with CSR. They include business ethics, corporate citizenship, corporate accountability, sustainability and corporate responsibility. The issues that represent an organization's CSR focus vary by size (small, medium and large), sector for example, financial institutions, infrastructure providers, textile manufacturers, agri-producers, supermarket retailers, and even by geographic region. In its broadest categories, CSR typically includes issues related to business ethics, community investment, environment, governance, human rights, the marketplace and the workplace.

DEFINING CORPORATE SOCIAL RESPONSIBILITY

One of the factors responsible for limited conceptual understanding of CSR is the complexity and absence of consensual definitions of the concept. Although the concept of CSR is widely discussed in theory and practice a universally accepted definition of CSR is yet to emerge. CSR can be conceptualized differently by individuals. Indeed, Amaeshi and Adi (2005) argue that there are as many definitions of CSR as there are writers on the topic.

Though there is no universal definition for CSR, but it is necessary to mention some of the important definitions those are accepted by many researchers, academicians and CSR practitioners and those are as following: World Bank Committee for Sustainable Development (WBCSD, 1999): "The continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large".

International Labour Organisation (ILO, 2007): "Corporate social responsibility is a way in which enterprises give consideration to the impact of their operations on society and affirm their principles and values both in their own internal methods and processes and in their interaction with other actors. CSR is a voluntary, enterprise driven initiative and refers to activities that are considered to exceed compliance with the law".

Carroll (1999) "The social responsibility of business encompasses the economic, legal, ethical and discretionary expectations that a society has of organizations at a given point in time." Mallenbaker(2004) "CSR is about how companies manage the business processes to produce an overall positive impact on society"

European Commission (2011) "A concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis."

Bowen (1953); "It refers to the obligations of businessmen to pursue those policies, to make those decisions, or to follow those lines of action which are desirable in terms of the objectives and values of our society."

Committee for Economic Development (CED) (1971); In Social Responsibilities of Business Corporations report: "...business functions by public consent and its basic purpose is to serve constructively the needs of society – to the satisfaction of society." Further that – "Business is being asked to assume broader responsibilities to society than ever before and to serve a wider range of human values. Business enterprises, in effect, are being asked to contribute more to the quality of American life than just supplying quantities of goods and services. Inasmuch as business exists to serve society, its future will depend on the quality of management's response to the changing expectations of the public."

Eilbert and Paret (1973); "Perhaps the best way to understand social responsibility is to think of it as 'good neighborliness.' The concept involves two phases. On one hand, it means not doing things that spoil the neighborhood. On the other, it may be expressed as the voluntary assumption of the obligation to help solve neighborhood problems." Or..."...the commitment of a business or business, in general, to an active role in the solution of broad social problems..."

Prakash Sethi (1975); Distinguishing social obligation, social responsibility, and social responsiveness: "Thus social responsibility implies bringing corporate behavior up to a level where it is congruent with the prevailing social norms, values, and expectations of performance."

Jones (1980); "Corporate social responsibility is the notion that corporations have an obligation to constituent groups in society other than stockholders and beyond that prescribed by law and union contract. Two facets of this definition are critical. First, the obligation must be voluntarily adopted; behavior influenced by coercive forces of law or union contract is not voluntary. Second, the obligation is a broad one, extending beyond the traditional duty to shareholders to other societal groups such as customers, employees, suppliers, and neighboring communities.

MOTIVES OF CORPORATE SOCIAL RESPONSIBILITY

A number of factors are driving the increased adoption of CSR practices in the corporate India. Regulation obviously provides the baseline for corporate action, notably for employment practices and the environment. Beyond this, for many companies, being a good corporate citizen is a vital aspect of their identity, values, and vision. Far-sighted business leaders recognize that it is unsustainable for their companies to exist as 'islands of prosperity' in a sea of poverty.

In the recent years corporate business houses have substantially involved towards societal responsibilities. Companies have started to realize the importance of corporate social responsibility and initiating the steps towards it. Today, the objectives of the companies are not limited to profit maximization, economic gains or enhancing competencies but at the same time ensure environmental protection, promotion of social responsibility including consumer interest. It will lead to good public image which in turn have positive impact on the wealth of the organisation. The reasons that motivate organisations to involve in corporate social responsibility activities are discussed as follows:

Globalization and market forces: As corporations pursue growth through globalization, they have encountered new challenges that impose limits to their growth and potential profits. Government regulations, tariffs, environmental restrictions and varying standards of what constitutes labour exploitation are problems that can cost organizations millions of dollars. Some companies use CSR methodologies as a strategic tactic to gain public support for their presence in global markets, helping them sustain a competitive advantage by using their social contributions to provide a subconscious level of advertising. (Fry, Keim, Meiners 1986) Global competition places particular pressure on multinational corporations to examine not only their own labour practices, but those of their entire supply chain, from a CSR perspective.

Laws and regulation: Another driver of CSR is the role of independent mediators, particularly the government, in ensuring that corporations are prevented from harming the broader social good, including people and the environment. CSR critics such as Robert Reich argue that governments should set the agenda for social responsibility by the way of laws and regulation that will allow a business to conduct themselves responsibly.

Social awareness: The role among corporate stakeholders to work collectively to pressure corporations is changing. Shareholders and investors themselves, through socially responsible investing are exerting pressure on corporations to behave responsibly.

Ethical Consumerism: The rise in popularity of ethical consumerism over the last two decades can be linked to the rise of CSR. As global population increases, so does the pressure on limited natural resources required to meet rising consumer demand (Grace and Cohen 2005). Industrialization in many developing countries is booming as a result of technology and globalization.

Stakeholder priorities: Increasingly, corporations are motivated to become more socially responsible because their most important stakeholders expect them to understand and address the social and community issues that are relevant to them. Understanding what causes are important to employees is usually the first priority because of the many interrelated business benefits that can be derived from increased employee engagement (i.e. more loyalty, improved recruitment, increased retention, higher productivity, and so on).

Consumers Satisfaction: Responsible companies give greater priority to their customers. With diminishing business, boundaries across the world consumers have become aware and more demanding in terms of information regarding conditions in which the products and services are produced along with the sustainability impact thereof.

Employees Satisfaction: Young blood in the organisation wants more than the financial benefit. They feel sense of pride to be connected with the organisation, which is socially responsible. Strong CSR practices can help in attracting, recruiting and retaining the best young talent.

Image Building: Globalisation and universal expansion of the economies enhances the consideration of image and reputation among organisations. An organisations image and reputation can be ruined in days through unregulated and unethical practices. So, imbibing CSR practices becomes the strong foundation in image building.

Risk Management: Managing risk is a central part of many corporate strategies. Reputations that take decades to build up can be ruined in hours through incidents such as corruption scandals or environmental accidents.

License to operate: Corporations are keen to avoid interference in their business through taxation or regulations. By taking substantive voluntary steps, they can persuade governments and the wider public that they are taking issues such as health and safety, diversity or the environment good corporate citizens with respect to labour standards and impacts on the environment.

Environment protection: Environment protection becomes an area of concern these days. A CSR programme that aims to conserve earth's natural resources, avoiding pollution, water conservation and minimising global warming effects are the areas in which the companies take initiative.

The Benefits of CSR

Every concept has got two faces naturally the advantage as well as disadvantage; here the research tries to highlight the first face of corporate social responsibility in terms of its practical benefits and those as mentioned below.

Building Reputation by increasing environmental efficiency and improving environmental responsibility, an enhanced reputation is often manifested in awards and recognition from governments, rating agencies, and public surveys.

Developing human capital through better human resource management, a high-quality work force is essential for competitiveness since it improves productivity, product quality, and innovation. A study in India covering 52000 employees in 200 companies found a positive correlation between employment practices and financial returns.

Improving access to capital through high standards of corporate governance that reassure investors on issues relating to shareholder and stakeholder rights, transparency and disclosure, and proper governance structures. Another interesting illustration of the business case for CSR is provided by Bob Willard (2002) in his book, *The Sustainability Advantage: seven business case benefits of a triple bottom line*.

Easier hiring of the best talent Researchers estimates that the most important corporate resource over the next 20 years will be talented employees, many of which pay attention to corporate social and environmental behaviour. Willard shows how recruiting costs for South Dakota Inc. could be reduced by 5% through a positive South Dakota branding.

Higher retention of top talent: Studies show that talented employees tend to stay with a company when they have meaningful work. Willard shows how South Dakota Inc., in embracing a sustainable framework, could avoid 38 million dollars in costs.

Increasing employee productivity: Willard discusses the connection between meaningful work and productivity, and shows that engaging the entire organization in sustainable development goals like zero emissions, self-sufficient energy production, zero waste, helping restore the planet's health, ensures that the company

gets more output from its employees. Small and medium enterprise (SMEs) productivity benefit translates into 756 million dollars, the equivalent of 12,600 extra employees.

Reduced expenses in manufacturing: Willard demonstrates savings opportunities through eliminating or recycling waste and redesigning processes to use less energy, 24 waters, and materials in manufacturing, which are the low hanging fruits of ecoefficiency.

Reduced expenses at commercial sites: A lot of unnecessary waste takes place at non-manufacturing sites. Through more judicious waste handling, energy efficiency, water conservation, and naturalized landscaping, SD Inc. can add 26 million dollars of pure profit.

Improved financial performance as stated above a corporations' priority is to maximize profits and therefore it is interesting to discuss the relationship between social responsibility actions and economic performance. There different opinions on this matter and they can be structured into three different viewpoints. The first viewpoint believes that there is a tradeoff between social responsibilities and financial performance. Engaging in CSR will get in the way of profit maximization and it is therefore irresponsible of a corporation towards its shareholders to engage in CSR operations. The second viewpoint believes that the costs occurring when the corporations embrace their social responsibilities are marginal and outweighed by benefits such as improved employee morale and productivity. The third viewpoint believes that CSR is important in itself and its costs are offset by a reduction of other costs (McGuire, Sundgren, & Schneeweis, 1988).

SCOPE FOR CORPORATE SOCIAL RESPONSIBILITY IN INDIA

The scope for corporate social responsibility can be classified into two major areas such as internal scope and external scope, those are discussed in detailed as following:

INTERNAL SCOPE FOR CSR

Risk Management: organizational health and safety, product safety, regulatory compliance, reputation management, responsible business practices, stakeholder engagement

Value Chain: responsible procurement, supplier management, externalization of costs, supplier screening, supplier feedback, fair trade

Employees: Turnover, morale, satisfaction, work-life balance, internal culture (transparency), labour practices, job security, remuneration, diversity, equal opportunity, training

Environment: Environmental footprint, waste and pollution avoidance, ecoefficiency, product recycling, sustainability, greenhouse gas emissions, resource reduction, precautionary principle with in the organisation.

Measurement: Global Reporting Initiative (GRI) reporting, internal and external audits, verification statements, management targets

EXTERNAL SCOPE FOR CSR

Education: Support to technical or vocational institutions for their self- development, academic education by way of financial assistance to primary, middle and higher secondary schools, adult literacy especially amongst those belonging to BPL, awareness programmes on girl education, counseling of parents.

Water Supply including Drinking Water: Installation repair of hand pumps tube wells, digging or renovation of wells, gainful utilization of waste water from underground mines for cultivation or any other purpose, development construction of water tank ponds, rain water-harvesting scheme, formation of a task force of volunteers to educate people regarding proper use of drinking water, empowerment to the villagers for maintenance of the above facilities for availability of water.

Health Care: Human Immunodeficiency Virus Infection / Acquired Immunodeficiency Syndrome (HIV/AIDS), awareness and care, tuberculosis (TB) and leprosy, social evils like alcohol, smoking, drug abuse child and mother care, diet 26 and nutrition, operation Jyoti-vision to help the people of the peripheral area for necessary assistance, blood donation camps, diabetics detection and hypertension camps, family welfare, senior citizen health care, wellness clinics, fully equipped mobile medical vans, Tele medicine, to supplement the different programme of local or state authorities, eyes and heart care, collaboration with govt. health institution.

Environment: organizing sensitizing programmes on environment management and pollution control, green belt development forestation, social forestry, check dams, park, restoration of mined out lands, development of jobs related to agro product i.e dairy, poultry, farming and others, plantation of saplings producing fruit, animal care.

Social Empowerment: Priority for local youth in employment, Self-Gainful Employment Opportunities Training of Rural Youth for Self-Employment (TRYSEM) on welding, fabrication, and other electronic appliances, to provide assistance to villagers having small of land to develop mushroom farming, medicinal plants, farming and other cash crops to make them economically dependent on their available land resources, training may be provided by agricultural experts for above farming, organizing training programmes for women on tailoring, embroidery designs, home foods/fast foods, pickles, painting and interior decoration and other vocational courses.

Village Infrastructure Development: To develop infrastructural facilities for providing electricity through Solar Lights or alternative renewal energy to the nearby villages, Pawan Chakki as alternative for providing electricity in villages, construction of road, drainage, bus stand, community hall, toilets water supply pipe line, water storage tank, check dam.

Sports and Culture: Promotion of sports and cultural activities for participation in state and national level, by conducting tournaments like football, cricket, Kabaddi and Khokho, providing sports materials for football, volleyball, hockey to the young and talented village youths. Promoting and sponsoring of national level teams, national sports events in coalfield areas and supporting local players, and extending sponsorship for cultural event to restore Indian cultural, traditions and values, last but not the least providing sports facilities for physically handicapped persons may be explored, development of park so on and so forth.

MEASURING METHODS OF CSR

The concept CSR is not easy to measure, though many researchers have developed lots of methods. Generally, there are two accepted methods of measuring CSR, one is reputation index, and the other is content analysis (Ahmed & Uchida, 2009). The former measurement is a method that is based on the view of the knowledgeable observers who rate firms on the basis of one or more dimensions of social performance. The advantages of their method are: it summarizes the responses of a key. Constituency of various firms and it tends to be internally consistent because one evaluator is applying the same criteria to each firm (Karake, 1998). Content analysis is a way of codifying text and content of written narratives into groups or categories based on selected criteria, with the end goal of transforming the material into quantitative scales that permit further analysis (Weber, 1988; Holder-Webb, Cohen, Nath, & Wood, 2007). Both methods have their limitations. The reputation index heavily relies on the observers' subjective judgments; instead, the content analysis relies on information provided by the company itself (Karake, 1998).

THE UNITED NATION GLOBAL COMPACT TEN PRINCIPLES

Another broader measure of corporate commitment to social responsibility is the United Nation Global Compact, a set of 10 principles launched by UN Secretary General, Kofi Annan. Currently, 95 Indian companies have backed the Global 28 Compact, slightly less than in Brazil, but on this occasion, considerably more than in China. The UN Global Compact's ten principles in the areas of human rights, labour, the environment and anti-corruption enjoy universal consensus and are derived from: The Universal Declaration of Human Rights, the International Labour Organization's declaration on fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development and the United Nations Convention against Corruption. The UN Global Compact asks companies to embrace, support and enact, within their sphere of influence, a set of core values in the areas of human rights, labour standards, the environment and anti-corruption:

HUMAN RIGHTS

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses.

LABOUR

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour

Principle 5: the effective abolition of child labour; and

Principle 6: the elimination of discrimination in respect of employment and occupation. **Environment**

Principle 7: Businesses should support a precautionary approach to environmental challenges; Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies. **Anti-Corruption**

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

CONCLUSION

Corporate social responsibility focusses on the idea that a business has social obligation above and beyond making a profit. It requires a management to be accountable to the full range of stakeholders. Corporate social responsibility is the continuing commitment by the business to behave ethically and contribute to the economic development of the country while improving the quality of life of the workforce and their families and local community and society at large. CSR is achieving commercial success in the ways that honour ethical values and respect people, communities and the natural environment.

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**CONTRIBUTION OF MSME TO ASPECTS OF POVERTY REDUCTION, EMPLOYMENTSHIP AND INCOME
DISTRIBUTION IN PALEMBANG CITY
(CASE STUDY IN MSME TANGGA BUNTUNG AREA, 30 ILIR)**

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ABSTRACT

The purpose of this research is to know: a) Contribution of MSME to employmentship aspect b) Contribution of MSME to poverty aspect c) Contribution of MSME to income distribution aspect. Data were analyzed by using quantitative descriptive analysis. The results obtained are: a) The existence of MSME has a role of 0.015% in creating employment opportunities for the people in Palembang City, Contribution of MSME to employment absorption in Palembang City reached 0.016%, it means that MSME as an object on this research have a role in reducing unemployment in the Palembang City, although in a small percentage. b) The level of poverty line in 2016 increased to 24.98%, this situation caused the people of Palembang city to divert their consumption from non-food to food expenditure. If seen the comparison with poverty number of Palembang city, it turns out expense level increase after business, resulting the poverty level after business show comparison between expenditure to poverty number had increase. If the comparison with the poverty number of Palembang city turns out the expenditure level increase after business, resulting in poverty rate after business also showed an increase when compared with the poverty number in Palembang city. c) The level of poverty relative before and after the business of workers in MSME show an increasing number from 21.2 to 31.8, it means that the income of Palembang city already can be distributed to Songket workers in Gandus area 30 Ilir Palembang.

KEYWORDS

micro, small, medium enterprises (MSME), poverty, employmentship, income distribution.

JEL CODE

E29

INTRODUCTION

BACKGROUND

Micro, Small, Medium Enterprises (MSME)/*Usaha Mikro Kecil Menengah (UMKM)* is usually derived from the housing industry, in which this industry is somewhat grown in the hereditary family (for example: the industry of *songket*), yet there might be those who unconsciously takes housing industry inasmuch as it can increase its income (including but not limiting the culinary business).

Micro, Small, Medium Enterprises (MSME)/*Usaha Mikro Kecil Menengah (UMKM)* nowadays, is making a haste to grow in Palembang, as cited in www.bisnis-yarrah.co.id that in 2016, *Badan Pusat Statistik (BPS)* in Palembang predicted that the growth of the amount of the *Usaha Mikro Kecil Menengah (UMKM)* agent increased to 100%, that is to say, from 200.000 to 400.000 agents.

Micro, Small, Medium Enterprises (MSME)/*Usaha Mikro Kecil Menengah (UMKM)* is one of strengths in developing economy of Indonesia that is especially to increase the resistance of economy in housing phase. The sector of MSME/UMKM is designed strategically in order to create the economy growth, jobs field, increasing the equity of income, and the distribution of structural outputs. The expansion of MSME/UMKM in Indonesia is greatly supported by the essence of market by means of the high amount of MSME/UMKM in 2011-2012 indicated that the development of MSME/UMKM set up in only 3.3% that is almost distributed in all momentous trade unit: whether micro, small, and/or intermediate.

In other case, the growth of MSME/UMKM is also pushed by the difficulties in looking for job, a cited in Bisnis.com on May 5th of 2015 that stated the unemployment in South Sumatera at February of 2015 was 5.03% and/or increased rather than in August of 2014 that was in 4.96%, meanwhile in November 7th of 2016, according to P.Silitonga, the Chief of Statistics of South Sumatera (as cited, too, in Bisnis.com), "the expansion of it in the range of August 2016 was followed by the expansion of the amount of citizens who work and the degree of jobless." Meanwhile, the amount of unemployment decreased to 58.800 people from 38.900 people. This is expected that there must be the contribution of MSME/UMKM growth in Palembang that can absorb labors for more.

Based on the data of *BPS Economic Census Palembang* in 2017, the amount of employment phrase in Palembang is significantly great. (See table 1).

TABLE 1.1: EMPLOYMENTSHIP IN PALEMBANG, 2017

No	Elaboration	Amount
1	Workforce	733.121
2	Job Seeker Register Enlisted in Disnaker	5.234

Source: BPS Economic Census in Palembang, 2017

The high degree of jobless causes the high degree of poverty increased, the poverty degree in Palembang in 2014 set 12.93%, then it makes each citizen tries to fulfill his life by opening small trade. This might be caused by several factors, including, first, the amount of employment field that comes in small quantity. Next, the competence job seekers that's not suitable in market needs. Third, the ineffectiveness of information about market need for job seekers. Fourth, the company that lowers its scope of trade, resulting the economy and/or the protection, is not conducive; the rules that impede infestation; obstruction in the process of export and import. The condition of high degree of jobless can cause the extravagance of main source and existing potential, becomes the wagon of the family and citizen, main source of poverty can push the growth of social and criminal destruction and also can impede the development in long term.

The development of the city of Palembang recently increased rapidly with developments, tourism programs and activities of the upcoming Asian Games 2018 is one of the great potential for the development of MSME/UMKM in the city of Palembang, therefore the government should give greater attention to the MSME/UMKM in terms of human resources skills sources human in order to compete with products from outside. The rapid development of MSME/UMKM is expected to help improve the economic level in Palembang City, in terms of poverty alleviation, employment, and income distribution community of Palembang city. In addition, the existence of MSME/UMKM is expected to be an opening job, especially for the poor who have limitations in education and compete less because they lack the skills to find work. Besides that, the increasing development of MSME/UMKM in Palembang can also increase the average income of workers engaged in MSME/UMKM in particular and per capita income of Palembang city generally.

Based on the economic census conducted by BPS Palembang city in 2017, it was found that the population in Tangga Buntung area, Gandus sub-district of 2016 reached 62,994 people (see table 1.2). The population in the Tangga Buntung area of Gandus sub-district is divided into three groups of people based on the family welfare level.

TABLE 1.2: POPULATION IN TANGGA BUNTUNG AREA, GANDUS SUB-DISTRICT YEAR OF 2017

No.	Description	Amount
1.	Population Men = 32.067 Women = 30.927	62.994
2.	The number of pre-prosperous population Number of prosperous population group 1 Total population of class	4.775 7.234 7.526

Source: Economic Census of BPS Palembang City, 2017

One of the increasingly rapidly growing number of MSME/UMKM is the area of Tangga Buntung, 30 Ilir, Gandus Sub-district, Palembang. In the area of Tangga Buntung is dominated by MSME/UMKM engaged in the manufacturing and marketing of various kinds of songket and various souvenirs. So on this occasion the researcher wanted to know how far the contribution of MSME/UMKM to poverty alleviation, employment and income distribution at society of Palembang city generally and area of Tangga Buntung, 30 Ilir, District of Gandus in particular.

BASIC THEORY

THE DEFINITION OF MICRO, SMALL, MEDIUM ENTERPRISES (MSME)/USAHA MIKRO KECIL MENENGAH (UMKM)

The Criteria of MSME/UMKM has been regulated by Law no. 20 in 2008 is "productive business opportunity owned by individual or individual business entity fulfilling the criteria of micro business as regulated by law".

According to Zimmerer (1996) in Suryana (2014: 11), Entrepreneurship is the application of creativity and innovation to solve problems and efforts to take advantage of the opportunities faced every day. Entrepreneurship is a blend of creativity, innovation and courage at risk by hard work to shape and nurture new ventures. Creativity is defined as the ability to develop ideas and find new ways to solve problems and face opportunities. Innovation is defined as the ability to apply creativity in order to solve problems and opportunities to enhance or enrich life.

A small business is a stand-alone productive economic enterprise, conducted by an individual or a business entity that is neither a subsidiary nor a branch of a company owned, controlled, or becomes part of either a direct or indirect business of a medium-sized or large-scale business that fulfills that criteria of small business as referred to in law.

Criteria of UMKM, micro business opportunities have a maximum asset of Rp 50 million, with a maximum turnover of Rp 300 million/year. Small business opportunity has assets > Rp 50 million-Rp 500 million with turnover > Rp 300 million-Rp 2.5M/year. Medium business opportunity has assets > Rp 500 million-Rp 10 M with turnover > Rp 2.5 M - Rp 50 M per year.

According to Primiana (2009: 11), small business is:

- Development of four main economic activities (core business) which became the driving force of development, namely agribusiness, manufacturing industry, human resources (HR), and marine business.
- Development of the mainstay area, to be able to accelerate economic recovery through regional or regional approaches, namely by regional or regional selection to accommodate priority programs and development of sectors and potentials.
- Increased community empowerment efforts.

Group of entrepreneurs According Zimmerer (1996) in Suryana (2014: 58), namely:

- Part-time entrepreneurs, ie entrepreneurs who are only half the time doing business, usually as a hobby. Its business activities are only a by-product.
- Home-based new ventures, businesses pioneered from home/residence.
- Family-owned business, which is a business carried/owned by some family members from generation to generation.
- Copreneurs, an effort made by two entrepreneurs who work together as owners and run their business together.

THE DEFINITION OF EMPLOYMENTSHIP, WORKING AGE POPULATION, LABOR FORCE, TOTAL WORKING HOURS ENTIRELY, EMPLOYMENT STATUS

Definition of Employmentship

According to Law Number 13 Year 2013: Employmentship is all things related to manpower, before, during and after work. Manpower is anyone who is capable of doing work to produce goods and or services both to meet the needs of themselves and for the community.

The classification of labor consists of:

- Educated Labors: Workers who have expertise in a particular field obtained from the field of education, examples Lecturers, Teachers, Accountants, lawyers and others.
- Trained Labors: Manpower who has expertise in a particular field obtained from experience and practice, for example: Montir, fitter, driver and others.
- Uneducated and untrained labors: Manpower who work only on energy only, do not require education and training first, for example: laborers, porters, housemaids and others.

WORKING AGE POPULATION

Working age population is people aged 15 years and over.

LABOR FORCE

Working age people (15 years and over) who work, have jobs but are temporarily unemployed, and unemployment.

TOTAL OF ALL WORK HOURS

The total of all working hours is the number of working hours used for work (excluding official rest hours and worked hours for off the job)

JOB STATUS

Job status is the position of a person in a business unit / activity in doing the work.

THE DEFINITION OF POVERTY

The definition of Poverty is literally a *Kamus Besar Bahasa Indonesia*, poor it means no property. Poor also means not able to keep up with the standard of living and the level of income and economy is low. Briefly, poverty can be defined as a low standard of living that is the lack of material in a number or group of people compared to the standard of living prevailing in the society concerned. (Wikipedia, 2017). While In general, poverty is defined as lack of income to meet primary needs or basic needs. Those who are said to be on the poverty line are otherwise inadequate to meet the basic needs of life.

Types of Poverty are

- Absolute poverty. A person can be said to be poor if unable to meet the minimum needs of his life to keep his physical to work full and efficient,
- Relative poverty. Relative poverty arises if a person's or a group's condition is compared to the condition of others in an area,
- Structural Poverty. Structural poverty goes to the people or groups who remain poor or becomes poor because of the unequal structure of their society, which is unfavorable to the weak.
- Situational Poverty or natural poverty. Situational poverty occurs in less favorable areas and therefore becomes poor.
- Cultural poverty. The poverty of the population occurs due to the culture or culture of the hereditary community that makes them poor (Mardimin, 1996: 24).

The Poor: The poor are people who have expenditure average per capita per month below the poverty line. (BPS Palembang City, 2017).

Food Poverty Line: The Food Poverty Line is the minimum food expenditure requirement equivalent to 2,100 kcalories per capita per day. (BPS Palembang City, 2017).

Non-Food Poverty Line (GKNM): The non-food poverty line (GKNM) is a minimum requirement for housing, clothing, education, health and other basic needs. (BPS Palembang City, 2017).

THE DEFINITION OF INCOME DISTRIBUTION

The distribution of income is how the level of income distribution in a region or area. Common economic problems in the economy are poverty, unemployment and availability of employment opportunities, inflation and so on. Neo Classical Theory explains that the inequality of income distribution caused by ownership of capital stock factor can be automatically fixed by the effort of outsourcing of excessive capital owner's income to the deficient parties. If the automatic mechanism cannot run then Keynesian theory relies on the role of government in subsidizing the party of the weakness and of course necessary government policy in the effort of redistribution of income.

The distribution of income is a broader concept than poverty because its scope not only analyzes the population below the poverty line. Most of the measures and indicators that measure the level of income distribution are not depend on average distribution, and therefore make the size of the distribution of income considered weak in describing the level of welfare.

In general there are 3 kinds of income distribution indicators that are often used in research.

- Individual income distribution indicators: The size distribution is the size or the amount of income each person receives. Distribution of personal income of income or size distribution of income is the most commonly used indicator by economists.
- Lorenz curve: The further the Lorenz curve of the diagonal line the greater the inequality of the distribution of income. Vice versa, the more curved the Lorenz curve with the diagonal line, the more the distribution of income. As for the gini coefficient, the smaller the value, indicating a more even distribution. Likewise, vice versa. Kuznets (1995) in his research in developed countries argues that in the early stages of growth, the distribution of income tends to deteriorate, but in subsequent stages it will improve. It is this research that is then widely known as the concept of the inverted Kuznets U curve. Meanwhile, according to Oshima (1992) that Asian countries seem to follow the Kuznets curve in the welfare of income. Ardani (1992) argues that inequality among regions is a logical consequence of development and is a stage of change in development itself.
- Gini coefficient: Is a coefficient ranging from the numbers 0 to 1, explaining the level of national income distribution. The smaller the coefficient, the better sign or even distribution. On the other hand, increasingly large coefficients suggest an increasingly lopsided or uneven gap.

NEED FOR THE STUDY

In this research, researchers wanted to see whether the presence of MSME/UMKM in Palembang City, especially in the area Tangga Buntung, 30 Ilir, Gandus Sub-District is one of solution to alleviate poverty, addressing the problem of unemployment and income distribution. For that researchers formulate the problems in this study are:

- Is there a contribution of MSME/UMKM to the aspect of employment?
- Is there any contribution of MSME/UMKM to poverty aspect?
- Is there a contribution of MSME/UMKM to the income distribution aspect?

OBJECTIVES OF THE STUDY

The purposes of this study are:

- To review the contribution of MSME/UMKM to the aspect of employment
- To review the contribution of MSME/UMKM to poverty aspect
- To review the contribution of MSME/UMKM to the aspect of income distribution

JOURNAL ECONOMIC LITERATURES

Kurniawan and Fauziah in his research entitled "Empowerment of *Usaha Mikro Kecil Menengah (UMKM)*/MSME in Poverty Alleviation" found that the empowerment process that has been done by the government is only limited to the provision of venture capital and the lack of maximum government assistance in the development of MSME/UMKM in this MSME/UMKM empowerment factor supporters in this empowerment is the presence of abundant human resources or adequate labor, easy to find and cheap raw materials, light business capital, received support village officials, supply raw materials smoothly from the supplier and the agreement of the selling price of products among members group of business Paguyuban Kembang Waru.

According to Manueke in his research, entitled "The Absorption of Manpower of *Usaha Mikro Kecil Menengah (UMKM)*/MSME Agribusiness and Non Agribusiness" stated that MSME/UMKM Non Agribusiness is more sensitive to labor changes than MSME/UMKM Agribusiness. Catering business has a low coefficient value of labor but has the highest productivity in MSME/UMKM Agribusiness, while the restaurant business has a high coefficient of labor but low productivity. The hotel business, cottage, is the most sensitive business to the absorption of tenaga work in non-agribusiness MSME/UMKM because only with the slight increase or reduction of workforce will be very influential on business income.

RESEARCH METHODOLOGY**RESEARCH LOCATION**

This research will be done at MSME/UMKM in Tangga Buntung area, 30 Ilir, Gandus Sub-district, Palembang.

RESEARCH DESIGN

The design of this research is descriptive quantitative and qualitative research by interview method and questionnaires of owners of MSME/UMKM Songket Cloth and employees who work in MSME/UMKM. The timing of initial data collection is done in the first month of the planned research schedule and will be analyzed in the 3rd month of the schedule. The study period is planned for 8 (eight) months until the collection stage of the report.

POPULATION AND SAMPLE**a. Population**

According to Sugiyono (2012: 117), "Population is a generalization region consisting of objects/subjects that have certain qualities and characteristics set by researchers to be studied and then drawn conclusions. Population is the whole subject to be studied with characteristics that can be said together so that generalizable results of research conducted on the population. The population of this study is the number of MSME/UMKM Songket of 11 MSME/UMKM and the number of employees working in MSME/UMKM Songket in Tangga Buntung area, 30 Ilir Palembang as many as 108 people.

b. Sample

The sample for the number of MSME/UMKM was taken based on the appointment (purposive sampling) while for the sample of the number of employees working in MSME/UMKM Songket in Tangga Buntung area, 30 Ilir Palembang is all the sample population as many as 108 people (saturated samples). Researchers distributed questionnaires to 108 respondents/employees working in the Songket Song Cloth MSME/UMKM, and the results of the questionnaires returned to the researchers as many as 93 questionnaires.

DATA SOURCES AND DATA COLLECTION TECHNIQUES

- The source of research data is obtained from the list of primary and secondary data. Primary data obtained from the questionnaire answers of employees of MSME/UMKM and interview results of owners of MSME/UMKM in the area Tangga Buntung, 30 Ilir, Palembang. Secondary data used in this study were obtained from books, journals, scientific papers, *BPS* Palembang in 2017 and others.
- Techniques of data collection using filed research such as questionnaires and interviews and using literature study.

TECHNIC OF DATA ANALYSIS

Data analysis used in this research is by collecting data, which then processed by using analysis of quantitative descriptive.

ANALYSIS AND INTERPRETATION

The idea of MSME/UMKM and entrepreneurship development was introduced since the late 1940s with the introduction of targeted policies (grants, subsidized loans, special tax treatment) and the establishment of small business or MSME/UMKM support bodies by the government (publicly funded UMKM established in 1948 in Japan, 1953 in United States of America, 1954 in India, 1966 in TanzHania, 1976 in Turkey) (OECD, 2004). As with any other economic component, the size and importance of the MSME/UMKM sector varies from country to country, the last few decades have seen an increasing recognition of the role of a country, something that has been more obvious to developing countries since the 1970s. MSME/UMKM are important for almost all economies in the world, but especially for developing countries (Berry, 2007).

There is considerable interest in MSME/UMKM in developing countries. There are two main reasons for this, one being the belief that MSME/UMKM development can be an effective anti-crisis program. Second is the belief that MSME/UMKM development is one of the foundations of innovation and sustainable growth. These two reasons are linked to most international evidence that real growth and poverty reduction continues. MSME/UMKM development contributes to growth and more than that helps reduce poverty (Warner 2001: 61) MSME/UMKM contributes substantially to a stable economic environment and economic development. To achieve stable economic development, MSME/UMKM enterprises should be supported. They need primarily financial services and consultations that help them overcome difficulties during the start up phase or to conduct their normal business activities (Güttler, 2001: 89).

Based on the results of data collection from the questionnaires that have been distributed to the respondents it can be seen recapitulation description of respondents as follows:

RESPONDENT DESCRIPTION**TABLE 4.1: MSME/UMKM OF SONGKET CLOTHES IN 30 ILIR AREA PALEMBANG**

No.	Company Name	Address	Amount of Labors
1	Yusti Koleksi	RT. 15	Guardians = 2 Weavers = 2
2	Cantik Manis Songket	RT. 15	Guardians = 1 Weavers = 5
3	HB. Benang Emas	RT. 15	Guardians = 2 Weavers = 7
4	Mayang Koleksi	RT. 15	Guardians = 6 Weavers = 10
5	Husnalia Songket	RT. 19	Guardians = 1 Weavers = 5
6	Yusuf Effendi Songket	RT. 12	Guardians = 2 Weavers = 6
7	Fikri Koleksi	RT. 12	Guardians = 15 Weavers = 10
8	VR Textile	RT. 12	Guardians = 2 Weavers = 7
9	Palembang Souvenir House	RT. 12	Guardians = 3 Weavers = 8
10	HJ. Asmi Astari Songket	RT. 11	Guardians = 1 Weavers = 6
11	Cek Ipah/Cek Ila	RT. 10	Guardians = 2 Weavers = 5
Total			108

Source: Processed Data, 2017

RESPONDENT BY GENDER

Respondents in this research were 108 employees who worked at MSME/UMKM Songket Cloth in the area of 30 Ilir Palembang and who returned the questionnaires as many as 93 employees. Based on the results of data collection from the questionnaires that have been distributed to the respondents it can be seen recapitulation of the number of respondents by gender as follows:

TABLE 4.2: RESPONDENTS BASED ON GENDER

No.	Gender	Amount	Percentage
1.	Male	17	18%
2.	Female	76	82%
Total		93	100%

Source: Data primer obtained, 2017

RESPONDENTS BY AGE

Based on the results of collecting data from questionnaires that have been distributed it can be seen recapitulation of the number of respondents by age as follows:

TABLE 4.3: RESPONDENTS BY AGE

No.	Age scale	Amount	Percentage
1.	15-20 years old	32	34,4%
2.	21-25 years old	24	36,6%
3.	26-30 years old	21	23%
4.	31-35 years old	8	8,6%
5.	36-40 years old	4	4,3%
6.	>41 years old	4	4,3%
Total		93	100%

Source: Primary data obtained, 2017

Based on the above data it is clear that the most participant aged 15-20 by 34.4% (32 people), participant aged 21-25 by 36.6% (24 people), participant aged 26-30 years by 23% (21), participant aged 31-35 years were 8 (8.6%), 36-40 years old participants 4.3% (4 persons) and participants aged above 40 years 4.3% (4 people). This shows that among young people, they have initiative to find work in supporting family life. While aged over 41 indicates that they are still productive in making a living.

RESPONDENTS BY TYPE OF WORK

Based on the results of data collection from questionnaires that have been distributed it can be seen recapitulation number of participants by type of work as follows:

TABLE 4.4: AMOUNT OF RESPONDENTS TYPE OF WORK

No.	Type of work	Amount	Percentage
1.	Craftsmen	53	57%
2.	Employee	40	43%
total		93	100%

Source: Primary data, 2017

Based on the data above shows that the number of respondents who work as weavers and employees are almost balanced, the difference of the number reach only 14%

RESPONDENTS BASED ON DURATION OF WORKING

Based on the results of data collection from the questionnaires that have been distributed it can be seen recapitulation of the number of participants based on the length of work as follows:

TABLE 4.5: NUMBER OF RESPONDENTS BASED ON DURATION OF WORKING

No.	Duration of working	amount	Percentage
1.	1-3 years	63	67,7%
2.	4-6 years	16	17,2%
3.	7-9 years	6	6,5%
4.	> 10 years	8	8,6%
Total		93	100%

Source: Primary data, 2017

Based on the data above shows that the respondents who worked between 1-3 years old occupy the top position with a very large percentage of 67.7% and the lowest is 7-9 years with a percentage of 6.5%. It shows that the labors in the *UMKM* of Songket Cloth are dominated by new labors.

RESPONDENTS BASED ON MONTHLY INCOME

Based on the results of data collection from questionnaires that have been distributed on it can be seen amount of respondents' recapitulation based on monthly income received by employees as follows:

TABLE 4.6: QUANTITY OF RESPONDENTS BASED ON MONTHLY INCOME

No.	Monthly income	Quantity	Percentage
1.	1-2 million	79	84,9%
2.	2,1-3 million	9	9,7%
3.	3,1-4 million	3	3,22%
4.	>5 million	2	2,2%
Total		93	100%

Source: Primary data, 2017

Based on table 4.6 above shows that the respondents who get salary / wage approximately 1-2 million occupy the top position with amount 79 people (84.9%) and who get the highest salary of more than 5 million amounted to 2 people (2.2%) occupies the lowest position. This indicates that workers *UMKM* of Songket Cloth get a salary / wage below the average of the minimum wage of the city of Palembang. Palembang City Government set *city minimum wage (UMK)* in 2017 is Rp 2.484 million / month based on the Circular Letter of the Mayor of Palembang through the *Dinas Tenaga Kerja, Surat Edaran No. 01 / SE / Disnaker / 2017*. Palembang City Minimum Wages in 2017 up to 8.5 percent of UMK 2016 amounted to Rp 2, 294 million / month. Provincial Minimum Wage has been determined on November 1, 2017 amounting to Rp 2,388,000 / month. City Minimum Wages by 2017 come into force on January 1, 2017 for permanent workers, temporary and trial period of employment. City Minimum Wage applies to the standard seven hours of working per day or 40 hours of working per week.

TABLE 4.7: RESPONDENTS' ANSWERS TO QUESTIONS ABOUT SALARY/WAGES MONTHLY

No.	Questions	Yes	No
1.	The salary / wages that you receive in accordance with the burden of duty.	64 (68,9%)	29 (31%)
2.	The salary / wages that you receive in accordance with your own expertise and skills.	60 (64,5%)	33 (35,4%)
3.	The salary / wages you receive can be sufficient for your family.	37 (39,8%)	56 (60,2%)
4.	The salary / wages you receive can increase your spirit at work.	52 (55,9%)	41 (44,1%)
5.	The salary / wages that you receive in accordance with your education level.	49 (52,7%)	44 (47,3%)
6.	I am satisfied with the salary / wages I receive	39 (41,9%)	54 (58,1%)
7.	The salary / wages you receive in accordance with your expectations	40 (43%)	53 (57%)
8.	The company pays your salary / wages on time	45 (48,4%)	48 (51,6%)
9.	You get a bonus if you can complete the job on time	43 (46,2%)	50 (53,8%)
10.	You get a warning / penalty if you cannot complete the job on time	60 (64,5%)	33 (35,5%)

TABLE 4.8: RESPONDENTS' ANSWER TO THE LONG WORKING TIME OF EMPLOYEES

No.	Questions	Yes	No
1.	The salary / wage you received in accordance with the length of time you worked for the company	61 (66%)	32 (34,4%)
2.	Salary / wages you receive in accordance with the length of your work experience in other companies	30 (32,3%)	63 (67,7%)
3.	The length of time you work in the company affects to your career level	23 (24,7%)	70 (75,3%)
4.	You are too long to work at the company and then you are bored with the job you do	38 (40,9%)	55 (59,1%)
5.	Is there a work cycle in your company	37 (39,8%)	56 (60,2%)

ANALYSIS OF MSME/UMKM CONTRIBUTION TO EMPLOYMENTSHIP ASPECTS

ANALYSIS OF MSME/UMKM CONTRIBUTION TO ECONOMIC DEVELOPMENT IN PALEMBANG CITY

Employmentship is anything related to employment, before, during and after work. Employment is anyone who is capable of doing work to produce goods and /or services either to meet their own necessities or for the community, while the labor force is working age population (15 years and over) who work, have a job but while not working, and unemployment.

The labor force can also be identified by gender, the influence of MSME/UMKM on the aspect of employment when viewed from the gender, the employees who work in MSME/UMKM of Songket Cloth in the area 30 Ilir Palembang is dominated by female (82%), it might due to the workers in the songket sector require skill, patience and perseverance in weaving songket cloth and it is usually the women who have the characteristics needed to weave songket cloth.

If the influence of MSME/UMKM on the employmentship aspect is seen from the age of the employees, then based on the data that have been obtained seen that the workers in MSME/UMKM Songket cloth is most aged 15-20 by 34.4% (32 people), while the age of 36-41 occupies a lower position, indicating that workers belonging to the labor force and at least 15 years of age already have jobs, while workers aged over 41 years old (4.3%) indicate that they are still productive doing the job of weaving cloth although it must be acknowledged that there is a health factor which has begun to decline will obstruct their work, for example the eye sharpness factor began to decline, the stamina is not so prime and others.

If the influence of the existence of MSME/UMKM on the aspect of employment seen from the work period or length of work, it will be seen that the workers who work in MSME/UMKM songket cloth sector in Tangga Buntung area which has a working period of 1-3 years occupy the top position with a very large percentage 67.7%. It shows that workers in MSME/UMKM Songket cloth are dominated by new workers, based on field research and interviews by the researcher found that weaver/craftsmen of songket and the employees / shopkeepers on average young age, they are recruited to work in MSME/UMKM, because most of them can not continue their education to a higher level because of the economic factors of poor families and they choose to find work to sustain family life. The lowest percentage of the working period of workers in MSME/UMKM songket is for 7-9 years (6.5%). Based on interviews conducted by researchers found that workers who work over 7 years are maintained because they are experts who have experience/competence in produce songket cloth and various souvenirs made of songket, they're who are trained in making songket cloth, choosing the best materials and quality for songket cloth, very understand the motives of songket cloth either classic or modified songket motif, weaving time to songket cloth is faster and tidy, and they're very understand the taste of community for songket cloth which sold to the market, both for the market of the upper, middle and lower.

ANALYSIS OF EMPLOYMENT ABSORPTION

Analysis of the existence of MSME/UMKM on the aspect this employment aims to find the contribution of MSME/UMKMs on employment aspects with value-added variables, amount of labor, labor conditions in Palembang City. Analysis of employment Absorption by home-based MSME/UMKM is used to determine the contribution of MSME/UMKM activities in absorbing employments in Palembang City, it's seen by the number of the working population due to the activities of MSME/UMKM to the labor force of Palembang City.

Employment opportunities are generally defined as a condition that reflects the sum of the total labor force that can be absorbed or participate actively in economic activities. Employment opportunities are people aged over 15 years old who works or called workers. Employment opportunities can also be interpreted as a demand for labor (a demand for labor) that is a condition describes the availability of jobs that are ready filled by job seekers.

The following formula to calculate the level of MSME/UMKM employment opportunities in Palembang City.

$$\text{Level of Employment Opprtunities} = \frac{\text{Quantity of Business Unit Employment}}{\text{Quantity of Labor Force}} \times 100\%$$

$$\text{Level of Employment Opprtunities} = \frac{108}{733.000} \times 100\% = 0.015\%$$

The existence of MSME/UMKM has a role of 0.015% in creating employment opportunities for the people in Palembang. By the total of labor force in Palembang, for MSME/UMKM researched to give a small contribution in terms of providing employment field for the Palembang people

The availability of new job opportunities to cope with the increasing supply of labor is one of the targets to be achieved in regional economic development. These efforts can be realized through increased economic growth, especially direct investment in labor-intensive sectors such as construction, infrastructure and manufacturing industries. While in the service sector, for example through trade and tourism.

In GBHN is mentioned that the purpose of National Development in addition to increasing national production, then economic growth should accelerate the growth of job fields too, because employment opportunities not only have economic value, but also contains human values by growing a sense of self-esteem, thus providing content to the principle of humanity.

The calculation of labor's proportion that can be absorbed from the existence of business activities of MSME/UMKM to employment absorption of Palembang City can be used the formula as below:

$$\text{Employment Absorption of UMKM} = \frac{\text{Quantity of UMKM Employment}}{\text{Quantity of Employment in Palembang}} \times 100\%$$

$$\text{Employment Absorption of UMKM} = \frac{108}{663.315} \times 100\% = 0.016\%$$

The contribution of MSME/UMKM to the employment absorption in Palembang reached 0.016%, meaning that MSME/UMKM is made as this research have a role in reducing unemployment in Palembang City, although in a low percentage. It means Palembang's government should have a great attention to the sustainability of MSME/UMKM because MSME/UMKM have a significant role in overcoming unemployment.

ANALYSIS OF EMPLOYMENT PRODUCTIVITY

In addition to employment absorption analysis, an analysis of the employment productivity of MSME/UMKM must be done. This analysis aims to compare the average productivity of MSME/UMKM labor to the average employment productivity in Palembang. The productivity of the MSME/UMKM employment illustrates the added value generated by the labor force in the business activity. Value added is the value of production (output) minus by input value (between). The average of MSME/UMKM business perunit in Gandus 30 Ilir Palembang area generating product as much as Rp 2,500,000/month with expenditure for input Rp 1,000,000/month. As for the number of workers in MSME/UMKM is made a sample by researcher that's 108 people so that the productivity of workers at MSME/UMKM can be determined using the formula of labor productivity calculation on MSME/UMKM as below:

$$\begin{aligned} \text{Employment Productivity} &= \frac{\text{Value added of Business Unit}}{\text{Quantity of Employment}} \\ \text{Employment Productivity} &= \frac{(2.500.000 - 1.500.000) \times 11 \text{ MSME}}{108 \text{ persons}} = 101.851 \text{ person/month} \end{aligned}$$

After that made a comparison to employment productivity proportion of MSME/UMKMs to the labor productivity of Palembang City.

$$\begin{aligned} \text{Employment Productivity of UMKM} &= \frac{\text{Employment Productivity of UMKMs}}{\text{Employment Productivity in Palembang}} \\ &= \frac{101.851}{15.317} \\ &= 6.65 \end{aligned}$$

Productivity of MSME/UMKM employment who work in Gandus area 30 Ilir Palembang area used as research respondents shows the number of 101.851 per person per month, while the comparison of productivity of MSME/UMKM employment with employment productivity in Palembang is 6.65. Employment productivity in the public service sector occupy third rank of employment productivity in Palembang City. In the first rank is in the industrial sector, it because in the industrial sector there is the influence of technology, with a less quantity of labor, the second rank is in the trade sector, but the quantity of labor is large. While the public service sector is on the third ranked.

Songket products are the products, which are not to wearing daily, but to formal activities, so is the price is very expensive, not everyone from every community's circle can have the songket. Therefore, the level of demand for the product is relatively low, so that the production is relatively small. In order for MSME/UMKM to develop itself, the variation of its products should be designed so that is not only for certain community, and also can be made various products that are easy to use for everyday purposes (such as tissue places, dolls with traditional clothes, etc.) which is now mostly done by MSME/UMKM.

ANALYSIS OF UMKM CONTRIBUTION TO POVERTY ASPECTS

Palembang is a city where can be categorized as industrial city, research of unemployment and poverty rate in Palembang City in 2017 reach 9,52% from total population in Palembang City (BPS Palembang City 2017). BAPERNAS explains that Poverty is a deficiency situation because of the circumstances that cannot be avoided by a person with his own power. The problem of poverty is not just how many and the percentage of poor people, but other dimensions also need to be considered, such as the depth and severity of poverty. In addition to efforts to minimize the quantity of poor people, poverty reduction policies are also linked to how to reduce poverty level.

The following is presented data from the Badan Pusat Statistik (BPS) of Palembang City in 2017 made in the period of 2008 to 2014 (Picture 4.1) which presents about : a) Quantity of poor people (in thousands), b) Percentage of population (%), c) Index of poverty depth, d) Poverty line.

Table 4.9 also shows data from BPS Palembang within the period of 2015-2016, which contains about: a) Poverty line of Palembang city, b) Poverty line of South Sumatera Province, c) Quantity of poor people (thousand people), d) The poor (%), e) The poverty line. But the information about Poverty Depth Index and Poverty Severity Index in 2015-2016 does not available in BPS Palembang City.

PICTURE 1: QUANTITY, PERCENTAGE OF THHE POOR, DEPTH INDEX, SEVERITY INDEX AND POVERTY LINE IN PALEMBANG CITY YEAR OF 2008-2014

Indikator Kemiskinan	Indikator Kemiskinan						
	2008	2009	2010	2011	2012	2013	2014
Jumlah Penduduk(000)	235.27	211.80	218.50	210	206.50	206	202.31
Persentase Penduduk Miskin (%)	16.66	14.75	15	14.30	13.59	13.36	12.93
Indeks Kedalaman Kemiskinan	3.09	2.39	2.67	2.87	2.23	2.03	2.26
Indeks Keparahan Kemiskinan	0.87	0.83	0.74	0.85	0.60	0.46	0.57
Garis Kemiskinan (Rp/Kap/Bln)	244.223	294.174	315.634	344.939	366.689	392.560	405.037

TABLE 4.9: STATISTICS OF POVERTY IN PALEMBANG YEAR OF 2017

Description	2015	2016
Poverty Line in Palembang City (Rp)	431.242	456.225
Poverty Line in South Sumatera Province (Rp)	330.776	354.386
Quantity of The Poor (000 jiwa)	203.12	191.95
The Poor (%)	12.85	12,04
Depth of Poverty	Empty Data	Empty Data
Severity of Poverty	Empty Data	Empty Data

Source: BPS Palembang City, 2017

From Picture 4.1 and Table 4.9 above is shown that amount of poor people is getting better every year, it is proved by decrease of the poor's quantity from 2008-2016, except in 2010, which increased by 6,700 people and in 2015 increased by 810 people. Indicators affect to poverty in Palembang City, among others can be seen from the percentage of the poor, at picture 4.1 and table 4.9 shows that the condition of the percentage of poor people in 2015-2016 has a significant decrease of 11,170 people.

On picture 4.1 and Table 4.9 also seen about poverty depth index and poverty severity index in Palembang city. The depth and severity of poverty from 2008-2014 has fluctuated every year, in 2013-2014 the poverty depth index has increased by 0.23 and the poverty severity index has increased by 0.11 and the poverty line of 2015 is 431,242 and the year of 2016 is amount 456,225, this shows the increase in numbers every year.

The depth of poverty is calculated based on the average size of each the poor's expenditure gap to the poverty line. The depth of poverty also has the usefulness of the aggregate value of the poverty gap index present the cost of eradicating poverty by creating a perfect transfer target to the poor in the absence of transaction costs and inhibiting factors. The smaller the value of the poverty gap index, so the economic potential be greater for poverty alleviation funds based on the identification of the poor's characteristics and also for the targets of aid, program and its interpretation is decreasing poverty depth index indicates that the average expenditure of the poor tends to be closer to the poverty line and the poor's expenditure gap are also narrowing.

The numbers of Poverty Severity Index is used to provide information about the description of expenditure distribution among the poor. The usefulness of the Poverty Severity Index is to provide complementary information on incidents of poverty. The interpretation is that the higher the index value, the higher the gap of expenditure among the poor. The indicator of poverty depth index in 2013 reached 2.03 and rose to 2.26 in 2015, so does indicator of poverty severity index in 2013 reached 0.46 and up to 0.57.

The poverty depth index shows the average expenditure of the poor, if the level of poverty depth become higher indicates a deep poverty level. In 2013 the poverty depth index is 2.03 then up to 2.26 in 2014 which means show the condition of poverty or the poverty rate of the population into the "in" category or in other words close to the poverty line.

The poverty severity index describe about the distribution of expenditure among the poor themselves and can also be used to determine the intensity of poverty. In 2013 the poverty severity index of 0.46 and up to 0.57 in 2014 means that it indicates the inequality distribution of expenditure and the increasing level of gap in Palembang City.

From the interpretation of data above, the movement of poverty indicator of the poor, poverty depth index and poverty severity index caused by several factors such as the very low level of employment absorption, no space and support for MSME/UMKM, lack of handling or poverty reduction and unemployment in Palembang, economic factors, educational factors, health factors, socio-cultural factors, regional infrastructure and degradation of natural resources and environment. From the various factors above that affect the poor, the poverty depth index and poverty severity index become one of the interesting to be discussed is about the absorption of labor is too little, at the beginning has been discussed that Palembang including one industrial area but the absorption of its labor still so little.

Industrial companies in Palembang City are divided into four categories: Agriculture and Fishery Products Industry, Metal, Machine, Chemical and another Various Industries. Forest Products and Plantation Industry and Handicraft Industry with total number of industries in Palembang city of 344 industries, but the number of poor in 2016 reached 191.95 thousand people and Labor conditions in Palembang in June 2016 there are 663,315, working age population ranges around 41.40 percent of the total population of Palembang city. The number of job seekers in Palembang City in 2015 decreased to be 7,355 people, who absorbed the labor market of 5,336 people or about 72.55 percent. Compared to the previous year, the number of job seekers is much more and that is absorbed only slightly. In addition to the lack of employment, the depth of poverty and the severity of Poverty is also influenced by the lack of space and support for UMKM, lack of handling or poverty alleviation and unemployment caused poverty fluctuations in Palembang itself.

Then, the analysis to find the contribution of MSME/UMKM to the aspect of poverty with variable expenditure of food and non-food expenditure, and poverty line indicator of Palembang City. It is assumed that the data of food and non-food consumption expenditure is a description of their income because the income information is not as expected; many respondents tend to provide unreal income information (BPS, 2017).

TABLE 4.10: PERCENTAGE OF FOOD EXPENDITURE, NON-FOOD EXPENDITURE AND POVERTY LINE OF PALEMBANG PEOPLE

Uraian	2015	2016
Food Expenditure	42,27	45,35
Non-Food Expenditure	57,73	54,65
Poverty Line	431.242	456.225

Source: BPS Palembang City, 2017

Contribution of MSME/UMKM to poverty aspect with variable of food and non-food expenditure, and indicator of poverty line of Palembang City can be seen in table 4.10 above.

Based on a survey conducted by BPS, food expenditure of Palembang's people is dominated for finished food, then cigarettes, and finally rice. While for non-food expenditure is dominated for the expense of rent, transportation, and education costs.

Based on the table above, it is seen that in 2015 the poverty line level of 431,242 increased to 456,225 in the year 2016 an increase of 24.98%. While non-food expenditure decreased from 57.73 to 54.65 or about 3.08%, and food expenditure increased from 2015 by 42.27 to 45.35 in 2016 or 3.08%. All this means that with the increase in the poverty line, many households that reduce non-food expenditures are diverted to food expenditure.

Determination of absolute poverty status of business actors is measured based on the characteristic of fulfilling the basic needs of the people in Palembang to live a decent life. Business actors are divided into two conditions that is being poor if expenditure of business actors are below the poverty line, and being prosper if it is above the poverty line. The purpose of this analysis is to know the contribution of MSME/UMKM to the poverty aspect was seen from the poverty level of business actors, so it can be seen how the change in poverty level caused by the development of business activities. The analysis process is to know the poverty level of business actors by comparing household consumption expenditure with poverty line of Palembang City. The process of measurement is done by identifying the poverty level of respondents before and after opening a business to see the poverty status of the respondents, whether there is a change of poverty level caused by the existence of the home based business activities, which is then associated with the spatial aspect.

The poverty level before business = $\frac{\text{Expenditure of Household Consumption}}{\text{The number of poverty in Palembang}}$

The poverty level after business = $\frac{700.000}{206.400} = 3.39$

The poverty level after business = $\frac{\text{Expenditure of Household Consumption}}{\text{The number of poverty in Palembang}}$

The poverty level after business = $\frac{1.500.000 \times 70\%}{12,9\% \times 1,6 \text{ million}}$

$$= \frac{1.050.000}{206.400} = 5.09$$

Based on the data above it can be seen that average level of household consumption expenditure before the business reached 700,000, after the level of household consumption expenditure after business increased by 1,050,000, it means there is an increase of approximately 33.33%. If we look at the comparison with poverty rate of Palembang city turns out after business make expenditure level be increase, causing poverty level after business shows increase, which is from 3.39 to 5.09. The existence of MSME/UMKM contributes to poverty alleviation. Which is in after the business, the poverty level has decreased. Households of labors at UMKM with income earned during work can raise the expenditure level, meaning that by working they can meet the necessities of life better, which is in before they work these needs cannot be met, and after work necessities can be met well.

ANALYSIS OF MSME/UMKM CONTRIBUTION TO INCOME DISTRIBUTION ASPECT

The analysis was done by finding the contribution of MSME/UMKM to the distribution of income with variable of food and non food consumption expenditure, and condition of income distribution in Palembang City. The determination of the relative poverty status of business actors is measured based on the characteristics of the sufficient needs of the people in Palembang City for income distribution of Palembang City. Business actors are divided into two conditions: being relative poverty if the expenditure of business actors are included in the low income group, and being prosper if included in the middle and high income group.

The purpose of this analysis is to know the contribution of MSME/UMKM to the aspect of income distribution in the form of poverty level relative to the whole society was seen by the level of business actors income distribution, so that can be seen how the relative poverty rate change caused by the development of home based business activity. The process of this analysis is to know the position of business actors to the income distribution level of Palembang City. The measurement process is done by identifying the relative poverty level of the respondent before and after opening the business to see if there is a change of relative poverty level caused by the existence of the home based business activity, to see how the business actors contribution to the improvement of income distribution.

$$\text{Relative poverty level before the business} = \frac{\text{Household consumption expenditure}}{\text{Income of Palembang City}}$$

$$= \frac{700.000}{33.0000} = 21.2$$

$$\text{Relative poverty level after the business} = \frac{\text{Household consumption expenditure}}{\text{Income of Palembang City}}$$

$$= \frac{1.050.000}{33.000} = 31.8$$

The relative poverty level before and after the business of labors in MSME/UMKM shows an increasing number, it means the distribution of income can reach labors who work in MSME/UMKM in the place where used as research object by researcher. The labors have enjoyed the distribution of income from Palembang city as a whole with the increasing income used for household consumption expenditure, which is in the relative poverty level after the business has increased from before the business of 21.2 to 31.8.

CONCLUSION AND SUGGESTION

CONCLUSION

1. MSME/UMKM's contribution to the employment aspect:

- The existence of MSME/UMKM has a role of 0.015% in creating employment opportunities for the people in Palembang
- The contribution of MSME/UMKM to the employment absorption in Palembang City reached 0.016%, meaning that MSME/UMKM which is made as research have a role in reducing unemployment in Palembang, although in a small percentage.
- The productivity of employment who work at MSME/UMKM in Gandus area 30 Ilir Palembang as the respondents of the research shows the number of 101.851 per person per month.

2. Contribution of MSME/UMKM to poverty aspect:

- In 2015 the level of poverty line is 431,242 increased to 456,225, in 2016 was an increase of 24.98%, this situation caused the people of Palembang city divert their consumption from non-food become as food expenditure.
- Consumption increased by 33.33% after the business. If the comparison with the poverty rate of Palembang city turns out after the expenditure level has increased, the poverty rate after business shows the comparison between the expenditure on the poverty level has increased.
- If we look at the comparison with poverty level of Palembang city after the effort of expenditure level increase, resulted poverty level after business also showed improvement when compared with poverty level of Palembang city.

3. Contribution of MSME/UMKM to the income distribution aspect:

The relative poverty level before and after the business of labors in MSME/UMKM shows an increasing number from 21.2 to 31.8, it means that the income of Palembang city can already be distributed to songket labors in Gandus area 30 Ilir Palembang

SUGGESTION

- Government and BUMN need to pay attention to the development of MSME/UMKM in Palembang City, one of them provide capital assistance perceived less.
- The government and BUMN should help the marketing of UMKM especially songket marketing.
- Government and BUMN should help design variations of songket products (eg, tissue containers, songket packaging products, wedding bridal boxes, seat cushions, slippers, casual wear, bags etc.)

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DETERMINANTS OF ONLINE PURCHASE INTENTION AMONG YOUTH IN KERALA**MUHAMMED ARSAL TK****GUEST LECTURER****COLLEGE OF AVIAN SCIENCES & MANAGEMENT****KERALA VETERINARY & ANIMAL SCIENCES UNIVERSITY****THIRUVAZHANKUNNU****ABSTRACT**

According to Associated Chambers of Commerce and Industry of India (ASSOCHAM), the size of the Indian online retail industry is INR 2000 crore and the industry is projected a steady annual growth rate of 35 per cent to reach INR 11000 crore by 2017. Given the growing importance of the online retail industry in India, it remains imperative for web retailers and internet marketers to understand the determinants of online customers' purchase intention to decipher what is important to the Indian online customer. This paper attempts to identify the determinants of online purchase intention among youth in the Indian context. Based on a detailed literature review, customer online purchase intention shopping orientation factors such as impulse purchase orientation, brand orientation and quality orientation were considered along with online trust and prior online purchase experience. The study has implications for web-retailers, marketing managers, internet marketers, online vendors and web-shoppers in India. Indian online shoppers typically tend to seek offers and great value price deals instead of brand or quality. Online retailers should focus on increasing online. A normal minimized Turn-Around-Time (TAT), which will conceivably prompt informal exposure, criticism and client maintenance to the e-entryway or site. A data system which imparts redesigned data to admiration to stock status, interest timetables and conjectures, shipment calendars and advancement plans among all the stakeholders of the inventory network will structure the foundation of an e-retailer.

KEYWORDS

impulse purchase orientation, brand orientation, quality orientation, Turn-Around-Time.

JEL CODE

M31

INTRODUCTION

For comprehension the development of new markets, scrutinizes in shopping introduction are of vital significance. Explores on shopping introduction have offered rich experiences into comprehension the development of index retailing in the USA three decades prior (Berkowitz et al, 1979) furthermore in the rise of web retailing in the USA (Girard et al., 2003; Rohm and Swaminathan, 2004). Comparable studies on non-store shopping introductions of clients in different topographies have added to more prominent understanding of the online markets in the separate nations (Brown et al., 2001; Shim et al., 2001a, b; Ling et al., 2010).

Besides, for comprehension the web shopping conduct attitude, web advertisers are constantly urged to investigate the determinants of client online buy proposition. Buy expectation is the last result of various different considers an internet shopping connection (Ling et al., 2010). Shopping introductions have indicated critical impacts on buy introduction in a Western setting (Brown et al., 2001; Seock, 2003; Gehrt et al., 2007) furthermore in other created e-business markets like Malaysia (Ling et al., 2010). Online trust has been the transcendent impact on client online buy plan (Jarvenpaa and Tractinsky, 1999; Pavlou, 2003). Demographic variables like age, sexual orientation, instruction and so forth have been contemplated for their impact on reception of client online buy (Li et al., 1999). Earlier online buy experience has been found to have a critical impact on buy expectation in the Western setting (Shim and Drake, 1990; Shim et al., 2001a, b). Notwithstanding these discoveries, the importance of these discoveries in Indian connection stays easily proven wrong. Unless the discoveries are approved in distinctive social settings over the globe, former discoveries would stay substantial just in their own bound connections. The Indian online business sector is unique from alternate markets being secured in the present studies. There are numerous explanations behind saying that the Indian setting is diverse. The development of web in India is still thought to be in beginning stage as the web infiltration has not in any case surpassed 10 percent. Besides, the digital laws and its administrative system are likewise in an incipient stage. Socially, India has its own particular remarkable set of sensitivities and socio-mental hindrances. Shankar et al. (2002) states that culturally diverse sensitivities should not to be overlooked whatsoever, particularly in online exploration, as they are more critical in an internet shopping connection than logged off setting. Subsequently, deciding the legitimacy of the recognized variables affecting online buy in the west and other created e-business markets is by all accounts suitable before utilizing the current discoveries as a part of an Indian connection.

With respect to studies in an Indian setting, Ganguly et al. (2009) have mulled over the mediatory impact of online trust. Dash and Saji (2007) have researched the impact of site qualities on online trust. To the best of our insight, there is no critical insightful examination to study the part of diverse variables on Indians' online buy expectations. Hence, in this paper, it endeavor to analyze the impact of shopping introduction, online trust, demographics and former online buy encounter on the client online buy proposition in the Indian setting. Thus, objectives of our study are:

- To review the past literature on the constructs taken for the study
- To empirically test the role of shopping orientation, prior online purchase experience, online trust on the customer online purchase intention among Indians.
- To empirically test the influences of demographics on customer online purchase intention among Indians.

REVIEW OF LITERATURE**CONSUMER ONLINE PURCHASE INTENTION**

As per the hypotheses of contemplated activity, shopper conduct could be anticipated from its comparing intentions (Ajzen and Fishbein, 1980). Intentional measures are more successful than behavioral measures in drawing new clients as clients have a tendency to skip genuine inclination in view of their requirements (Day, 1969). Client online purchase intention is characterized as the build that gives the quality of a client's intention to purchase online (Salisbury et al., 2001). Pavlou (2003) watched online purchase intention to be a more proper measure of intention to utilize a site when evaluating online purchaser conduct. Since online exchange includes data imparting and purchase activity, purchase intention will rely on upon numerous variables (Pavlou, 2003). With a specific end goal to trigger online purchase intention among customers, web retailers regularly need to spotlight on these variables to improve the shot of purchase by clients.

Purchase intention can be classified as one of the components of consumer cognitive behavior on how an individual intends to buy a specific brand. Laroche, Kim and Zhou (1996) assert that variables such as consideration in buying a brand and expectation to buy a brand can be used to measure consumer purchase intention. Based on the argument of Pavlou (2003), online purchase intention is the situation when a customer is willing and intends to become involved in online transaction. Online transactions can be considered as an activity in which the process of information retrieval, information transfer, and product purchase are taken place (Pavlou, 2003).

ONLINE TRUST

Online trust is a necessity when it comes to online shopping (McCole and Palmer, 2001). Due to the risky nature of online shopping, trust and risk play significant roles in effecting online transactions (Pavlou, 2003). Trust contributes positively towards the success of online transactions (Jarvenpaa and Tractinsky, 1999). Online trust needs to be there when personal financial information and personal data is shared while making a purchase online (Egger, 2006). Online trust is based

on the perception of the risks or benefits of the online transaction (Teo and Liu, 2007). In the Indian context, the influence of the online trust as of mediating effect has been studied on customer online purchase intention (Ganguly et al., 2009).

Measurements of online trust incorporate security, protection and unwavering quality (Camp, 2001). Security is characterized as the degree to which clients trust that the Internet is secure for them to transmit delicate data to the business exchange (Kim and Shim, 2002). Security assumes an essential part in influencing the consumer disposition and purchase intentions (Salisbury, et al., 2001) Kim and Shim (2002) underscore that the individual familiarity with security has the critical impact on consumer mentality and online purchase intentions. Thus, researcher proposes:

H1. Higher customer online trust will lead to higher customer online purchase intention.

PRIOR ONLINE PURCHASE EXPERIENCE

Helson (1964) contended that a singular's reaction to a judgmental assignment is focused around three viewpoints, which are total of the singular's past experiences, connection or foundation, and boost. In this manner, web-shopping customers will depend intensely on experience quality in which the experience quality can be gotten just through prior purchase experience.

Prior experiences will emphatically influence future conduct. In the web-shopping connection, clients assess their online purchase experiences regarding discernments in regards to item data, type of installment, conveyance terms, administration offered, danger included, protection, security, personalization, visual request, route, stimulation and happiness (Burke, 2002; Parasuraman and Zinkhan, 2002; Mathwick, Malhotra, and Rigdon, 2001).

Future conduct is dictated by prior experiences. Online purchases are still thought to be dangerous contrasted with logged off retail purchases (Laroche et al., 2005). In an online shopping environment, prior online purchase experience prompts the diminishment of vulnerabilities and inevitably prompts an increment in the client purchase plan (Shim and Drake, 1990). Online customers who have purchased items online are more open and slanted to shop online than others (Lee and Tan, 2003). Shim et al. (2001a, b) found that past tasteful online purchase will prompt future online purchase while past negative experience will diminish online purchase proposition. In the Indian connection, accordingly researcher proposes:

H2. Higher prior online purchase experience will lead to higher customer online purchase intention.

SHOPPING ORIENTATION

Swaminathan et al. (1999) declared that shopping orientation is one of the prime markers of making online buys. The idea of shopping orientation alludes to a particular fragment of way of life that is operationalized by different exercises, hobbies and feeling articulations pertinent to shopping (Li et al., 1999). Seven shopping orientation sorts recognized by Gehrt et al. (2007) are diversion, oddity, drive buy, quality, brand, cost and comfort. Of all the seven shopping orientations, drive buy orientation, quality orientation and brand orientation were seen as more essential from the web retailer point of view and frequently researched together (Ling et al., 2010).

In the rise of assorted retail outlets and expanding rivalry in the commercial center, online retailers must comprehend customers' shopping orientations to boost customers' online purchase aim that prompts the increment in online deals. Shopping orientations is viewed as a multi-dimensional build. As indicated by Gehrt, et al. (2007), there are 7 sorts of shopping orientations which include recreation, novelty, impulse purchase, quality, brand, price and convenience.

IMPULSE PURCHASE ORIENTATION

Piron (1991) characterizes impulse purchase as an unplanned activity that result from a particular boost. Rook (1987) contends that impulse purchase happens at whatever point customers encounter a sudden urge to purchase something promptly, need substantive extra assessment, and act focused around the urge. Subsequently, Ko (1993) reports that impulse purchase conduct is a sensible unplanned conduct when it is identified with target assessment and enthusiastic inclination in shopping. Wolman (1973) casings hastiness as a mental characteristic that result because of a jolt. Impulse purchasers likewise have a tendency to be more passionate than non-purchasers. Hence, a few scientists have treated impulse purchase as an individual contrast variable with the foresight that it is liable to influence choice making crosswise over circumstances (Beatty and Ferrell, 1998; Rook and Fisher, 1995). Impulse purchase conduct happens when a customer feels the urge to purchase something at the exact moment with no more assessment (Rook, 1987). In this manner, researcher proposes:

H3. Higher impulse purchase orientation will lead to higher customer online purchase intention.

QUALITY ORIENTATION

Quality is viewed as a key vital segment of upper hand and in this way the upgrade of item or administration quality has been a matter of fundamental concern to firms (Daniel, Reitsperger, and Gregson, 1995; Foster and Sjoblom, 1996). Garvin (1987) distinguishes five methodologies to characterize quality: extraordinary, item based, client based, assembling based, and worth based. Otherworldly meaning of value is synonymous with inborn greatness. The suspicion of extraordinary methodology is that quality is both supreme and all around conspicuous. Bellenger and Korgaonkar (1980) found that one of the things that recreational customers have a tendency to contemplate is quality when picking stores for shopping. In this manner, researcher proposes:

H4. Higher quality orientation will lead to higher customer online purchase intention.

BRAND ORIENTATION

A brand is characterized as a name or image, trademark and bundle plan that interestingly recognizes the items or administrations of a retailer, and separates them from those of its rivals (Asker, 1991). For some online retailers, the brand name is the organization name. In the e-trade environment, trusted corporate and brand names are utilized by clients as substitutes for item data when they aim to make online buy (Ward and Lee, 2000).

A few studies have discovered that brand dependability displays solid effect on buy proposition in the conventional disconnected from the net retailing world (Hawes and Lumpkin, 1984; Spores and Kendall, 1986). A solid brand name pulls in new clients, as well as additionally has the lock-in capacity to make clients feel great with their buy choices. Jayewardene et al. (2007) have built from their study that there is a huge impact of brand orientation on customer online purchase expectation. In web exchanges, customer utilization trusted corporate and brand names set up of item data while buying online (Ward and Lee, 2000). In this way, researcher proposes:

H5. Higher brand orientation will lead to higher customer online purchase intention.

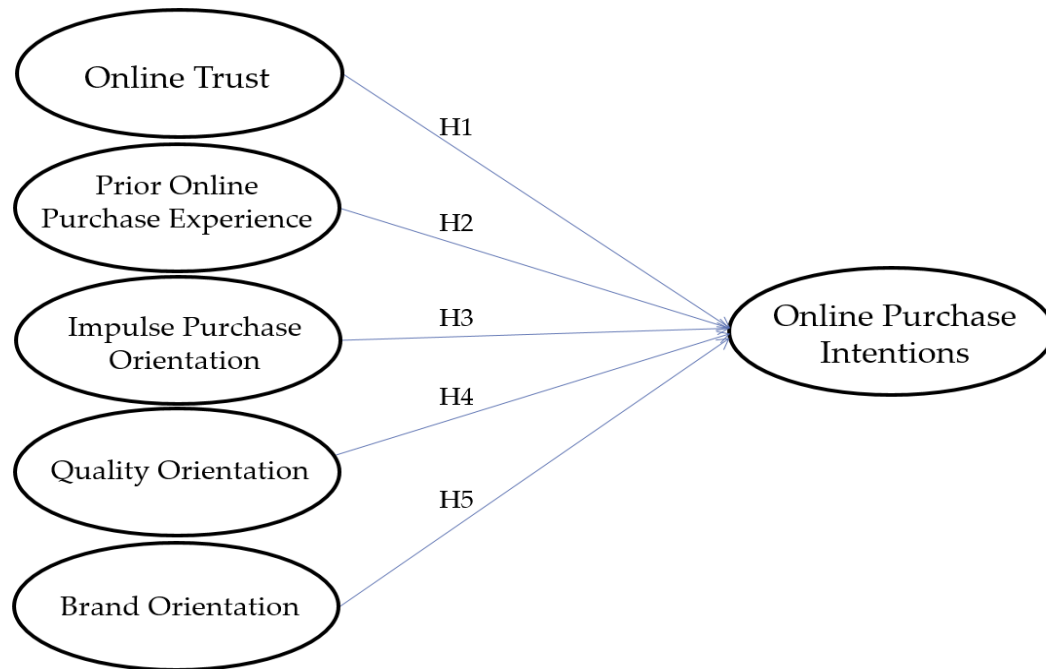
OBJECTIVES

1. To review the past literature on the constructs taken for the study;
2. To empirically test the role of shopping orientation, prior online purchase experience, online trust on the customer online purchase intention among youth in Kerala; and
3. To empirically test the influences of demographics on customer online purchase intention among youth in Kerala.

RESEARCH METHODOLOGY

RESEARCH MODEL

FIGURE 2: MODEL OF THE STUDY



HYPOTHESES

- H1 : Higher customer online trust will lead to higher customer online purchase intention.
- H2 : Higher prior online purchase experience will lead to higher customer online purchase intention.
- H3: Higher impulse purchase orientation will lead to higher customer online purchase intention.
- H4: Higher Quality orientation will lead to higher customer online purchase intention.
- H5: Higher Brand Orientation will lead to higher customer online purchase intention.

TYPE OF STUDY

The research done to determine the factors of Online Purchase intention is of descriptive in nature, Hence it could be categorized as a descriptive research. Descriptive research is used to describe characteristics of a population or phenomenon is being studied. Here the aim is to find the determinants of online purchase intention.

SCOPE OF STUDY

Time -The research was undertaken in three months, September 2016- November 2016

Place of Study - The sample consisted of people of the age group 15-30 who have online purchase intention. The sample population was spread across Kerala with individuals from northern as well as southern part of Kerala involved in the research.

Population – Sample population was youth in Kerala who have some kind of online purchase intention. Sample size was initial taken 200 and 212 responses were considered for the study.

QUESTIONNAIRE DESIGN

The first part of the questionnaire provides general information about the online purchasing behavior of the potential respondents. The second part of the questionnaire elaborates the independent variables and dependent variable that would be tested in the survey. Questions in the form of scaled-response questions were adopted in the second part of the questionnaire because “scaling permits measurement of the intensity of respondents’ answers” (Churchill and Brown, 2004, p.329). The items of the questionnaire in this research were adopted from different sources of the extant literature. The items for the independent variables “impulse purchase orientation”, “quality orientation”, and “brand orientation” are adapted from Gehrt, et. al. (2007) and Seock (2003). The items for the independent variable “online trust” are adapted from Chen and Barnes (2007). The items for the independent variable “prior online purchase intention” are adapted from Brunelle and Lapiere (2008). The items for the dependent variable “online purchase intention” are adapted from Chen and Barnes (2007). A 5-point Likert scale anchored by “strongly disagree” (1) to “strongly agree” (5) was used as the attitude measurement for the independent and dependent variables.

SAMPLING

Convenience Sampling Method has been used in this study. The research as such is a Descriptive Research to identify the determinants of online purchase intention. The target population for which the questionnaire was provided was youth in Kerala. Youth in Kerala is defined as people of the age group 15-30 who are either born or residing in Kerala. The major reason of taking this age group as target population is because over 70% of Indian population who have online purchase intention belongs to this category. A total of 212 participants participated in the survey. All 212 participants have either purchased products or services through online medium or have intentions to purchase products or services through online medium.

ADMINISTRATION OF SURVEY

Survey was administered through survey software named Qualtrics. The Survey was shared to correspondence by the sending the URL to them using social media platform and through emails. The respondents were asked to remember the recent online purchase experience while attempting questions related to Online Trust. In studies where large variance (i.e. above 25 percent) is expected to be explained, a sample size of 80 would be above 30 is adequate to fulfill the assumptions of normality required to conduct ANOVA. Hence, the processed 212 responses were considered sufficient to carry out both the tests in our study.

TOOLS FOR ANALYSIS

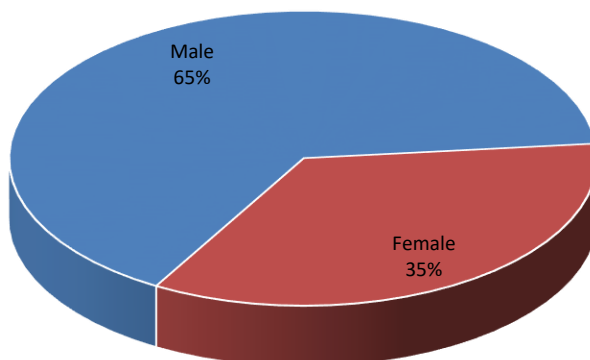
- ❖ **Regression**: - Linear regression is the next step up after correlation. It is used when we want to predict the value of a variable based on the value of another variable. The variable we want to predict is called the dependent variable (or sometimes, the outcome variable). The variable we are using to predict the other variable's value is called the independent variable (or sometimes, the predictor variable). SPSS was used to find the regression between dependent and independent variables.
- ❖ **ANOVA**: - The one-way analysis of variance (ANOVA) is used to determine whether there are any significant differences between the means of two or more independent (unrelated) groups (although you tend to only see it used when there are a minimum of three, rather than two groups). SPSS was used to find ANOVA also.

DATA ANALYSIS AND RESULT

This section deals with the presentation of survey findings, data analysis reports and discussion of the findings. At first, the demographic profile and technical profile of respondents are presented. It is followed by the reporting of reliability test and validity test findings of the questionnaire. Then, the multiple regression diagnostics and the regression analysis findings are discussed. Further, the one way ANOVA test findings are discussed for understanding the influence of demographics on customer online purchase intentions.

PROFILE OF RESPONDENTS

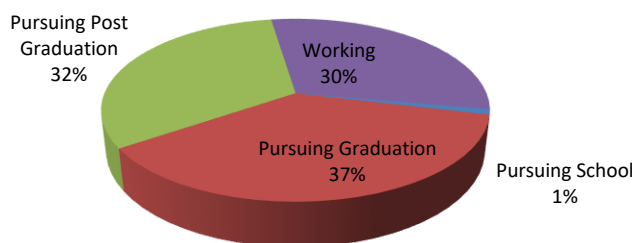
FIGURE 2: GENDER PROFILE OF RESPONDENTS



Source: Primary data

A total of 212 respondents participated in the survey and 65% of the respondents which is 138 of them were Male. 35% of the respondents, which is 78, were female. This provides us with a valuable insight that online shopping is quite popular among the male section of the society than their female counterpart.

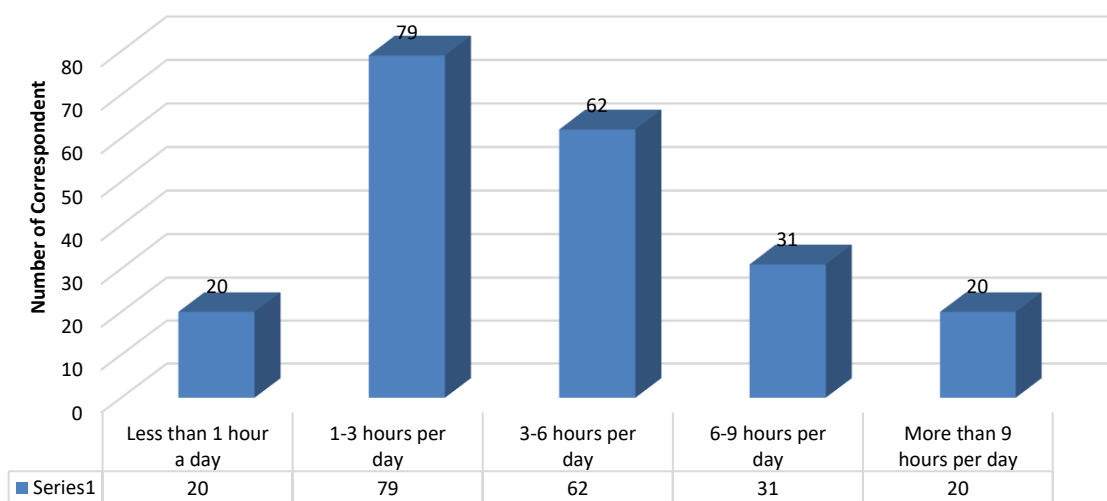
FIGURE 3: EDUCATION PROFILE OF RESPONDENTS



Source: Primary data

Among the 212 respondents who actually responded to the survey 37% or 78 respondents were pursuing graduation, 32% or 68 respondents were pursuing Post graduation while 30% or 64 respondents were working either self-employed or salaried. Just 1% of the respondents were still in school or just 2 of the respondents are yet to complete their schooling. This provides a general idea that online shopping is fairly associated with all the 3 major category of youth in Kerala.

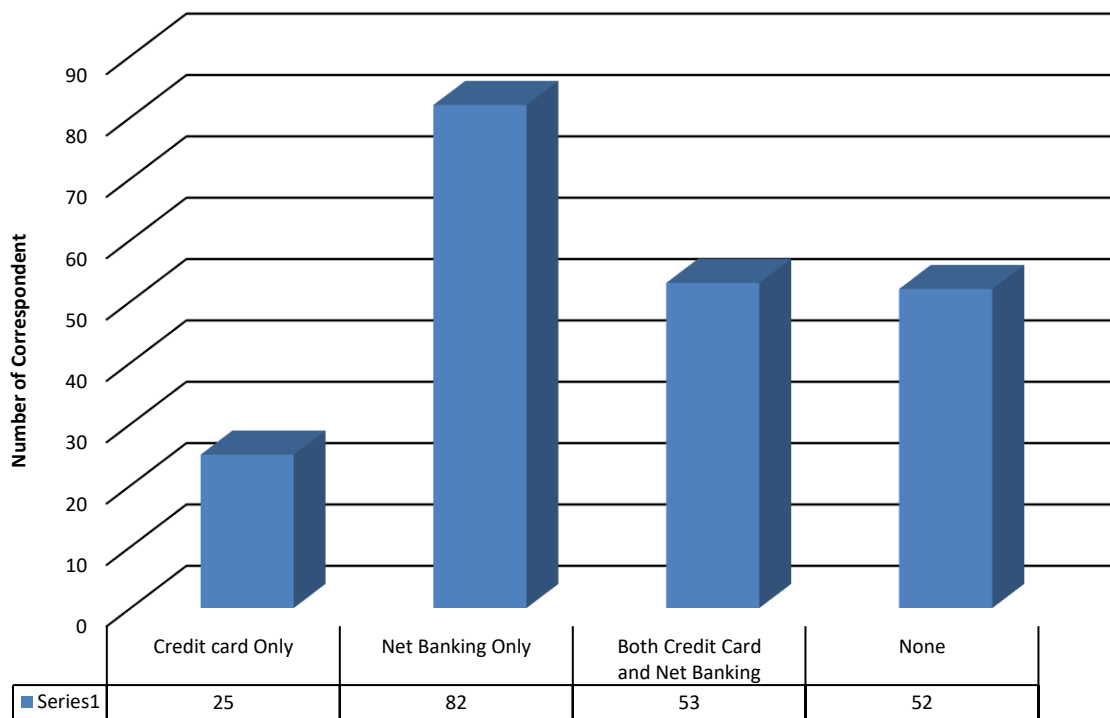
FIGURE 4: NUMBER OF HOURS OF INTERNET USAGE PER DAY



Source: Primary data

The Number of Hours an average user spent on internet was found out during this study. 20 respondents spends less than 1 hour a day. While 79 respondent spent about 1-3 hours daily on internet. 31 respondents agreed that they spent about 6-9 hours per day on internet. And there were 20 respondents who spent more than 9 hours per day on internet. Internet has become an integral part of the life of today's youth they are spending close to 30% of their time awake on internet.

FIGURE 5: CREDIT CARD OR INTERNET BANKING FACILITY



Source: Primary data

The reach of Credit card and Net Banking among the respondents was also studied under the research. 25 respondents preferred to use credit cards alone while online shopping. 82 respondents preferred to use net banking alone while online shopping. 53 respondents used both credit card and net banking 52 respondents are yet to use credit card or net banking. Indian Ecommerce website has been allowing its users to purchase through debit card also. Moreover, usage of credit card and net banking could easily drive the potential youngsters move to online shopping.

DATA ANALYSIS

MULTIPLE REGRESSION RESULTS

Multiple linear regressions was conducted to determine the structure of the relationship between the independent variables namely online trust, prior online purchase experience, impulse purchase orientation, brand orientation and quality orientation on the dependent variable that is online purchase intention. The Correlation among dependent and independent variables are checked first. The result is reproduced in the table below.

TABLE 1: MODEL SUMMARY^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.706 ^a	.498	.486	.32536

a. Predictors: (Constant), IM, QO, BR, PP, OL

b. Dependent Variable: PI

Source: Primary data

The output of model summary table shows the overall fit statistics. Researcher find that the adjusted R^2 in the model is .486 with the $R^2 = .498$. This means that the linear regression explains 49.8 % of the variance in the data. The adjusted R^2 corrects the R^2 for the number of independent variables in the analysis, thus it helps detect over-fitting, because every new independent variable in a regression model always explains a little additional bit of the variation, which increases the R^2 .

TABLE 2: ANOVA^b TABLE

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	21.669	5	4.334	40.940	.000 ^a
	Residual	21.807	206	.106		
	Total	43.475	212			

a. Predictors: (Constant), IM, QO, BR, PP, OL

b. Dependent Variable: PI

Source: Primary data

TABLE 3: MULTIPLE REGRESSION TABLE

Coefficients ^a						
Model	Unstandardized Coefficients		Standardized Coefficients		t	Sig.
	B	Std. Error	Beta			
1						
(Constant)	.844	.211			3.994	.000
PP	.301	.041	.443		7.251	.000
OL	.281	.058	.304		4.865	.000
QO	.085	.040	.121		2.093	.038
BR	-.023	.031	-.038		-7.751	.453
IM	-.034	.031	-.058		-1.109	.269

a. Dependent Variable: PI

It is found that PP or Prior Purchase Experience has a higher impact than all the other four independent variables (Beta = .443 for Prior Purchase Experience (PP), Beta = .304 for Online Trust (OL), Beta = 1.21 for Quality Orientation (QO), Beta = -.38 for Brand Orientation and Beta = -.58 for Impulse Purchase Orientation (IM). Beta weights are the standardized coefficients and they allow comparing of the size of the effects of different independent variables if the variables have different units of measurement. The t-test finds that both intercept and variable are highly significant (p < .001) for variables Prior Purchase Intention and Online Trust and moderately significant for Quality Orientation (p < 0.05) and thus it might say that they are significantly different from zero.

The Enter wise multiple linear regression analysis found that Prior Online Purchase Behavior and Online Trust have relevant explanatory power. Together the estimated regression model (Online Purchase Intention = .844 + 0.301*PP + .281*OL + .085*QO) explains 49.8% of the variance of the achieved Reading Score with an adjusted R2 of 48.6%. The regression model is highly significant with p < .001 and F(5,206) = 40.940. The standard error of the estimate is .325.

REGRESSION EQUATION

$$PI = .844 + 0.301*PP + .281*OL + .085*QO$$

Where

PI - Customer Online Purchase Intention

PP - Prior Online Purchase Experience

OL -Online Trust

QO -Quality Orientation

BR -Brand Orientation

IM -Impulse Purchase Orientation

INTERPRETATION OF MULTIPLE LINEAR REGRESSION RESULT

PRIOR ONLINE PURCHASE INTENTION AND CUSTOMER ONLINE PURCHASE INTENTION

Hypothesis H2 states that “prior online purchase experience” having a positive effect on the customer purchase intention. This was supported by the regression results as its p-value was less than 0.001. This is in concurrence with the research findings of Shim and Drake (1990) who found that “prior online purchase experience” enhance customer purchase intention by reducing uncertainties. Here too, find no difference between online shoppers of Kerala and others as per the studies.

ONLINE TRUST AND CUSTOMER ONLINE PURCHASE INTENTION

“Online trust” is found to have a significant impact on the dependent variable “customer online purchase intention” as the p value was less than 0.001. There appears no difference between the Kerala Online Consumers and the rest of the world as per available studies in online trust as “online trust” has been found to be an integral component of customer purchase intention in studies conducted abroad (McCole and Palmer, 2001; Ling et al., 2010). Hence, it is found that our H1 is supported.

SHOPPING ORIENTATIONS

The p-value of Quality Orientation (p-value = 0.037) is less than the cutoff value of 0.05. Therefore, the research concludes that Quality Orientation has significant impact on the customer online purchase intention. Thus, H4 is accepted. This finding is consistent from the existing literature in the Western context by Zhang et al. (2007) which states that “Quality orientation” will positively affect the “customer online purchase intention”.

The regression results point out that brand orientation has no impact on purchase intention as the p-value of 0.453 is greater than 0.05. Hence, H5 is rejected. This is contrary to the findings from the studies done in Western contexts, which find brand orientation positively influencing customer online purchase intention (Jayawardhena et al., 2007).

Likewise, the results show that “impulse purchase orientation” also has no impact on purchase orientation as its p-value = .269 (> 0.05). Therefore, H3 is also rejected. This is quite different from the finding of Gehrt et al. (2007) who has concluded that impulse purchase orientations would positively affect the customer online purchase intention. The second unique distinction that find about an Indian online user is that he/she has no impulse purchase orientation when it comes to intention to shop online.

SUMMARY OF ANALYSIS

TABLE 4: SUMMARY OF ANALYSIS

Independent Variables Tested	Hypotheses	Outcomes
Online Trust	H1. Higher consumer online trust will lead to higher customer online purchase intention	Supported
Prior Online Purchase Experience	H2. Higher prior online purchase experience will lead to higher customer online purchase intention	Supported
Impulse Purchase Orientation	H3. Higher impulse purchase orientation will lead to higher customer online purchase intention	Not Supported
Quality Orientation	H4. Higher Quality orientation will lead to higher customer online purchase intention	Supported
Brand Orientation	H5. Higher Brand orientation will lead to higher customer online purchase intention	Not Supported

FINDINGS

- Higher Consumer Online Trust will lead to higher online purchase intentions among youth in Kerala.
- Higher prior online purchase experience will lead to higher online purchase intention among youth in Kerala.
- Higher Quality orientation will lead to higher online purchase intention among youth in Kerala.
- Higher Impulse purchase orientation need not lead to higher online purchase intention among youth in Kerala.
- Higher Brand Orientation need not lead to higher online purchase intention among youth in Kerala.
- Penetration of Net Banking facility has an influence on online purchase intention among youth in Kerala.
- Increase in credit card usages has an influence on the online purchase intention among youth in Kerala.

CONCLUSION

The exploration discoveries have brought managerial implications to the different stakeholders. Regarding managerial implications, the exploration discoveries do give a few bits of knowledge and criticisms to the e-retailers to form and actualize different business systems to build the customer online purchase intention. The examination discovering found that the precursors of the customer online purchase intention could be connected in both low vulnerability evasion nations and

high instability shirking nations (particularly in Malaysia), especially among Generation Y. To make the condition for prior online purchasing experience, e-retailers can give free specimens or free membership for the potential web customers to test the items or administrations. To build the customer motivation purchase, e-retailers can give email redesigns on item improvement or offer uncommon rebates for a restricted time to the potential online customers. E-retailers may offer steadfastness projects or club participations for those online customers who display solid brand introduction. For focusing on quality-orientated customers, e-retailers can give full online form of item quality data and item look data through the site to them. To build the level of online trust, e-retailers must give fair and reliable data to the potential web customers at unequaled.

MANAGERIAL IMPLICATION

This research establishes that impulse purchase orientation, prior online purchase experience and online trust have significant impact on the customer purchase intention. The study has implications to web retailers, marketing managers, internet marketers, online vendors and web-shoppers in India. Web retailers and internet marketers specifically will be able to develop effective and efficient web-shopping strategies to attract new and potential web-shopping customers if they know the determinants of purchase intention. Targeting the impulse purchase orientation nature of Indian consumers, the online retailers could concentrate on drawing the online shoppers with attractive deals for a limited time. Online retailers could also encourage the one-time customers to purchase again by offering special discounts or offers as a reward for loyalty in using the web site for purchase. As cited by prior researchers, web retailers in India too should focus on increasing the online trust. This can be done by various online trust building measures like giving 30 day money-back guarantee on products bought online, on time delivery, cash on delivery payment option and effective 24 X 7 customer care call center to address complaints. The online retailers should also have truthful and authentic information about products sold through their site all the time. Males have more intention to shop online could be utilized well by the online retailers by promoting more products and related advertisements targeting males in the population.

Though the findings offer some new insights in an Indian context, the research has its own limitations. Hence, the finding may not be generalizable though internet savvy students contribute to a major percentage of online shoppers in India. A bigger and more representative sample which includes respondents from all walks of life would have been more appropriate. There was no uniform representation across categories in the demographic variables considered for the study. In future studies, at least on a broader level, sample should be chosen so that there is uniform representation across categories in the demographic variables.

RECOMMENDATION FOR FURTHER RESEARCH

Because of the restrictions of this exploration, three proposals are proposed for further research with the end goal of upgrading the investigation of the customer online purchase intention. It is proposed to assess the effects of shopping introductions, online trust and prior online purchase experience on the customer online purchase intention among the potential customers who have solid intention to participate in online purchasing exercises. Moreover, it is prescribed to assess the relationship between shopping introductions and customer online purchase intention focused around sex contrasts and additionally the part of sexual orientation in intervening the relationship between shopping introductions and customer online purchase intention. Ultimately, it is proposed to use likelihood inspecting method to assess customer online purchase intention later on exploration.

The responses with prior online purchase experience are analyzed while leaving those who have no online purchase experience. The reason why some Indians who have access to credit card and net banking facility shy away from online retail shopping also needs investigation. E-tailers in India are competing with promotional pricing offers more than ever before. The reason why quality and brand orientation is insignificant in India, needs to be studied by introducing new constructs like value price, convenience orientation, etc.

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CORPORATE SOCIAL RESPONSIBILITY: DIMENSIONS AND CHALLENGES IN SELECTED SOFTWARE COMPANIES IN INDIA

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ABSTRACT

In India, companies are practicing the Corporate Social Responsibility (CSR) for decades. Nowadays CSR became a popular basis having such good glorious examples; Indian CSR is at its growth. A lack of understanding, inadequately trained personnel, coverage, policy etc further adds to the reach and effectiveness of CSR programs. Large number of companies are undertaking these activities superficially and promoting highlighting the activities in Media. This paper focuses on the finding & reviews the dimensions of CSR and challenges faced by its activities in India. In recent years, the concept of corporate social responsibility has gained prominence from all avenues. Organizations must realize that government alone will not be able to succeed in its endeavor to uplift the downtrodden society. The present societal marketing concept of companies is constantly evolving and has given rise to a new concept Corporate Social Responsibility. Many of the leading corporations across the world had realized the importance of being associated with socially relevant causes as a means of promoting their brands. Cause-related marketing and corporate social responsibility has provided companies with a new tool to compete in the market. CSR refers to the corporation's obligation to all the stakeholders. This could be a strategic marketing activity a way for a company to do well by doing good—distinct from sales promotion, corporate philanthropy, corporate sponsorship, corporate Samaritan acts and public relations. Now, it is assumed to be responsibility of the business houses too. Extant literature and newspaper articles show that corporate social responsibility is defined as a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis. With this background, an attempt is made in this paper to comprehend and gain insight into behavior or attitude of companies towards various aspects of social contribution and to light through the various dimensions of corporate social responsibility headed by each organization especially, Reliance, Tata, and Infosys.

KEYWORDS

corporate social responsibility, Human capital, corporate world.

JEL CODE

M14.

INTRODUCTION

A new and emerging strategic issue on the CSR agenda involves a move towards creating more inclusive businesses particularly in software business. A detail discussion will examine innovative strategies for economic and social development that includes poor and disadvantaged groups in the value chain of companies. Many companies are seeking to better develop inclusive business approaches as part of their business strategy to expand market access, which also link to community investment strategies and poverty alleviation. While such approaches can bring market opportunities in new markets there are also possibilities to 'create shared value' through products, services and business innovations where, CSR can play a critical role. Similarly, there is growing interest among managers in the antecedents and consequences of CSR, especially for executives at multi-national, multi-divisional companies. These corporate leaders are mindful of the fact that business norms and standards, regulatory frameworks, and stakeholder demand for CSR can vary substantially across nations, regions, and lines of business. They are also aware that their divisional managers are under constant pressure from employees, suppliers, community groups, NGOs, and government to increase their involvement in CSR. Many companies think that corporate social responsibility is a peripheral issue for their business and customer satisfaction more important for them. They imagine that customer satisfaction is now only about price and service, but they fail to point out on important changes that are taking place worldwide that could blow the business out of the water. The change is named as social responsibility, which is an opportunity for the business. In the 1960s and 1970s the civil rights movement, consumerism, and environmentalism affected society's expectations of business. Based on the general idea that those with great power have great responsibility, many called for the business world to be more proactive in (1) ceasing to cause societal problems and (2) starting to participate in solving societal problems. Many legal mandates were placed on business related to equal employment opportunity, product safety, worker safety, and the environment. The wealth that one generates and holds is to be held as in a trust for our multiple stakeholders. With regard to CSR, this means investing part of our profits beyond business, for the larger good of society. Furthermore, society began to expect business to voluntarily participate in solving societal problems whether they had caused the problems or not. This was based on the view that corporations should go beyond their economic and legal responsibilities and accept responsibilities related to the betterment of society. This view of corporate social responsibility is the prevailing view in much of the world today. Corporate social responsibility is related to, but not identical with, business ethics. While CSR encompasses the economic, legal, ethical, and discretionary responsibilities of organizations, business ethics usually focuses on the moral judgments and behavior of individuals and groups within organizations. Carroll and Bochoff's four-part definition of CSR makes explicit the multi-faceted nature of social responsibility. The economic responsibilities cited in the definition refer to society's expectation that organizations will produce goods and services that are needed and desired by customers and sell those goods and services at a reasonable price. Organizations are expected to be efficient, profitable, and to keep shareholder interests in mind. The legal responsibilities relate to the expectation that organizations will comply with the laws set down by society to govern competition in the marketplace. Organizations have thousands of legal responsibilities governing almost every aspect of their operations, including consumer and product laws, environmental laws, and employment laws. The ethical responsibilities concern societal expectations that go beyond the law, such as the expectation that organizations will conduct their affairs in a fair and just way. This means that organizations are expected to do more than just comply with the law, but also make proactive efforts to anticipate and meet the norms of society even if those norms are not formally enacted in law. Finally, the discretionary responsibilities of corporations refer to society's expectation that organizations be good citizens. This may involve such things as philanthropic support of programs benefiting a community or the nation.

CORPORATE SOCIAL RESPONSIBILITY AND BUSINESS ETHICS

Though there is some similarity between CSR and Business ethics, both of them carries their own identical meanings and fulfillments. Both concepts concern values, objectives and decision based on something than the pursuit of profits so that socially responsible firms must act ethically. The difference is that CSR is about the organization's obligations to all stakeholders – and not just shareholders and ethics concern individual actions, which can be assessed as right or wrong by reference to moral principles. Moreover, corporate social responsibility is an obligation, beyond that required by the law and economics, for a firm to pursue long term goals that are good for society and the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as that of the local community and society at large. Corporate social responsibility means conducting business in an ethical way and in the interests of the wider community and responding positively to emerging societal priorities and expectations. It is a willingness to act ahead of regulatory confrontation and balancing shareholder interests against the interests of the wider community for becoming a good citizen. The nature and scope of corporate social responsibility has changed over time. The concept of CSR is a relatively new one—the phrase has only been in wide use since the

1960s. But, while the economic, legal, ethical, and discretionary expectations placed on organizations may differ, it is probably accurate to say that all societies at all points in time have had some degree of expectation that organizations would act responsibly.

OBJECTIVES OF THE STUDY

The study has been conducted mainly to:

1. Understand the dimensions of corporate social responsibility in India
2. To understand the challenges in execution of Corporate Social Responsibility
3. To analysis CSR Performance Rating Points of selected software companies in India
4. Corporate Social Responsibility Practices and its impact on Software business

REVIEW OF LITERATURE

Yoon *et al* (2016) found that, CSR activities improve a company's image when consumers attribute sincere motives, are ineffective when sincerity of motives is ambiguous, and hurt the company's image when motives are perceived as insincere. Denis *et al* (2012) argues that, the factors, community, policy, mission and vision, workforce, and environment have critical role in making CSR a very successful execution. Among these factors, environment and mission and vision had the strongest predictive power in people's preference to stay, willingness to pay, perception of service quality, and brand image and Waddock (1997) found that, CSR results in an improvement in firm performance in all levels. According to Francesco *et al* (2008) the companies use different strategies as well as diverse management systems and tools to address Corporate Social Responsibility (CSR) issues along their supply chains (SCs). According to Kabir (2011) the major reasons for involving CSR practices by companies are to create and maintain a favorable corporate image where companies should be viewed as social organizations and in terms of CSR practices, community involvement is higher than the other categories of CSR. Brooks (2012) suggests that, corporate responsibility (CR) has to do with how a corporation respects the interests of its stakeholders and reflects those interests in its actions and accountability. According to Shrivastava (1915) Industrial and environmental crises pose major threats to human survival. These crises are rooted in corporate activities, products, and production systems. For corporations to meaningfully respond to such crises, we need a more adequate conception of corporate social responsibility (CSR). McWilliams (2012) supports that, CSR strategies, when supported by political strategies, can be used to create sustainable competitive advantage firm. Aupperle *et al* (1985) found that there is a neutral relation between CSR and profitability and according to Russo (1997) there is a positive relation between environmental performance and financial performance. According to Baron (2011) the use of CSR to attract socially responsible consumers is referred to as strategic CSR, in the sense that firms provide a public good in conjunction with their marketing/business strategy. Friedman (1970) found that CSR is indicative of self-serving behaviour on the part of managers, and thus, reduces shareholder wealth.

RESEARCH METHODOLOGY

Descriptive Research methodology is a way to systematically solve the research problem. It may be understood as a science of studying how research is done scientifically (Kothari 1998). A researcher should think about the way in which he should proceed in attaining his objective in his research work. The researcher has to make a plan of action before starting the research. This plan of study of a researcher is called the research design. Descriptive research design is used for this study. Descriptive research design is used to those studies, which are concerned with characteristics of a particular group.

SOURCE OF DATA COLLECTION

Primary data: The Primary data has been collected from questionnaire

Secondary data: Secondary data has been collected from text books, research papers and websites.

CORPORATE SOCIAL RESPONSIBILITY

DRIVERS

The shrinking role of government - In the past, governments has relied on legislation and regulation to deliver social and environmental objectives in the business sector. Shrinking government resources, coupled with a distrust of regulations, has led to the exploration of voluntary and non-regulatory initiatives instead.

Demands For Greater Disclosure - There is a growing demand for corporate disclosure from stakeholders, including customers, suppliers, employees, communities, investors, and activist organizations.

Increased Customer Interest - There is evidence that the ethical conduct of companies exerts a growing influence on the purchasing decisions of customers. In a recent survey by Environics International, more than one in five consumers reported having either rewarded or punished companies based on their perceived social performance.

Growing Investor Pressure- Investors are changing the way they assess companies' performance, and are making decisions based on criteria that include ethical concerns. The Social Investment Forum reports that in the US in 1999, there was more than \$2 trillion worth of assets invested in portfolios that used screens linked to the environment and social responsibility.

Competitive Labor Markets- Employees are increasingly looking beyond paychecks and benefits, and seeking out employers whose philosophies and operating practices match their own principles. In order to hire and retain skilled employees, companies are being forced to improve working conditions.

Supplier Relations- As stakeholders are becoming increasingly interested in business affairs, many companies are taking steps to ensure that their partners conduct themselves in a socially responsible manner. Some are introducing codes of conduct for their suppliers, to ensure that other companies' policies or practices do not tarnish their reputation.

CHALLENGES

Lack of Community Participation in CSR Activities: There is a lack of interest of the local community in participating and contributing to CSR activities of companies. This is largely attributable to the fact that there exists little or no knowledge about CSR within the local communities as no serious efforts have been made to spread awareness about CSR and instill confidence in the local communities about such initiatives. The situation is further aggravated by a lack of communication between the company and the community at the grassroots.

Need to Build Local Capacities: There is a need for capacity building of the local non-governmental organizations as there is serious dearth of trained and efficient organizations that can effectively contribute to the ongoing CSR activities initiated by companies. This seriously compromises scaling up of CSR initiatives and subsequently limits the scope of such activities.

Issues of Transparency: Lack of transparency is one of the key issues brought forth by the survey. There is an expression by the companies that there exists lack of transparency on the part of the local implementing agencies as they do not make adequate efforts to disclose information on their programs, audit issues, impact assessment and utilization of funds. This reported lack of transparency negatively impacts the process of trust building between companies and local communities, which is a key to the success of any CSR initiative at the local level. **Non-availability of Well Organized Non-governmental Organizations:** It is also reported that there is non-availability of well-organized nongovernmental organizations in remote and rural areas that can assess and identify real needs of the community and work along with companies to ensure successful implementation of CSR activities. This also builds the case for investing in local communities by way of building their capacities to undertake development projects at local levels.

Visibility Factor: The role of media in highlighting good cases of successful CSR initiatives is welcomed as it spreads good stories and sensitizes the local population about various ongoing CSR initiatives of companies. This apparent influence of gaining visibility and branding exercise often leads many nongovernmental organizations to involve themselves in event-based programs; in the process, they often miss out on meaningful grassroots interventions. **Narrow Perception towards**

CSR Initiatives: Non-governmental organizations and Government agencies usually possess a narrow outlook towards the CSR initiatives of companies, often defining CSR initiatives more donor-driven than local in approach. As a result, they find it hard to decide whether they should participate in such activities at all in medium and long run.

Non-availability of Clear CSR Guidelines: There are no clear cut statutory guidelines or policy directives to give a definitive direction to CSR initiatives of companies. It is found that the scale of CSR initiatives of companies should depend upon their business size and profile. In other words, the bigger the company, the bigger is its CSR program.

Lack of Consensus on Implementing CSR Issues: There is a lack of consensus amongst local agencies regarding CSR projects. This lack of consensus often results in duplication of activities by corporate houses in areas of their intervention. This results in a competitive spirit between local implementing agencies rather than building collaborative approaches on issues.

CSR OF INDIAN SOFTWARE COMPANIES

Reliance: In areas around its power plant sites in Sasan, Rosa, Krishnapatnam, Butibori, Chitrangi and others, Reliance Power has been actively involved in various social and environmental organizations to address the issue of sustainable development and social uplift. The Company in discharge of its responsibility as a corporate citizen actively contributes to community welfare measures and takes up several social initiatives every year. Reliance Power Ltd. has been closely working with institutions and social organizations and supporting their programs for social development, adult literacy, and adoption of village, tree plantation schemes etc. and it includes health, education and employment.

TATA: The Tata Council for Community Initiatives (TCCI) is a unique initiative that lends structure to the Tata group's approach of sustainable development while driving its community engagement and improvement programs. The Tata Council for Community Initiatives is a centrally administered agency whose purpose is to help Tata companies and employees engage in developing the community through specific processes. Tata index for sustainability: The Tata index for sustainable human development is a pioneering effort aimed at directing, measuring and improving the social uplift programs that group enterprises undertake. The index provides guidelines for Tata companies looking to fulfill their social responsibilities, and is built around the Tata Business Excellence Model.

INFOSYS: Infosys always responds to a human crisis by volunteering and pledging support. The northern districts of Karnataka were severely affected by floods after torrential rainfall. It claimed hundreds of lives and rendered millions of villagers homeless. The employees of Infosys joined hands to rebuild villages and undertake a mass housing project. Infosys, together with the Board of Directors and the Infosys Foundation, contributed US\$ 6.8 million towards relief, rehabilitation and reconstruction. Under the auspices of the state government's 'Aasare' scheme, Infosys partnered with local Non-governmental Organizations (NGOs) to construct homes across 18 villages in five districts. The ongoing housing project serves as a model for sustainable development. Local support: Infosys worked with the state government, the local panchayats and NGOs to restore infrastructure, including roads, power and water supply; and reconstruct homes in remote villages. Sustainable living: Volunteers of the Infosys Flood Relief team have developed a blueprint for sustainable communities. The new homes are constructed with amenities that incorporate rainwater harvesting, solar lighting and forestation. Banking the unbanked: Infosys requested local banks to open no-frill accounts for residents of villages to inculcate the habit of saving and managing finances. Relief-friendly IT: They developed a Flood Relief Management system to consolidate data.

WIPRO: In 2002, Wipro became the first software technology and Services Company in India to be certified for ISO 14001 certification. Wipro also achieved ISO 9000 certification to become the first software company to get SEI People Capability Maturity Model (PCMM) Level 5 in 2002. Wipro Consumer Care and Lighting Group entered the market of compact fluorescent lamps, with the launch of a range of CFL, under the brand name of Wipro Smartly. As the company grew, a study revealed that Wipro was the fastest wealth creator for 5 years (1997–2002). The same year witnessed the launch of Wipro's own laptops with Intel's Centurion mobile processor. Wipro also entered into an exclusive agreement with the owners of Chandrika for marketing of their soap in select states in India. It set up a wholly owned subsidiary company viz. Wipro Consumer Care Limited to manufacture consumer care and lighting products. In 2004, Wipro joined the billion-dollar club. It also partnered with Intel for i-shiksha. The year 2006 saw Wipro acquire mango Inc., a US-based technology infrastructure Consulting firm Enabler, and a Europe-based retail solutions provider. In 2007, Wipro signed a large deal with Lockheed Martin. It also entered into a definitive agreement to acquire Oki Techno Centre Singapore Pvt Ltd (OTCS) and signed an R&D partnership contract with Nokia Siemens Networks in Germany.

In 2008, Wipro's entered the clean energy business with Wipro Eco Energy. In April 2011, Wipro signed an agreement with Science Applications International Corporation (SAIC) for the acquisition of their global oil and gas information technology practice of the commercial business services business unit. In 2012, Wipro acquired Australian Trade Promotions Management firm Pro max Applications Group (PAG) for \$35 million. In 2012, Wipro employed more than 70,000 H-1B visa professional temporary workers in the United States.

In 2012 Wipro Ltd. announced the demerger of its consumer care, lighting, furniture, infrastructure Engineering (hydraulics and water and medical diagnostic business into a separate company to be named Wipro Enterprises Ltd. The merger became effective from 31 March 2013. The demerged companies together contributed about 10% of the revenues of Wipro Limited in previous financial year.

In 2014, Wipro signed a 10-year \$1.2 billion contract with ATCO, a Canadian Energy & Utilities corporation based out of Calgary, Alberta. This was the largest deal in Wipro's history.

In October 2016, Wipro announced that it was buying Aspirin, an Indianapolis-based cloud services company for \$500 million.

PROFILE OF RESPONDENTS

The back ground of the respondents to a considerable extent influences his/her perception about the problem issue in question.

Education Status

The table shows that a majority of the respondents of all the companies are the persons who hold the technical or commercial professional degrees or graduates or post graduates. This indicates that companies in the software industry of India are managed mostly professionally. The respondents would probably display outlook with respect to the problems of the business including social responsibility.

Place in the Organizational hierarchy

Once place in the organization to a considerable extent influences his/her ability to participate in broader corporate issues like Corporate Social Responsibility or Strategic Management. Majority of the respondents are working as middle management or upper middle management position. However, it is worth noting that for all the companies more than 50% of the respondents are from middle or upper middle management.

Area of Working

Different areas of management have different types of problems and accordingly they demand behavior pattern on the part of focal person. It shows that majority of respondents fall in five areas i.e. technical, purchase, finance, marketing and human resource. These are the key areas of the software business activities which more often than not demand one or the other type of ethical behavior on the part of the concerned executives.

Income Group

This is a growing realization that motivating factors play a vital role in one's productivity. It is noted that all the companies have been paying fixed salary plus variable components of the salary part and over all compensation is directly linked with the performance appraisal. However data indicates that, for all the companies the majority of the respondents fall in the salary bandwidth of Rs. 3 Lakhs to Rs. 15.0 Lakhs, and around 50% of the respondents are from middle management which draws a conclusion that the industry has a fair salary package of around Rs. 6-8 lakhs even at middle management level.

TABLE 1

Sr. No.	Indices of Profile	Name of the Companies			
		Reliance	TATA	Infosys	Wipro
	Total No of Response.	62	51	27	31
1	SEX				
	Male (%)	91.94	92.16	100.00	96.77
	Female (%)	8.06	7.84	0.00	3.23
2	AGE Group (%) (Years)				
	21-25	11.29	5.88	0.00	6.45
	26-30	29.03	19.61	11.11	25.81
	31-35	19.35	21.57	37.04	22.58
	36-40	12.90	15.69	22.22	19.35
	41-45	12.90	21.57	18.52	16.13
	46-50	6.45	5.88	7.41	6.45
	51-55	8.06	9.80	3.70	3.23
	56 & Above			0.00	0.00
	No Response				0.00
3	Educational Qualification				
	Graduate	40.32	52.94	59.26	54.84
	Post-Graduate	25.81	19.61	22.22	9.68
	Professionals Others	33.87	27.45	18.52	35.48
4	Level of Management				
	Top	14.52	15.69	25.93	25.81
	Upper Middle	32.26	37.25	29.63	19.35
	Middle	53.23	47.06	44.44	54.84
	No Response				
5	Area of Work (%)				
	Finance	16.13	11.76	3.70	6.45
	Marketing	22.58	13.73	48.15	19.35
	Technical	35.48	43.14	44.44	67.74
	Purchase	6.45	9.80	0.00	0.00
	Personnel	3.23	5.88	0.00	3.23
	Public Relations	3.23	0.00	0.00	3.23
	Computers/IT	1.61	0.00	0.00	0.00
Others	11.29	15.69	3.70	0.00	
6	Income Group (%) (Rs.)				
	200000-300000	16.13	1.96	11.11	25.81
	300000-500000	33.87	39.22	18.52	32.26
	500000-800000	24.19	29.41	25.93	3.23
	800000-1200000	12.90	17.65	22.22	9.68
1200000 & Above	12.90	11.76	22.22	29.03	
7	Experience (Years %)				
	1 - 2 Years	25.81	9.80	14.81	35.48
	3 - 5 Years	30.65	33.33	44.44	48.39
	5 - 7 Years	14.52	15.69	18.52	16.13
	10 Years & Above	29.03	41.18	22.22	0.00

REASONS FOR UNDERTAKING THE SOCIAL RESPONSIBILITY

All the company executives of top and middle management have realized the importance of the social responsibility of the corporate and individual for the society. The reasons cited for this are evident. It is observed that most of the executive believes that the social responsibility of business will be helping to the society. As many as 54% of the executives of Reliance and 70% Tata and Infosys and around 42% of Wipro executives have ranked interest of mankind first rank. The second rank i.e. in the interest of the country was scored highest by Tata and Wipro executives as high as 70% and the same for Reliance and Infosys is close to 61%. It is interesting to note that executives of all the companies feel that they are pursuing such activities largely because it is in the interest of the mankind and the society and towards the country. Around 36% of Wipro executives believe that the same is also in to the interest of the business also. The second and third rank for all the houses with respect to three indices has low statistical profile. Hence, it is not significant enough to reach any definite conclusion. On the whole, it can be deduced that social responsibility is largely practiced because it is in the interest of the people at large.

TABLE 2: REASONS FOR UNDERTAKING SOCIAL RESPONSIBILITY (In %)

Sr. No	Companies	RELIANCE			TATA			INFOSYS			WIPRO		
		1	2	3	1	2	3	1	2	3	1	2	3
		Reasons											
1	Interest of Company	16.13	24.19	59.68	15.69	27.45	56.86	7.41	33.33	59.26	35.48	22.58	41.94
2	Interest of Country	25.81	59.68	14.52	9.80	70.59	19.61	25.93	62.96	11.11	19.35	70.97	9.68
3	Interest of Mankind	54.84	19.35	25.81	70.59	1.96	27.45	70.37	3.70	25.93	41.94	3.23	54.84

TABLE 3

Name of the Companies	Perception of Corporate Social Responsibility in Relation to Different Dimensions of the Scale (Mean Scores)								
	(A) Profit Maximization			(B) Calculative			(C) Socially Responsible		
	X	Y	Z	X	Y	Z	X	Y	Z
RELIANCE	6.36	7.06	5.36	11.46	11.55	10.60	12.06	11.40	13.99
TATA	6.30	7.27	5.93	11.41	11.16	10.29	12.24	11.27	13.77
INFOSYS	6.40	7.59	5.65	11.64	11.44	10.83	12.04	10.96	13.43
WIPRO	6.24	6.74	6.29	11.43	10.84	10.89	12.44	12.32	12.58

Mean scores have been calculated from the data received on 14 variables of Question 4 by 171 respondents.

Where

X = Economic and Technological dimension A = Profit Maximization

Y = Social and Political dimension B = Calculative Responsible

Z = Environment and Aesthetic dimensions C = Socially Responsible

PERCEPTION OF EXECUTIVES ABOUT EXISTENCE OF SOCIAL RESPONSIBILITY POLICY IN THEIR COMPANY

TABLE 4

Sr. No.	Social Responsibility Activities	Name of the Companies			
		Reliance	TATA	Infosys	Wipro
1	a (Yes)	61.29	70.59	48.15	32.26
2	b (No)	6.45	7.84	0.00	12.90
3	c(Don't Know)	29.03	9.80	51.85	48.39
4	d (No response)	3.23	11.76	0.00	6.45

CHART 1: RELIANCE EXECUTIVE PERCEPTION ABOUT EXISTENCE OF SR
PERCEPTION ABOUT EXISTENCE OF SOCIAL RESPONSIBILITY IN COMPANY

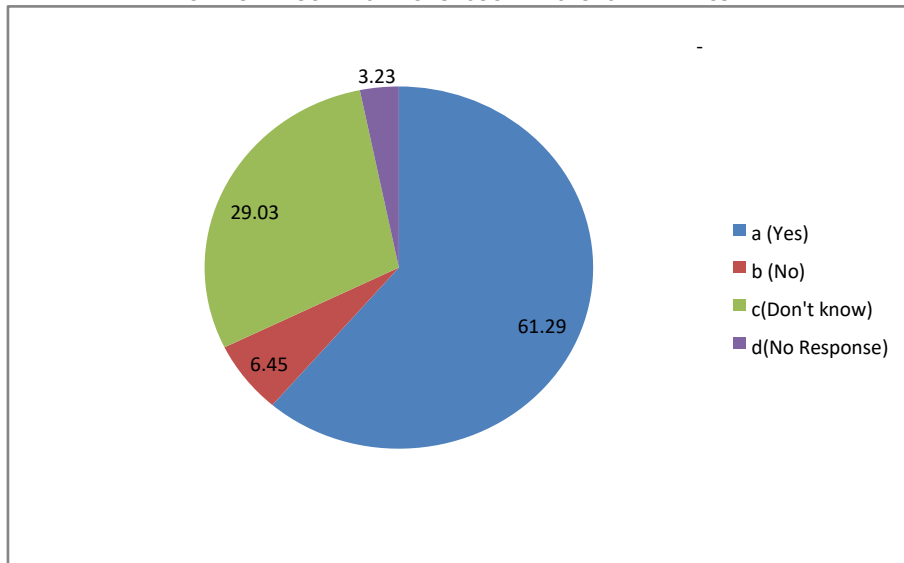


CHART 2: TATA EXECUTIVE'S PERCEPTION ABOUT EXISTENCE OF SR

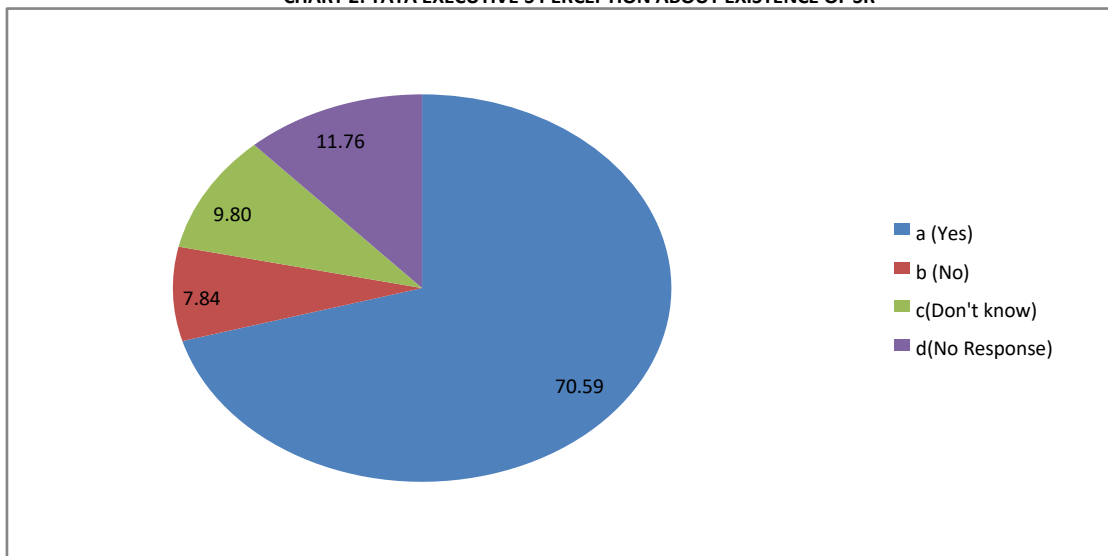


CHART 3: INFOSYS EXECUTIVES' PERCEPTION ABOUT EXISTENCE OF SR
PERCEPTION ABOUT EXISTENCE OF SR IN COMPANY

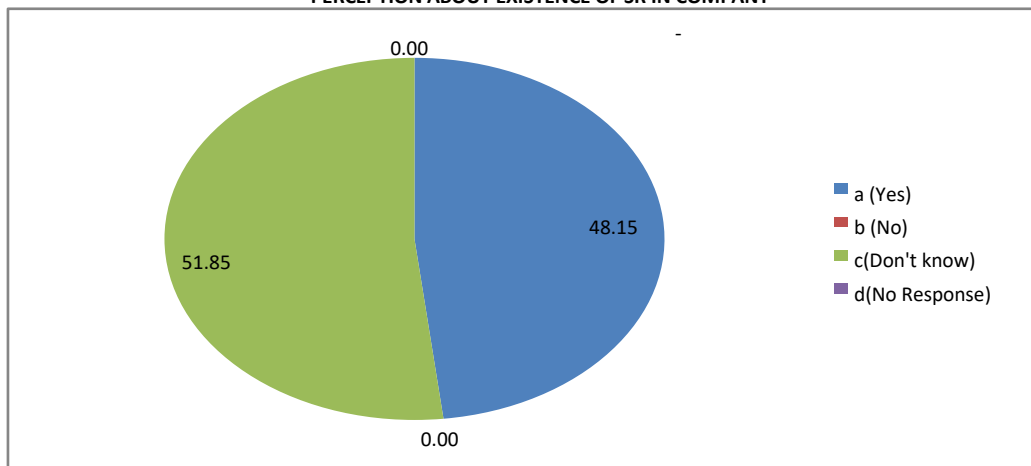
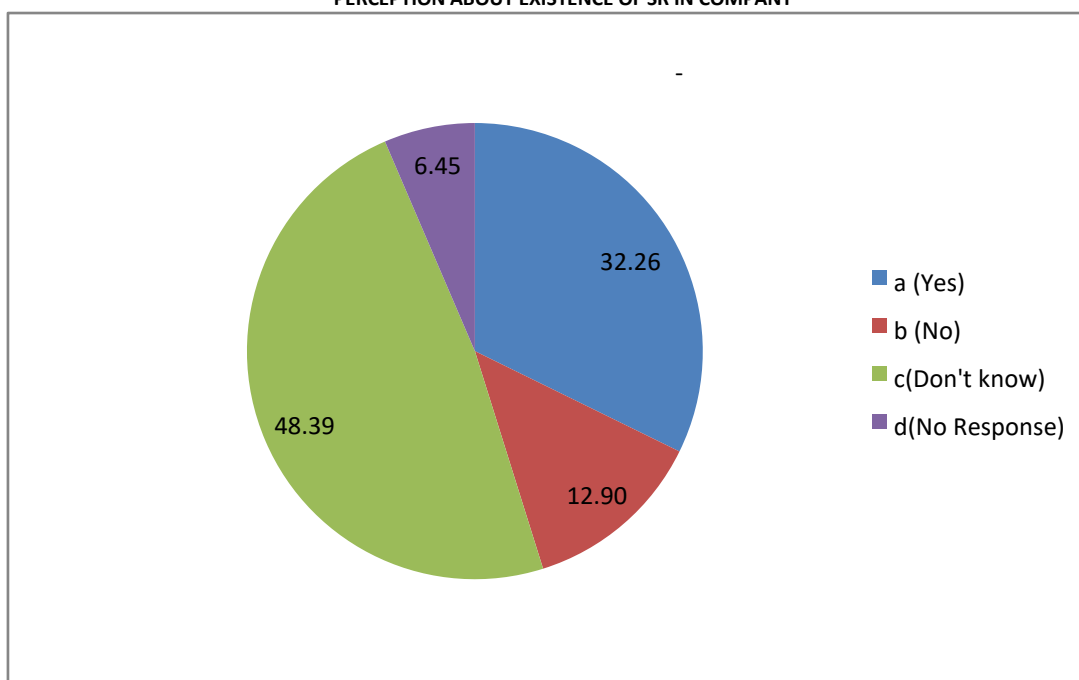


CHART 4: WIPRO EXECUTIVE'S PERCEPTION ABOUT EXISTENCE OF SR
PERCEPTION ABOUT EXISTENCE OF SR IN COMPANY



FINDINGS

CSR policy functions as a built in self regulating mechanism whereby business monitors and ensures its active participation towards the society. The compliances fulfill the gap realized by the absorption of business benefits.

- The potential benefits of the business – the scale and nature of the benefits of CSR for an organization can vary depending on the nature of the enterprise, as a result, it is difficult to quantify.
- Business solutions are often revealed with the smooth functioning of the philanthropic means. The correlation between social performance and financial performance often originates CSR.
- Corporate Philanthropy a result that creates charitable efforts to improve their competitive context along with the quality of the business environment.
- CSR moulds in creating a share value with the formula of corporate success with social welfare.
- CSR dimensions are formed under the foundation of Human capital, natural capital and the environment. Its dimensions involve because of related marketing, promotion, socially responsible business practice, corporate philanthropy and corporate social marketing.

The essence of CSR lays on the investing part of the profit beyond business for the larger good of the society.

SUGGESTIONS

CSR, a form of strategic management, which could encourage the organisation to scan and think literally about its relationship, which will contribute for long term in the dynamic world.

- ✓ CSR, as an Accounting Standard could enrole the merits of being socially responsible along with the values to an enterprise.
- ✓ CSR is to enhance corporate social objective under areas of net income contribution, Human Resource Contribution, Public Contribution, Environmental Contribution, Product or Service Contribution.
- ✓ With the transparency of Social Accounting, it has become at much ease to express social cost and benefits in money terms. Moreover, it is necessary in order to improve the heads of reporting in the context of dynamic socio – economic environment.
- ✓ As for the relevance of Carbon finance being evaluated under the Indian context, a major head of CSR is proved to be implemented.
- ✓ The challenges are now the flexible modules for the CSR to be implemented, directive to its arrangement with the corporate world.

An improvement along with change is a major content to be established along with CSR.

CONCLUSION

The concept of corporate social responsibility is now firmly rooted on the global business agenda. But in order to move from theory to concrete action, many obstacles need to be overcome. A key challenge facing the software business is the need for more reliable indicators of progress in the field of CSR, along with the dissemination of CSR strategies. Transparency and dialogue can help to make a business appear more trustworthy, and push up the standards of other organizations at the same time.

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