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FACTORS INFLUENCING TEACHERS' MOTIVATION AND JOB SATISFACTION

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ABSTRACT

The general objective of this study was to identify factors influencing teachers' motivation and job performance in schools Hyderabad, India. Specifically, the study sought to identify factors of motivation that can lead to teacher's job satisfaction and dissatisfaction, assess factors of motivation. The study employed some descriptive survey research design & research techniques employed were mini questionnaires. The sample consisted 200 teachers randomly selected from schools. Data were analysed descriptive statistics such as tables, and percentages while the qualitative responses were coded, categorized and analysed into themes. The findings of the study show that motivation of teachers was affected by factors such as poor working conditions, low salary/pay, unfavourable policies of school management, delays in promotions and in general a negative perception towards teaching. Based on the findings, the study recommends various development measures to be undertaken by school managements to improve job satisfaction as well teacher retentivity.

KEYWORDS

promotions, training, salary, satisfaction.

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1. INTRODUCTION

Teachers are arguably the most important group of professionals for our nation's future. High quality education is emphasized as the key tool for the development of students with the competences they need to adapt to the globalized society and becoming global achievers. Several inputs contribute to the quality of education, which in turn determines the student's learning outcomes. However, the success and failure in achieving quality education lies primarily on teachers. Hence, Teachers play a vital role in ensuring high quality education. Nyakundi (2012) explains teacher motivation is the most important factor in the promotion of teaching and learning excellence. He adds, motivated teachers are more likely to motivate students to learn and to ensure the implementation of education goals. The quality of an educational system cannot outperform the quality of its teachers. While teacher motivation is fundamental to the academic process, research studies show that many teachers in the developing countries are not highly motivated. According to Michaelowa (2002), several factors negatively influence teacher motivation and job satisfaction in developing countries. This should be taken seriously and an investigation into teachers' motivation and job satisfaction is therefore necessary to achieve the educational goals. Ali and Ahmed (2009) explained the strong positive effects of rewards and recognition on job motivation and satisfaction. Same was applied with the findings of Katou (2008) who stated that motivation and job performance of employees can be increased considerably if extra attention is given on employee's reward and their recognition (Satisfaction, motivation, knowledge, collaboration with partners and colleagues, dedications, holding and participation may be in the order of the most important aspects of human resource management results. Performance cannot be judged through a single yardstick and that is dependent on various behavioural dimensions of an employees. There are no rules by which unusually good actions could be gauged, and it can be pleasant behaviour, helping colleagues or punctuality (Flynn, 1998; Ali & Ahmed, 2009). Considering recognition, it can be said that it is an important factor affecting employee motivation. Recognition is a public expression of appreciation given by a group to individuals who undertake desired behaviours (Fisher, & Ackerman, 1998).

2. LITERATURE REVIEW

Related literature on teacher motivation and job satisfaction both national and international were reviewed. Various theories were also explored and the main factors that influence teacher motivation and job satisfaction were examined. Several researchers, for their studies have developed a working definition for teacher motivation and job satisfaction. Richardson (2014) defines teacher motivation as the internal and external factor that stimulate desire in teaching to be continuously interested and committed to make their best efforts to support students' learning goals. Whereas Guajardo (2011) describes motivation as the willingness, drive or desire to engage in good teaching. According to Gulnaz et al. (2015) the word "motivation" can be defined as the intrinsic and extrinsic drives or forces that determine focus, and direct behaviour of the learners towards a specific target or goal.

Further, Nyakundi (2012) defines job satisfaction as the feeling by the employee towards the job they do about conditions of work and the rewards accrued. Employees' satisfaction in their jobs is essential for the company, which will prevent bad performance and huge losses.

Several studies found that teacher motivation and job satisfaction play key roles in the success of teaching and learning process. According to Ololube (2005) teacher motivation and job satisfaction are crucial to the long-term growth of any educational system but as well very essential in the lives of teachers as they form the fundamental reason for working. Further, Nyakundi (2012) indicates that teacher motivation is the important factor for classroom effectiveness and school improvement. He asserts that higher levels of job dissatisfaction, stress and burn out negatively influence motivation and job performance.

Sharif & Nazir (2016) ascertain that working environment, pay and promotion, job security, and level of fairness have significant relationship with job satisfaction. They further extend Low job satisfaction of the employees' leads to lack of productivity, job stress, poor overall performance, & employee turnover rate. They suggest by giving decent salaries and promotional opportunities, the performance of the organization, service quality and job satisfaction among employees can be increased.

The review of empirical studies on teacher motivation in low income countries indicate that teacher motivation and job satisfaction is low and decreasing. Further, Arachchi and Edirisinghe (2011) emphasize that, motivation and satisfaction of teachers are vital to play their role in schools effectively. The present study was designed to explore motivation and job satisfaction of teachers in Hyderabad, India.

3. RESEARCH OBJECTIVES

The study was designed to address the following objectives.

1. To identify the factors that related to teachers for the choice of their profession
2. To examine teachers' satisfaction in relation to their job

- 3. To investigate the special objectives that teachers have in their job
- 4. To suggest ways to improve job satisfaction of teachers

4. RESEARCH METHODOLOGY & SIGNIFICANCE OF THE STUDY

4.1 SAMPLE

The sample of the study comprised of 200 Teachers from various colleges (Males=112 and Females=88) randomly drawn from different schools /colleges (10 +2) in the city of Hyderabad. Their age ranged from 28-55 years and their experience ranged from 1-22 years. The study is a mix of descriptive and exploratory research design. Sample of 200 teaching staff/ administrators has been randomly selected from various schools/colleges offering 10 + 2 education at Hyderabad. Survey method was used for collecting the data from the respondents. Researcher designed survey questionnaire was used to collect data from teachers. The quantitative data from the questionnaire survey was analysed using simple descriptive techniques such as frequencies and percentages whereas the qualitative data for the open-ended questions were analysed by coding and categorizing into emerging themes.

4.2 SIGNIFICANCE

The purpose of the study was to examine teachers’ motivation and job satisfaction.

5. RESULTS AND DISCUSSION

- The questionnaire survey was used to understand, analyse as well explore the motivation and job satisfaction of teachers. Table 1 summarizes the demographic information of the teachers participated in the study.
- Table II of the questionnaire survey deals with the factors related to teachers for the choice of teaching profession and their motivation towards teaching. The following table illustrates the findings.

TABLE 1: DEMOGRAPHICS OF THE PARTICIPANTS

	Independent variable	Frequency
GENDER	MALE	112
	FEMALE	88
AGE	28 – 35 years	85
	36- 45 years	94
	46 – 60 years	21
STATUS	ADMINISTRATORS	6
	TEACHERS	194
AREA OF SPECIALIZATION	SCIENCES	65
	COMMERCE	78
	ARTS & LANGUAGES	57
LENGTH OF SERVICE	1- 5 years	43
	5- 15 years	128
	16 – 25 years	29

TABLE 2: FACTORS RELATED TO THE CHOICE OF THE PROFESSION AND MOTIVATION

#	Item	Yes (%)	No (%)
1	Did you select teaching profession on your own choice?	89	11
2	Do you want to go to any other profession?	21	79
3	Are you involved in teaching with full satisfaction?	34	66
4	Did you leave any other job to continue teaching?	43	57
5	Do you like yourself as a teacher?	96	4
6	Are you satisfied with your present performance?	93	7
7	Do you feel yourself better than others?	83	17

- The findings in the above table indicates that, 89% of the teachers agreed that they selected teaching profession by their own choice. On the other hand, all of them stated that nobody has pressurized them to choose this profession. Surprisingly, 21% of the respondents indicated that teaching was not their most preferred profession and they wanted to go to some other profession.
- However, 43% of the teachers said that, they got some other jobs and left it and joined in teaching. Teachers have also responded to an open-ended question regarding the reasons for choosing teaching profession and their reasons are as follows:
 - a) Love to teach kids and be with them
 - b) Has vacations more compared to other professions and relatively less working hours comparing to other jobs.
 - c) No transfers
 - d) Almost a permanent job
 - e) 32% stated that they could not get any other job and so opted for this
 - f) Can be a part of service to society

The following table 3 explains the factors related to the job satisfaction of teachers.

TABLE 3: FACTORS RELATED TO THE JOB SATISFACTION OF TEACHERS

#	Reasons for the satisfaction	Yes (%)	No (%)
1	Teaching is passion	84	16
2	Getting awards through improving students’ achievement	21	79
3	Self-satisfaction	14	86
4	Monetary benefits	34	66
5	Like to teach students and to improve their lives	88	12
6	Feeling happy to be with students	94	6

- Among the respondent teachers 84% indicated they involved in teaching with full satisfaction. They were asked to indicate the reasons for their satisfaction.
- From the above data, teachers preferred teaching as it is passion for them and they are interested in attaining student achievement & also they feel happy in being with students.
- Comparing to males, more female teachers stated that they loved teaching. 21% satisfied by getting awards through improving students’ achievement. Most of the male teachers indicated this reason. Less than 15% stated that they involve in teaching for their self-satisfaction.

For the open-ended questions regarding the special objectives of teachers in their job, table 4 shows the responses.

TABLE 4: TEACHERS' OBJECTIVES IN THEIR JOBS

#	Teacher's objective	Yes (%)	No (%)
1	Would like to be a great inspiring teacher	97	3
2	Develop society and create responsible citizens	98	2
3	Teach students for their high achievement	92	8
4	For my personal growth only	89	11

- Most of the teachers (98%) expressed that their objective in teaching is to develop good citizens. While 97% of them said they like to be a good teacher. Others stated that their aims in teaching are to teach students for high achievement and to create good society. 11% of the teachers' objective is their personal development. It can once again be seen that teachers are a lot dedicated professional.
- Teachers were asked to respond to a question regarding their expectations to improve their job satisfaction and they have suggested the following ways.
 - a) Conducting seminars and training workshops by the management to update their knowledge and to learn new technologies.
 - b) Participating in the in-service professional development programmes and learning communities and be rewarded for them
 - c) Hike in teachers' salary.
 - d) Motivating parents, society and other stakeholders to respect teachers and to value their service.
 - e) Transfer to nearby schools from the distant school
 - f) Should not be involved in govt related projects other than teaching

Table 5 summarizes the data of satisfaction of teachers in their profession.

TABLE 5: SATISFACTION OF TEACHERS IN THEIR PROFESSION

#	Item	Satisfied (%)	Just Okay (%)	dissatisfied/dissagree (%)
1	Are you satisfied with your job?	28	62	12
2	Are you satisfied with the treatment by administrators of your schools?	9	45	36
3	Are you satisfied with the working conditions?	10	34	56
4	Are there adequate learning and teaching materials in your schools?	29	71	10
5	Are you satisfied with the training or orientation programs conducted by your school for your academic as well technology advancement?	41	23	36
6	Are you satisfied with the rewards you get from school authorities?	13	36	51
7	Are you satisfied with the salaries?	14	21	65

- **Are our Teachers Satisfied:** Regarding job satisfaction, the results illustrate that, most of the teachers, (62%) said their level of job satisfaction was "just okay" meaning they were neither satisfied nor unsatisfied, and 28 % are satisfied while 12 % are not satisfied. By comparing the percentage of teachers who were neutral about their level of job satisfaction and that of teachers who were satisfied, it is evident that the teachers' level of job satisfaction was low. Referring to the findings on teachers' level of motivation above, one can deduce that there is a direct relationship between motivation and job satisfaction as low motivation might be a result of job dissatisfaction.
- **Working Conditions:** Teachers' working conditions and basic infrastructure were reported not to be satisfactory. For example, only 10% are satisfied with the working conditions in their respective schools were satisfactory while 90 % of the teachers disagreed with the statement. This presents a serious and immediate need for teachers working conditions to be improved to facilitate effective teaching in schools
- **Teaching and learning materials:** Adequate availability of teaching and learning materials is important for teachers to perform their work effectively thus producing results. However, results from this mini- survey indicate that teaching and learning materials are inadequate. School managements must focus on these, which are extremely important for the teacher to develop their skills.
- **Teachers' Promotions:** Being promoted on time not only improves teachers' motivation and satisfaction but also helps to develop their careers. Results from this mini-survey show more than half of teachers (65 %) were promoted. However, only 20 % of the teachers reported that they were promoted on time.
- **Teachers' Salaries:** Results show that teachers are not satisfied with their salaries as only 14 % of the teachers reported that their pay as teachers was satisfactory while 86% reported that their pay was poor or just manageable. Low salaries is one of the factors that cause teachers to quit profession. Challenges such as low salary and poor working conditions are thus among the reasons for teachers' job dissatisfaction. Unfortunately, it's a fact that teachers were always lowly paid as compared to other professions demanding same educational qualifications. A slow decline in respect for teachers in society is a concern and is a factor for many teachers to quit profession.
- According to teachers' view, Poor pay, frequent disputes between teachers & administrators, extreme expectations from parents & school managements, very low working conditions, overcrowded classrooms, very less training and inadequate materials for teaching, disrespect in society are all factors, which contribute to demotivating of teachers.

Teachers' views on motivation factor and improving job satisfaction

- An analysis of the proceedings of focus group discussions shows that most of the participants were of the view that improving the working conditions and paying of extra allowances to teachers is one way of improving teachers' motivation and job satisfaction.
- They also added that promoting teachers on time and paying their salary adjustments on time would improve their motivation and job satisfaction.
- The participants also said that treating teachers with some respect would help to improve their motivation and job satisfaction.
- Other participants believed that the government must take efforts to improve its relationship with teachers by framing teacher friendly procedures.

6. RECOMMENDATIONS

The following are the key recommendations, which need to be considered to improve teachers' motivation and job satisfaction.

- Salaries have a direct impact on the attractiveness and prestige of teachers. Hence, to improve teachers' motivation and job satisfaction, the school management should take serious measures to improve teachers' salaries to enable them to improve their living conditions by enabling them to cope with the high costs of living.
- Also, schools must include mechanisms to recognize and reward teachers who perform exceptionally well compared to others should be put in place to motivate them.
- To motivate teachers, promote teacher's retention and better work performance the school management should consider paying hardship allowances/incentives to teachers working in difficult environments like in remote areas. Also, performance-based incentives must be introduced.
- Schools must provide a compulsory grant for every teacher and every year for their professional training or furthering their academic qualifications. Also, a certain amount of money must be allocated to buy their necessary teaching materials required in addition to the school supplies.
- To achieve better learning outcomes, the working and living of teachers in difficult environments should be improved. This includes making available housing, water, electricity, free education to children of teachers and necessary insurances etc.
- From this data, some people have considered joining teaching profession as the last resort, after plans to join other careers have failed. Teaching is the easiest career to join and therefore attracts people who are not devoted to the profession. Therefore, selection processes of those entering the teaching profession should be made rigid to attract more highly qualified and dedicated candidates from diverse backgrounds. This will help to improve the status of the teaching profession. Also, in service training programs should be well designed to allow more teachers to improve their professionalism and competence.

- Also, students must be encouraged to take up this profession. In countries like USA, a program called Teach for America was designed for young students with bachelor's degree. They work in school and the Board of education support for their fee for pursuing further courses along with their regular salary. Teach for India is also another program started in India and may be this program can be given more thrust by the necessary authorities to address the shortage of serious teaching professionals.
- Non-financial factors like; Good communication channels, value employees, positivity and secrecy of teachers' issues must be taken care properly by school management.
- Encouraging teamwork, propagating job security and good retirement plans. Providing a good retirement plan, family health insurance plans etc. will certainly become motivational factors to take this profession seriously especially for teachers working in private schools. Although Government school teachers may enjoy these benefits, but it still at large for private school establishments.
- Teachers' schedules need to allow for time to improve and reflect on their practice. Teachers who are overworked and are not given this time to reflect on their teaching are unable to review lessons taught, make necessary adjustments, and monitor and revise based on student needs. Teachers who aren't given time to prepare for and review their classes are also at high risk of burnout. Curriculum standards should be clearly articulated for the teachers, so that the skills addressed remain consistent from classroom to classroom, but teachers should be given the freedom to work beyond those standards to best meet the needs of their students.
- Teachers also need to be provided sufficient, high-quality professional development programs to perfect their skills. Few teachers already attend professional development sessions each year, but many of these are one-size-fits-all presentations that may not necessarily translate into a teacher's classroom engagement. Professional development needs to be differentiated as we differentiate for our students. Teachers should be able to dictate their needs and problems and work through them in small professional learning communities with master guides to advise them. Key teaching concepts of assessment, differentiation, and core content should be worked through in these learning groups, with relevance as close to the individual classroom experience as much as possible. If teachers are given the opportunity in teacher-centered learning environments to master their skills, then they will be more able to transfer these skills into their students. -
- Employees' welfare services such as lunch, tea, good furniture, spacious & ventilated offices and a distinct corporate image will be good for the professional pride. Respect and fair administration to the code of conduct by the school will ensure that teachers own the professional conduct. The employer should enlighten teachers on the code of regulations and ensure that they are conversant with it & deal with their issues with meaningful privacy.

7. CONCLUSION

Observing this data, it is recommended that awareness should be raised among parents and other stakeholders to respect and recognize the status and importance of teachers in education. Further, Teachers should be provided with appropriate training and professional development opportunities and be offered a better scale of pay at par with other professions. Employees must be given tasks as per their expertise, which may cause high satisfaction and motivation. Precisely, management should focus at transparent, equitable & competitive compensation system. The periodical salary increments, allowances, and other compensations on regular & specific periods keep their morale high and make them more motivated and satisfied. In summary, the school managements must put in place a sound professional and ethical management system for all teachers' welfare issues that envisage teacher's motivational needs, with a view of adequately meeting them.

There are certain limitations or constraints to the generalizability of the study, for example, consideration of inflation rate and unemployment rate. However, the research is very important in building the relationship between teachers and their respective management in local environment.

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DETERMINANTS OF FINANCIAL PERFORMANCE - A STUDY OF NBFC

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ABSTRACT

The study aims to find out the determinants significantly affecting the firm's financial performance in NBFC (NSIC), for the period of 2011 -2012 to 2015-2016. The researchers used regression results. The dependent variable was Return on Investment (ROI) as a measure of firm's financial performance while the independent variables were leverage, growth, firm's size, risk, tax, tangibility, liquidity and non-debt tax shield. The firm's performance in non-banking financial sector is significantly affected by short-term leverage, size, risk, tax and non-debt tax shield while taking long term leverage as first independent variable, the leverage becomes significant along with tax factor. The financial sector should consider the above said factors because these factors significantly increasing or decreasing firm's financial performance. The findings of the current research are limited and applicable to only NBFC-National Small Industries Corporations Ltd. In addition, the researcher used ROI as measure of firm's financial performance while the future research can have ROA, ROE, EPS etc. as firm's financial performance.

KEYWORDS

NDTS, leverage, return on investment, liquidity, tax.

JEL CODE

G32

INTRODUCTION

Financial performance refers to the act of performing financial activity. It refers to the degree to which financial objectives being or has been accomplished. It is the process of measuring the results of a firm's policies and operations in monetary terms. It is used to measure firm's overall financial health over a given period of time and can also be used to compare similar firms across the same industry or to compare industries or sectors in aggregation.

LITERATURE REVIEW

Halpern P, Weston F & Brigham E. (1998) refers to a company's growth measured by growth rates that are designed to indicate the firm's ability to maintain its market share when the economy and industry are in a period of expansion. Most representative indicators that reflect a company's growth would be, in the authors' view the following: turnover, net profit, earnings per share and dividend yield.

Colasse B (2009:54) defines the state of "company's growth" as "the company's capability to increase its size; it can be measured by using several criteria such as: turnover, production, value added, fixed assets, total assets'.

Yoon, Eunju et al., [2] research association between return on equity (ROE), financial leverage and size of firms in the restaurant industry for the period 1998 to 2003. First, it was assumed that vastly leveraged restaurant firms have lower profitability, but the researcher failed to hold the outcomes. On the basis of market and accounting it was accomplished that high financial leverage firm were fewer amount of risk. The investigator has used financial leverage as autonomous and firm volume is reliant variable.

According to Chandra (2001), normally a high liquidity is considered to be a sign of financial strength, however according to aNeto (2003), a high liquidity can be as undesirable as a low. This would be a consequence of the fact that current assets are usually the less profitable than the fixed assets. It means that the money invested in current assets generates less returns than fixed assets, representing thus an opportunity cost.

OBJECTIVE

To study the financial performance of NBFC.

HYPOTHESES

The hypotheses developed and tested are as follows:

On the basis of above table the relationships between dependent and independent variables have been developed in the following hypothesis:

H1: Leverage (short & long term) should have a negative impact on firm's performance.

H2: Growth should have a positive impact on firm's performance.

H3: There should be a positive relationship between risk and firm's performance.

H4: There should be a positive relationship between tax and firm's performance

H5: Tangibility should have a positive relationship with firm's performance.

H6: Liquidity should have a positive relationship with firm's performance.

H7: There is a positive relationship between Non-debt tax shield and firm's performance

RESEARCH METHODOLOGY

The study covers data provided by Annual reports of NSIC. The data used for the present study includes secondary data, which was collected from official websites of NSIC. The other dimension of financial performance was by use of Simple Regression

DATA COLLECTION

Data has been collected from annual reports of all the National Small Industries Corporation.

ANALYSIS

TABLE 1: SUMMARY REPORT OF VARIABLES

YEARS	ROI	TOTAL DEBTS	GROWTH	RISK	TANGIBILITY	LIQUIDITY	NON DEBT TAX SHEETS	TAX
2011-2012	0.0357	117742.23	0.3028	1.460	0.085	1.241	0.0671	0.315
2012-2013	0.0453	146421.21	0.2071	1.494	0.0437	1.272	0.0463	0.324
2013-2014	0.0454	182624.55	0.1829	1.513	0.0417	1.290	0.0463	0.337
2014-2015	0.0426	224513.04	0.1851	1.4966	0.0391	1.251	0.0442	0.331
2015-2016	0.0467	241275.13	0.0854	1.550	0.0510	1.234	0.048	0.353

Source: Annual Reports of NSIC (www.nsic.co.in)

TABLE 2: REGRESSION RESULTS

Model	Unstandardized coefficients	Standardized coefficients	T	sig
GROWTH	.000	.000	-.937	-4.661 .019
NDTS	-.414	.126	-.884	-3.278 .047
LIQUIDITY	-.002	.005	-.260	-.467 .672
TANGIBILITY	-.198	.072	-.847	-2.765 .070
TAX	.239	.113	.774	2.116 .125
RISK	.115	.041	.854	2.844 .065
LEVERAGE	-.017	.003	-.944	-4.945 .016

a. Dependent Variable: ROI
RESULT

TABLE 3

DEPENDENT VARIABLE		
ROI	EBIT/TOTAL ASSETS	
INDEPENDENT VARIABLES		
variables	Description	Expected signs
Leverage	Total debt/total assets	Positive& significant
Growth	Change in assets/initial year assets	Negative& significant
Risk	EBIT/earnings after interest and tax	Positive& significant
Tax	Current year tax/earnings before tax	Positive& non-significant
Tangibility	Fixed assets/total assets	Negative& significant
Liquidity	Current assets/current liabilities	Positive& non-significant
NDTS	EBIT+depreciation/total assets	Negative& significant

Hypothesis: 1 ROI and Leverage

Leverage is significant at 5% level of significance and showing positive relationship which rejects the 1st hypothesis.

Hypothesis: 2 ROI and Growth

Growth is not significant at 5% level and showing negative relationship, which rejects the 2nd hypothesis. However, the negative relationship between growth and firm's performance is consistent with the similar findings of previous researchers Zeitun and Tian (2007) while the other researchers like Krishnan and Moyer (1997), Onaolapo and Kajola (2010), Memon, Bhutto and Abbas (2010) found positive relationship between firm's performance and growth.

Hypothesis: 3 ROI and Risk

This positive relationship between risk and firm's performance is also consistent with the previous researchers who found the same relationship like Memon, Bhutto and Abbas (2010) and Krishnan and Moyer (1997).

Hypothesis: 4 ROI and tax

Tax is significant at 5% level in sector and accepts 5th hypothesis it is also consistent with the similar findings by Krishnan and Moyer (1997), Memon, Bhutto and Abbas (2010) and Zeitun and Tian (2007).

Hypothesis: 5 ROI and tangibility

Tangibility is significant at 5% level of confidence. It means that tangibility play a significant role for firm's performance in sector.

Hypothesis: 6 ROI and Liquidity

Liquidity is not significant at 5% level significance in sector. It has positive relationship with firm's performance in sector that accepts the 7th hypothesis.

Hypothesis: 7 ROI and NDTS

The non-debt-tax shield (depreciation) is significant at 5% level with negative relationship and rejects 8th hypothesis. It means that non-debt tax shield plays an important and significant role for increasing firm's performance in sector.

CONCLUSIONS

The current research findings empirically implies that the companies in financial sector has to make their policies by considering growth, firm's size, tangibility, and non-debt tax shield (depreciation) in order to strengthen their performance. Short term leverage decreases performance significantly so the firms should avoid short term leverage while all other factors increases firm's performance in financial sector.

LIMITATIONS AND SUGGESTIONS

The current study is limited and applicable to non-banking financial corporation-NSIC only. The researcher used book value measure for dependent and independent variables. The future research on firm's performance may be made through market value measures like Tobin's Q etc. The future research may also be conducted on financial sector using the same models and variables.

SCOPE FOR FURTHER RESEARCH

The researcher used ROI as measure of firm's financial performance while the future research can have ROA, ROE, EPS etc as firm's financial performance.

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STRATEGIC CORPORATE SOCIAL RESPONSIBILITY: COMPANIES' PERSPECTIVE

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ABSTRACT

CSR, the new vertical in the management function has emerged as strong measure of business ethics and practice. It is paramount on all the corporate houses to intertwine their CSR activities with the vision of the company and identify the outcomes of such activities for effective CSR practices. Strategic CSR is nothing short of mystery in the wake of fragmented CSR efforts, good governance excellence and absence of standardized method to assess the effectiveness of CSR policies and practices. However, companies are aware of its impact on branding, competitive advantage, employees' attitude, general perception, stakeholders' betterment & business innovations by leveraging its resources and capabilities to address socio-economic issues effectively. This review paper investigates into the dimensions of strategic CSR for bringing up a general framework with linkages of all possible key variables within the system. This is exhaustive study of theories and practices of CSR. Management in the organizations must include all these dimensions to bring strategic aspect in company's CSR as against the ever-evolving society and business process.

KEYWORDS

TBA, corporate social responsibility, strategic function, stakeholder.

JEL CODES

A14, G30, M14.

INTRODUCTION

The evolving concept of CSR has reached to strategic level where companies are continuously evaluating CSR for better concerted efforts towards their stakeholders' involvement and improvement. CSR strategies can empirically be associated with competitive advantages like attracting valuable employees, enhancing corporate image and reputation (Filho et al, 2010), can be taken as strategy to outperform rival companies (Porter and Kramer, 2002) strategic CSR engagement, CSR has significant potential for direct value creation both for business and society (Atle Midttun 2009 Research Report 2/2009), even if CSR is not integrated into the core business planning, it still is critical enough to merit a strategic role, because through its implementation a company reveals how it interacts with its stakeholders (Rangan, Kash, Lisa Chase, and Sohel Karim. "Why Every Company Needs a CSR Strategy and How to Build It." Harvard Business School Working Paper, No. 12-088, April 2012.). Engaging in strategic CSR can yield growth in market share, increased organizational learning, retention of deeply engaged employees, support from external stakeholders, and favorable relationships with investors (Heslin, P. A., & Ochoa, J. D., 2008). Sometimes, CSR is associated with the concept of sustainable development and hence, strategy of sustainable development is the core concern of responsibility in modern organization. Therefore, companies strategizing on CSR need to focus on innovating or finding such solutions for business activities, which are socially responsible, ecologically friendly and economically valuable. (Rok, 2010).

CSR: In the year 1920s there was emergence of CSR concept; but due to the Great Depression and World War II, it failed to become a serious topic amongst business leaders until the 1950s. CSR found itself in the spotlight in 1951 when Frank Abrams, chairman of the board for Standard Oil of New Jersey, published an article in Harvard Business Review where he stated that it was business' obligation: to conduct the affairs of the enterprise to maintain an equitable and workable balance among the claims of the various directly interested groups, a harmonious balance among stockholders, employees, customers, and the public at large (Frederick, 2006).

In 1953, Howard Bowen proposed the CSR definition as "the obligations of business 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 (Bowen, 1953)." A theoretical model had not been accepted until Carroll (1979) developed the corporate social performance (CSP) model whereby CSR, social issues and corporate social responsiveness were considered the leading philosophy for corporations to behave in a socially responsible manner. Although the CSP model advanced CSR philosophies, it was not able to gain widespread application because it lacked the ability to measure and test the model. Evolution continued when academics and businesses started to focus their CSR initiatives toward business strategy. During this period, the role of stakeholders rose to prominence in the CSR debate due to contributions by leading academics such as Peter Drucker (Lee, 2008). The view that stakeholders' importance to corporations compared to shareholders was a contradiction to Nobel laureate Milton Friedman's beliefs that "there is only one responsibility of business, namely to use its resources and engage in activities designed to increase its profits (Friedman, 1970)." Later, almost all thinkers have considered economic responsibility of making profit towards shareholders as just one of the responsibilities but a most important one before firm starts delivering other responsibilities towards society.

Strategic function: "Strategic management can be defined as the art and science of formulating, implementing, and evaluating cross-functional decisions that enable an organization to achieve its objectives. The purpose of strategic management is to exploit and create new and different opportunities for tomorrow; long-range planning, in contrast, tries to optimize for tomorrow the trends of today." (David, 2011). Strategic function is maximum utilisation of resources & technology for competitive advantage

CSR in India: With the incorporation of new section 135 and schedule VII in The Companies Law in 2013, that every company having net worth of Rs 500 crore or a net profit of Rs 5 crore or more during any financial year shall constitute a CSR committee of the Board consisting three or more directors. At least 2% of such profit must be spent in pursuance of CSR.

OBJECTIVES OF THE STUDY

This research article is focused on identifying the dimensions of strategic CSR based on past researches and current business practices. The objectives are to study and analyze all the CSR theories and understand their perspectives from company's viewpoint. It tries to bring multiple perspectives to build CSR framework. All parameters and dimensions that are integral part in CSR strategy are enumerated and investigated for its importance in whole CSR framework.

METHODOLOGY

This is a review paper, which is based on analytical understanding of extant literature on CSR and its strategic aspect.

CSR THEORIES AND APPROACHES

Responsibility is defined as the obligation of business managers to make profit for the shareholders while ethically interacting with stakeholders for community welfare and ethical corporate wellbeing.

1. CSR theory: The pyramid of CSR describes the four different components that are unified with each other and provide framework how a business organization might engage in business decisions, actions, practices, and policies simultaneously (Carrol, & Buchholtz, 2008. p. 46). The pyramid approach gives a clear demarcation of four responsible categorization of company’s functions which will amount to its CSR approach. Carroll’s pyramidal depiction of CSR activities is undoubtedly still being the basic conceptual framework of CSR in the world however it is contested by Visser in his article *The age of responsibility: CSR 2.0 and the new DNA of business* (Visser, 2011) that in the developing countries, economic responsibility is still a paramount function of all followed by philanthropic responsibility. In India, TATA Group which started in 1874 with the textile industry came with social welfare measures as early as 1912 after it achieved economic viability. Also, it started with Tata Trusts, which is amongst India’s oldest, non-sectarian philanthropic organizations that works in several areas of community development.

FIG. 1: CARROLL’S PYRAMID OF CSR

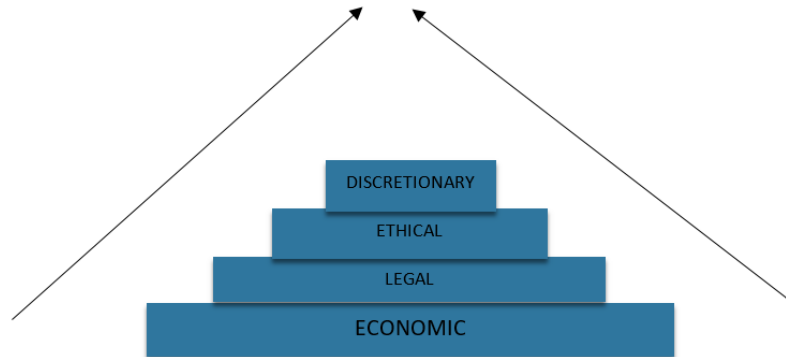
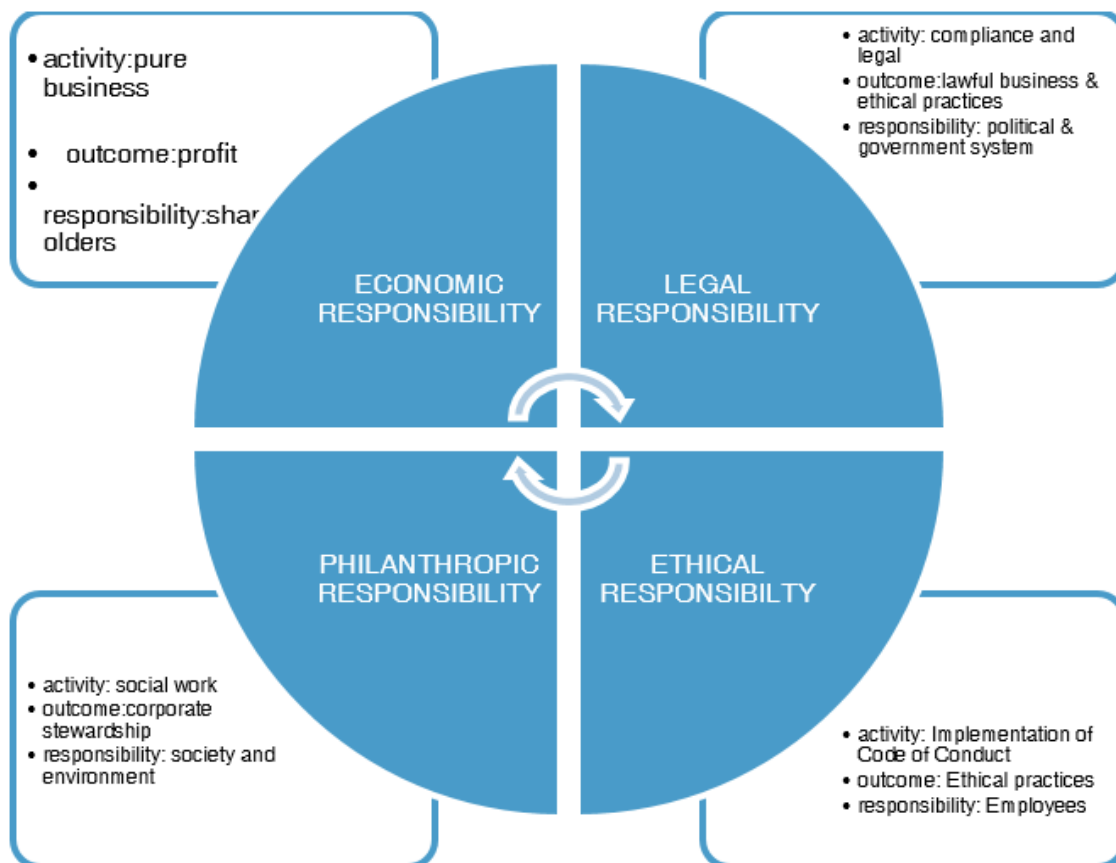


FIG. 2: ADAPTED CARROLL 1999



2. Stakeholder Approach: stakeholder Theory of CSR advocates the identification of stakeholders in a firm and understand their strategic priorities to weave it in the firms’ strategies. It was originally detailed by Ian Mitroff (“Stakeholders of the Organizational Mind”,1983) but popularized by Freeman in an article on Stakeholder theory which was published by California Management Review in late 1983 and this was followed by accomplished work, on stakeholder theory, *Strategic Management: A Stakeholder Approach* wherein he gave “principle of who or what really counts”. Stakeholder is any group or an individual who can influence or can be influenced by the achievement of firm’s objectives. The relationship between corporation and the stakeholders is a significant measure of corporate citizenship which shows the integration of strategic needs of stakeholders with that of firms to deliver effective societal and environmental commitments. The modern organizations have engaged their management to navigate their stakeholders’ concerns while implementing business model. These organization have to consider company specific basis to identify the stakeholders because there is no general standardized method of identification and following this organization have to categorize these stakeholders for CSR programs & their implementation which is strategic so far till company sustain benefit in some way for the organization & its stakeholders.

FIG. 3: STAKEHOLDER MODEL ADAPTED FROM Werther, William B., and David Chandler



Fig 3. Explains the stakeholder’s relationship vis external factors like socio-economic factors & competition. ITC, a conglomerate, has focused on engagement of key stakeholders in CSR process and therefore ITC has adopted structured approach to building partnerships in sustainable business practices. ITC has endeavored to forge an enduring and long sustainable relationship with its key stakeholders such as shareholders, farmers, customers, suppliers, employees, local communities, regulatory bodies, media etc. ITC has institutionalized the existing relationships with stakeholders through established procedure whereby the key stakeholders are identified and consulted. (Lawania, B. D., & Kapoor, S. *Concept and Practice of Strategic Corporate Social Responsibility: Special Reference to CSR in ITC Limited.*)

3. Three domain model: Three domain model is built around three main areas of social responsibility namely legal, economic and ethical. Carroll model included all the domain in addition to philanthropic component of social responsibility of companies while philanthropic is not considered as exclusive area because it cut across all the three areas. This model treats corporate philanthropy as either “strategic philanthropy,” subsumed under economic responsibility, or “charity expected by society,” subsumed under ethical responsibility (Geva, A. 2008). These three responsibilities are three cogwheels of CSR (fig. 4 shows how these three domains are interconnected and major force comes from economic aspect) and it’s a compulsion for an organization to make profit to sustain the competition which is external to the organization. The legal responsibility and compliance must be met to operate in the political environment.

FIG. 4: ADAPTED FROM SCHWARTZ AND CARROLL (2003:509)



4. Triple Bottom Approach(TBA) : This approach is developed because of survey by international experts in corporate social responsibility and sustainable development & it was found that there are precisely three categorizations of CSR viz. social, economic and environment. A much more comprehensive approach will evolve with wide array of stakeholders and coordinates spanning areas of government policy, tax policy, technology policy, economic development policy, labour policy, corporate reporting policy and so on. 21st century will register an emergence of comprehensive approach to sustainable development and environment protection. (Elkington, J.,2004).

STRATEGIC CSR & ITS DIMENSIONS

In modern organization, CSR has been identified as a function which is beyond sporadic philanthropy and occasional community service as it can be run with the corporate philosophy that may influence strategic decision making, hiring practices, partner selection, & brand development.

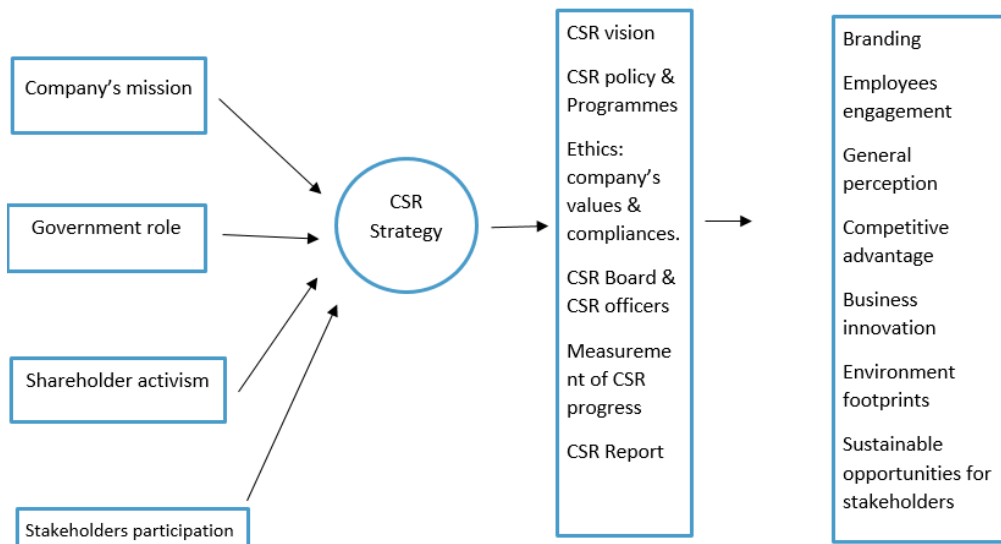
On the basis of exhaustive study of CSR literature from companies’ and researchers’ perspectives it is found that the following variables are integral part of strategic CSR.

1. Involvement and engagement of stakeholders
2. Organizational framework for CSR
 - a) CSR officer
 - b) CSR Vision
 - c) Measurement & rewards

3. Ethical values
 - a) Code of conduct
 - b) Ethics related to environment
 - c) Ethics related to stakeholders
 - d) Monitoring & enforcement
4. Transparency.
 - a) CSR Reports
 - b) CSR Audit
 - c) Institutionalization of PR process
5. shareholder activism

INFLUENCER CSR ORGANIZATIONAL OUTCOME FRAMEWORK ASSESSMENT

FIG. 5: A STRATEGIC CSR FRAMEWORK

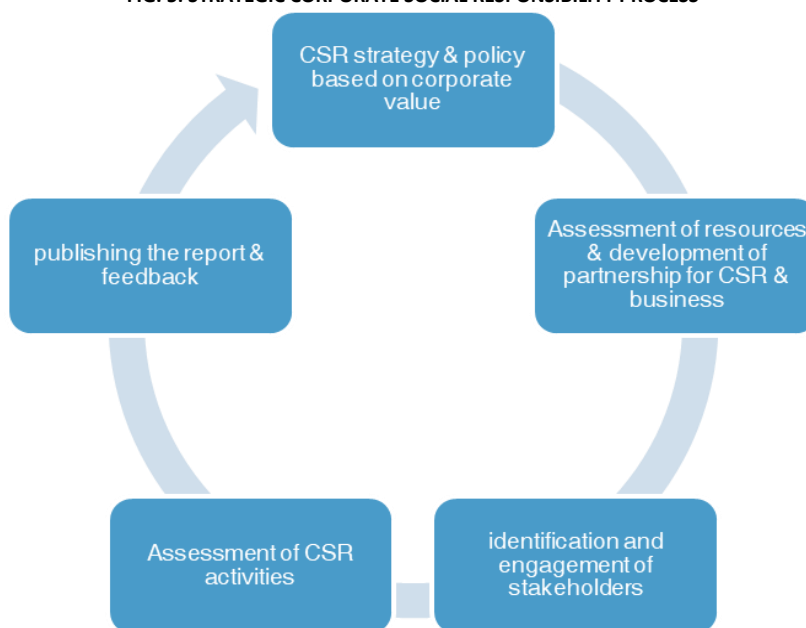


Source: Author

Strategic CSR process

- a) CSR strategy and policy (Filho et al,2010)
- b) Partnership & resources (Afzal, S., & Thiengnoi, P., 2009)
- c) Engagement of stakeholders
- d) Assessment of CSR activities
- e) Publishing of Annual CSR report

FIG. 5: STRATEGIC CORPORATE SOCIAL RESPONSIBILITY PROCESS



Source: Author

Strategic CSR process considers stakeholder element paramount to any other factor as stakeholder approach has offered a new outlook of organizing CSR and provides a structural framework for CSR policy & its execution. Basically, stakeholders are given opportunity to participate in decision making process and this is necessary due to ever changing market, objectives and expectations of people who have stake in the business (Jane & Foster, 2002). Company's commitment to its CSR strategy becomes strong with identification of stakeholder's priorities and leveraging of its resources and capacity for building societal & economic capital for its stakeholders. Implementation of CSR necessarily calls for robust monitoring and evaluation of CSR performances for tracking CSR progress and generating sustainable opportunities and positive environment footprint.

CONCLUSION

Many researches and corporate executives have found that CSR executed in fragmented or sporadic way cannot bring any change in the society and any advantage to the companies. Leaders in the organization need to spearhead with the strategy to embark on CSR with a clear, logical, systematic and objective approach. Companies must devise a method to identify their stakeholders based on importance of their stakes in the company and accordingly give them the opportunity to communicate their priorities, so that management and stakeholders can produce a comprehensive design for CSR policy and its implementation. This design should necessarily have companies vision & objectives in consideration. Prioritizing the strategic importance of stakeholders is a step towards competitive advantage. Modern organization must keep up the corporate citizenship by showing responsibility towards stakeholders, environment and government. Companies should make the system transparent with CSR audit and by presenting CSR report annually. Companies are holding CSR in the strategic position because companies are putting huge money for social and environmental cause and they want to make all this worthwhile with their clear focus on certain desirable outcomes and ethical practices. With the ever-vigilant world, government and media, companies cannot fudge and still grow. A responsible business can create world with satisfied shareholders and progressing stakeholders. Corporate leaders are the stewards steering their business houses with a vision to sustain themselves in the competition with their commitment to the stakeholders of performance, trust and leadership.

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INFLUENCING FACTORS OF TEA PRODUCTION IN ASSAM: AN ANALYTICAL STUDY

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ABSTRACT

Assam is the largest tea producing state in India, which occupied its unique position, by producing more than fifty percent of national tea production. In the year 2015-16, Assam produces 653 Million kg of tea, which is fifty-three percent of national production. Tea Plantation area of Assam is about 3.22 Lakh hectares which is also more than half of the country's total area under tea. Tea industry extended largest support by generating highest employment opportunities in Assam by providing average daily employment to more than six lakh persons in the State, which is around fifty percent of the total average daily waged employee in the country. Assam teas are popular in the foreign countries due to their strong, brisk and full bodied liquor. The industry plays a vital role in the state economy by earning foreign currency as well as through direct and indirect taxes. The growth rate of production of tea in India in general and Assam in particular is not satisfactory in compare to the other tea producing countries like China, Sri Lanka, Kenya etc. Attention to be given for substantial growth of tea production of Tea Industry of Assam, which is the one of the major backbone of economy of the state as well, the country. This paper aims to analyze the total productivity tea production in Tea Industry of Assam. The paper also highlights the partial productivity of tea production of tea Industry of Assam. Data collected through field survey were analyzed using different statistical tools to find the relationship amongst different variables.

KEYWORDS

tea production, productivity analysis, total productivity, partial productivity.

JEL CODE

M11

1. INTRODUCTION

Tea industry of India is one of the oldest industries in India having more than 180 years old history. East India Company loses its legal monopoly of trade between China and British in the year 1832. As a result, the cultivation of tea was taken up to India in 1834. Presently, India produces 23 percent of world tea production and consumes around 21 percent of total world consumption which is around 80 percent of tea produced inside India. In the year 2015, India produced 1208 million kg of tea from total plantation area of 564 thousand hectare with an average yield of 2142 kg per hectare. India earned foreign exchange of Rs 4086 crores in the year 2015 by exporting 217.67 million kg of tea with an average price of Rs 187.7 per kg. In the same year, India imported 18.61 million kg of tea having cost of Rs 236 crores with an average import price of Rs 127 per kg. Tea industry provides direct employment of 1.27 million workers mainly drawn from the backward and socially weaker section of the society out of which around 50 percent are women worker (second largest employer in the organized sector after Indian Railway). Tea is commercially cultivated in 16 states in India viz, Assam, West Bengal, Tamil Nadu, Kerala, Karnataka, Tripura, Uttarakhand, Himachal Pradesh, Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, Odisha and Bihar. Out of which Assam, West Bengal, Tamil Nadu and Kerala are accounted for more than 95% of the total tea production in India.

Assam occupied unique place in India by producing more than fifty percent of the national production having plantation area of about 3.22 Lakh Hectares which is more than half of the country's total area under tea. Assam teas are popular in the foreign countries which maintaining its international reputation and commands significant share in the World Tea Market due to their strong, brisk and full bodied liquor. Tea industry extended largest support by generating highest employment opportunities in Assam. It is the single largest industry in Assam that provides average daily employment to more than 6.86 lakhs persons in the State, which is around 50 percent of the total average daily waged employee in the country. This Industry also helps in providing indirect employment in different sectors like road construction, transportation, warehouses, manufacture of plywood, tea chest, paper, card board, aluminium foil, tinsplate, metal fittings, fertilizers, insecticides, pesticides, iron, steel, coal, etc. The growth rate of production of tea in India in general and Assam in particular is not satisfactory in compare to the other tea producing countries like China, Sri Lanka, Kenya etc.

2. OBJECTIVES OF THE STUDY

1. To find the present scenario of tea production in Assam
2. To find the various factors influencing tea production in Assam
3. To find total productivity and partial productivity of Tea production in Assam

3. REVIEW OF LITERATURE

Asopa V.N. (2007) pointed out that the extremist in Assam is one of the major concerns for the declination of the growth of the tea industry.

Saikia Biswajeet (2008) in his study regarding the problems facing by the tea garden worker for their identity and rights. He pointed that tea community in Assam has never received any attention for boosting their development. In this twenty first century these workers are still to get their identify in Assamese society. He found that a section of the youth among the tea garden population those who acquire higher education and leave behind the centuries-old practice of indentured labour, has, to some extent, managed to create an identity for the tea garden community.

Due to higher price, tea producers are facing huge competitions from Sri Lanka, Kenya, Vietnam, Cuba etc., and therefore exports order are gradually falling (**Das H N, 2008**). Non Scientific variation of prices causes reducing demand of Indian tea in general and Assam tea in particular.

Das Ashim Kr (2009) found in his study that tea industry is being effected due to absence of accurate estimates of the formulation of long term industry wise action plans.

Jain Shweta (2011) identified some major factors as being responsible for India's poor performance of tea industry are high input costs, the old age of the bushes, unskilled labor, and lack of infrastructure, poor price realization, legal problems, outdated machinery, high fixed and labor cost, inefficient Tea Board, inability to

compete with other tea producing nations in terms of price, quality, packaging, etc.; slow increase in world demand for tea as compared to the subsequent increase in its supply, losing traditional international buyers and more inclination towards domestic market in comparison to the international market.

Majumder Basu and others (2011) observed that strategies must be adopted to meet up the challenges in global demand for tea industry in India. They suggested promoting tea as health benefit beverage to the nonconventional areas of tea in the world for an expansion in the consumption. Different types of tea products need to be developed for balancing the supply demand chain for the end user.

Hazarika M and other (2011) found that Indian tea industry facing several challenges. Nearly 50 percent of tea bushes in the plantations are more than 50 years old. This factor leads to decline in productivity.

Roy S (2011) suggested to modernize of tea industry of Assam with a change in technique of plantation, improvement of encouragement to the electronic tea auction and managerial excellence.

Mahanta Devajit (2012) observed that tea growers in Assam did not give much attention on the marketing aspect as they always enjoy a readymade market for their product.

Tea sell by auction system where only registered seller, buyer, broker and warehouse can participate in a particular auction. In the auction system producers does not take part in the selling process. The auction system is one sided operation where price determination is mainly controlled by the broker (**Hazarika K, 2012**). The broker fixes price with buyer that inform to the seller accordingly. As a result, seller may not get the actual price that giving by buyer in auction system which effect in the profit margin in the tea industry.

Goowalla H (2012) studied on Labour Relations Practices in Tea Industry of Assam. He pointed that the tea industry in Assam have long been neglecting the human aspect of the organization. He emphasized deal on human aspect in order to produce extra ordinary result in the competitive scenario.

Anil P.V (2013) observed that India occupies the last position among the major tea producing countries regarding yield per hectare apart from exceptional geo-agro-climate situation has created unique conditions that are very suitable for growing a super fine quality of tea. The average tea yield among the major tea producing countries is 2235 Kg/ha, where as it is 1693 Kg/ha in India. Future prospects of the tea plantations may jeopardize due to various constrains and weakness if due attention and appropriate measures are not taken in time.

Arya Nizara (2013) found that the Assam Tea had lost its competitive edge in the market due to price rise. Over the last few years the tea industry is facing problems as the land for tea plantations has not grown much while the work force had multiplied enormously which indicates vast surplus of labour in tea gardens. The industry needs transformation through low prices, incorporation of small estates and cooperative management

4. METHODOLOGY

The study is based on primary data collected through structured questionnaires, personal interviews, field visits. The secondary data gathered from related literature published in the journals, newspaper, books, statements, reports. The nature of study is primarily quantitative, descriptive and analytical.

DATA COLLECTION INSTRUMENTS

(i) **Questionnaire:** structured questionnaires of mix type with open ended, closed ended and multiple choice questions having of a 5-point Likert Scale was used to collect data.

(ii) **Sampling Procedure:**

a) **Type:** Descriptive

b) **Universe of the study:** Exhaustive list of Tea Estate of Assam registered with Tea Board of India having size more than 10.12 hectare is the universe for this study. The total number of large tea estates (having size more than 10.12 Hactare) in Assam registered with Tea Board of India as on 08-09-2010 is 643. Hence universe is 643.

c) **Sample Size:** out of the universe 25 tea estates were selected randomly from the universe for this study to meet objective (a). Two respondents have been taken from each sampled tea estate one as Manager and one Assistant Manager. Hence total respondents are 50. For objective (b) and (c), three tea estates were selected for collection of data.

PRODUCTIVITY

According to Chery (2013), productivity is known as the ratio between the output and input. Mathematical expression given by Chery is as follows:

Productivity = amount of output ÷ amount of input.

Multifactor productivity = Production at standard price ÷ (Labour + material + overhead + capital) price

Labour Productivity = Worker output expressed in rupees ÷ Worker salaries and wages in rupees.

Material Productivity = Production output in rupees ÷ (Raw material + packaging material + supplies) in rupees

Capital Productivity = Total sales in rupees ÷ depreciation in capital assets in rupees.

5. DATA ANALYSIS

A. FACTORS WHICH AFFECT PRODUCTION OF TEA

TABLE 1: ENVIRONMENTAL FACTORS

Factors	Most Important Score=4	Very Important Score = 3	Important Score = 2	Less Important Score=1	Not important Score=0	Total Score	Rank
Rainfall	50	0	0	0	0	200	1
Temperature	5	24	20	1	0	133	2
Humidity	4	26	16	4	0	130	3
Windflow	2	6	10	25	7	71	5
Pressure	5	12	18	8	7	100	4

Inference

From the above analysis, it is found that respondents have considered rainfall and temperature is the most important factor followed by Humidity. All respondents pointed rainfall is most important factor amongst all physical parameters. Pressure and wind flow has less impact on production of Tea.

TABLE 2: INFRASTRUCTURE

Factors	Most Important (Score=4)	Very Important (Score = 3)	Important (Score = 2)	Less Important (Score=1)	Not important (Score=0)	Total Score	Rank
Transportation	5	39	5	1	0	148	3
Road Connectivity	45	5	0	0	0	195	1
Irrigation	36	10	4	0	0	182	2
Water Supply	2	26	18	4	0	126	5
Drainage	3	32	8	5	2	129	4

Inference

It is observed from the analysis that the road connectivity and irrigation is the most important factor then other infrastructure parameters. All respondents pointed the road connectivity is most important for production of tea followed by Irrigation. It is found that transportation, drainage and water supply is also important for increase in productivity of tea.

TABLE 3: WORKER

Factors	Most Important (Score=4)	Very Important (Score = 3)	Important (Score = 2)	Less Important (Score=1)	Not important (Score=0)	Total Score	Rank
Skilled worker	50	0	0	0	0	200	1
Male worker	0	0	0	16	34	16	4
Female Worker	0	0	0	8	42	8	5
Casual Worker	5	2	36	4	0	102	3
Permanent Worker	16	33	1	0	0	165	2

Inference

It is found from the observation that skilled workers are most important factor followed by permanent worker for increase in production of tea. Casual worker placed as 3rd rank by the respondents. However the gender of worker is less important for production of tea.

TABLE 4: ENERGY

Factors	Most Important (Score=4)	Very Important (Score = 3)	Important (Score = 2)	Less Important (Score=1)	Not important (Score=0)	Total Score	Rank
Electricity	50	0	0	0	0	200	1
Coal	5	24	20	1	0	170	2
Furnace oil	0	4	36	6	4	90	3
Crude oil	0	0	0	6	44	6	5
Natural Gas	2	2	8	34	4	64	4

Inference

It is observed from the analysis that the Electricity is the most important factor then other energy parameters. All respondents pointed the electricity is most important factor for production of tea followed by coal. It is found that Furnace oil, Crude oil and Natural Gas as less impact on production of tea.

TABLE 5: TECHNOLOGY

Factors	Most Important (Score=4)	Very Important (Score = 3)	Important (Score = 2)	Less Important (Score=1)	Not important (Score=0)	Total Score	Rank
Technology for plantation	6	26	12	4	2	130	2
Technology for Plucking Green Leaf	9	29	11	1	0	146	1
Technology for Processing Green Leaf	5	19	19	6	1	121	3
Technology for Packaging	0	7	33	6	4	93	4
Technology for Marketing	2	9	16	21	2	88	5

Inference

It is found that from the above analysis that “technology for plucking of green leaf” is most important factor for productivity of tea followed by “Technology for Plantation”. As per respondents view, Technology for processing of green leaf is also important while technology for packaging and technology for marketing is less important.

TABLE 6: MATERIAL

Factors	Most Important (Score=4)	Very Important (Score = 3)	Important (Score = 2)	Less Important (Score=1)	Not important (Score=0)	Total Score	Rank
Pesticide	16	26	8	0	0	158	2
Fertilizer	39	9	2	0	0	187	1
Cultivating Materials	7	29	9	4	1	137	3
Irrigation Materials	0	23	23	4	0	119	4
Packaging Materials	2	9	33	6	0	107	5

Inference

Amongst the materials, it is found from the above analysis that fertilizer is most important factor followed by pesticides then followed by cultivating materials. Irrigation materials are also important while packaging materials are less important.

TABLE 7: INPUT COST

Factors	Most Important (Score=4)	Very Important (Score = 3)	Important (Score = 2)	Less Important (Score=1)	Not important (Score=0)	Total Score	Rank
Worker Cost	46	2	2	0	0	194	1
Material Cost	39	7	4	0	0	185	2
Capital cost	7	9	32	2	0	121	3
Welfare Cost	0	23	13	12	2	107	4
Misc	0	11	30	9	0	102	5

Inference

It is observed from the above analysis that worker cost is the most important factor followed by material cost. All respondents mentioned the worker cost is most important amongst all input cost. Capital Cost, Welfare Cost and Miscellaneous Cost are less important factor in the productivity of tea.

TABLE 8: INPUT AND OUTPUT 2010-2015 OF TEA ESTATE - 1

YEAR	Employee Wages (Lakh)	Energy (Lakh)	Material (Lakh)	Capital (Lakh)	Subsidized Ration (Lakh)	Misc (Lakh)	Total Input Cost (Lakh)	Total Monetary Output (Lakh)
2010	61.19	44.44	30.69	30.05	26.11	19.17	211.65	296.33
2011	70.23	47.38	36.89	31.87	28.56	15.67	230.6	283.65
2012	98.32	54.73	39.31	35.56	32.19	20.71	280.82	362.79
2013	102.06	64.2	48.89	39.07	35.65	15.88	305.75	383.01
2014	133.34	79.34	54.47	45.01	37.23	26.27	375.66	584.38
2015	145.82	80.45	67.36	46.36	39.56	16.7	396.25	578.36

TABLE 9: TOTAL PRODUCTIVITY AND PARTIAL PRODUCTIVITY OF TEA ESTATE - 1

YEAR	Total Productivity	Partial Productivity					
		Employee Wages	Energy	Material	Capital	Subsidized Ration	Misc
2010	1.4	4.84	6.67	9.66	9.86	11.35	15.46
2011	1.23	4.04	5.99	7.69	8.9	9.93	18.1
2012	1.29	3.69	6.63	9.22	10.2	11.27	17.51
2013	1.25	3.75	5.96	7.83	9.8	10.74	24.11
2014	1.56	4.38	7.36	10.72	12.98	15.69	22.24
2015	1.46	3.96	7.19	8.58	12.47	14.61	34.63

TABLE 10: INPUT AND OUTPUT 2010-2015 OF TEA ESTATE - 2

YEAR	Employee Wages (Lakh)	Energy (Lakh)	Material (Lakh)	Capital (Lakh)	Subsidized Ration (Lakh)	Misc (Lakh)	Total Input Cost (Lakh)	Total Monetary Output (Lakh)
2010	285.37	138.08	174.9	82.84	156.49	82.87	920.55	1178.32
2011	359.68	185.42	168.63	93.43	224.84	92.2	1124.2	1528.92
2012	407.12	205.32	176.49	82.36	230.45	74.89	1176.63	1906.16
2013	397.64	217.46	195.37	88.42	225.39	88.36	1212.64	1787.12
2014	395.32	239.56	201.34	90.25	205.23	93.86	1225.56	1770.95
2015	449.52	287.12	211.76	95.23	201.19	106.09	1350.91	2029.53

TABLE 11: TOTAL PRODUCTIVITY AND PARTIAL PRODUCTIVITY OF TEA ESTATE - 2

YEAR	Total Productivity	Partial Productivity					
		Employee Wages	Energy	Material	Capital	Subsidized Ration	Misc
2010	1.28	4.13	8.53	6.73	14.22	7.52	14.22
2011	1.36	4.25	8.24	9.06	16.36	6.8	16.58
2012	1.62	4.68	9.28	10.8	23.14	8.27	25.45
2013	1.47	4.49	8.21	9.14	20.21	7.92	20.22
2014	1.44	4.47	7.39	8.79	19.62	8.63	18.87
2015	1.50	4.51	7.06	9.58	21.31	10.08	19.13

TABLE 12: INPUT AND OUTPUT 2010-2015 OF TEA ESTATE - 3

YEAR	Employee Wages (Lakh)	Energy (Lakh)	Material (Lakh)	Capital (Lakh)	Subsidized Ration (Lakh)	Misc (Lakh)	Total Input Cost (Lakh)	Total Monetary Output (Lakh)
2010	71.55	56.74	27.14	36.45	29.6	25.25	246.73	335.56
2011	98.59	70.11	39.67	37.16	39.16	30.14	314.83	418.73
2012	100.26	73.65	41.56	37.77	40.17	26.81	320.22	387.46
2013	118.22	82.08	44.15	39.86	45.66	60.92	390.89	485.26
2014	121.15	85.34	46.98	38.19	47.19	56.72	395.57	470.95
2015	135.48	88.55	55.66	42.18	52.81	55.48	430.16	554.03

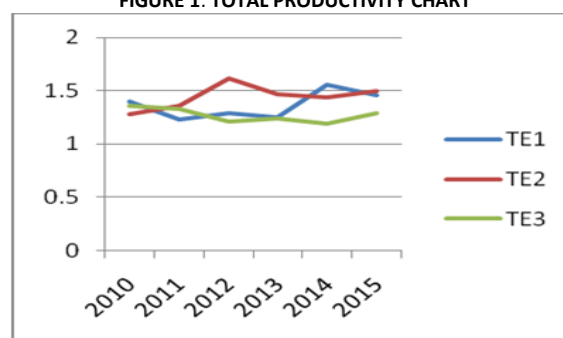
TABLE 13: TOTAL PRODUCTIVITY AND PARTIAL PRODUCTIVITY OF TEA ESTATE - 3

YEAR	Total Productivity	Partial Productivity					
		Employee Wages	Energy	Material	Capital	Subsidized Ration	Misc
2010	1.36	4.69	5.91	12.36	9.2	11.33	13.29
2011	1.33	4.24	5.97	10.55	11.26	10.69	13.89
2012	1.21	3.86	5.26	9.32	10.25	9.64	14.45
2013	1.24	4.1	5.91	11	12.17	10.62	7.96
2014	1.19	3.88	5.51	10.02	12.33	9.98	8.30
2015	1.29	4.09	6.25	13.13	10.49	10	9.98

TABLE 14: TOTAL PRODUCTIVITY FROM 2010-2015 OF TEA ESTATE -1, TEA ESTATE - 2 AND TEA ESTATE - 3

Year	TE1	TE2	TE3
2010	1.4	1.28	1.36
2011	1.23	1.36	1.33
2012	1.29	1.62	1.21
2013	1.25	1.47	1.24
2014	1.56	1.44	1.19
2015	1.46	1.5	1.29

FIGURE 1: TOTAL PRODUCTIVITY CHART



6. RESULTS AND DISCUSSION (TOTAL PRODUCTIVITY)

It is observed from the table 9 that the total productivity of Tea Estate – 1 was 1.4 in the year 2010, which is decreased to 1.23 in the year 2011 and again increased slightly in the year 2012 and become 1.29. The total productivity again decreases to 1.25 in the year 2013 and then increased in next year on 2014 to reaches 1.56, which is, further became 1.46 in the year 2015 showing a decreasing trend.

The total productivity of Tea Estate -2 has shown in the Table 11. The value shows an increasing trend in three consecutive years from 2010 to 2012. The total productivity was 1.28 in the year 2010, which increased to 1.36 in the year 2011 and reached 1.62 by the year 2012. The value decreased in the year 2013 to 1.47 and by the year 2015, it increases to reach 1.5.

Tea Estate -3 showing a mixed trend for total productivity from 2010-2015. The table 13 shows the decreasing trend from the year 2010 to 2012. The total productivity in the year 2010, 2011 and 2012 was 1.36, 1.33 and 1.21 respectively. The value has increased to 1.24 in the year 2013 and again decreases in the year 2014. The total productivity has increased again to 1.29 in the year 2015.

7. CONCLUSION

From last decade the production and growth of these tea industries of Assam, which are backbone of the economy of the state as well as largest employment generator, are not up to the mark. The growth of the industry is not satisfactory due to different reasons. Many factors have been cited as causing the crisis in the Indian tea sector—since the late 1990's.

Assam tea is known world over for its distinctive quality. Out of all tea producing states of the country, Assam is the largest tea producing states. The Tea industry occupies an important place in Assam and plays a very special role in the State economy in particular and in the national economy in general. Government earns good amount of revenue in the form of VAT, Sale Tax, and Income Tax etc. Most of these tea growers are come under direct slab of income tax as a result government receiving a good amount of revenue from these tax payers.

Tea Industry is a labour oriented industry where huge manpower required for running plantation and factories activity. The tea industry in Assam provides average daily employment to more than six lakh persons in the state, which is around 50 percent of the total average daily number of labour in India. At present more than 9,00,000 people are involved in the small tea growing business in Assam. Almost 250,000 hectares of land is covered for such plantations around 20 percent of the total population of Assam belong to the tea garden employee that is one of the biggest organized work force and is the biggest contributors to the economy of Assam. Most of these registered large size gardens are owned by national and multinational companies. But the small tea growers having cultivation land area is less than three acres accounted for 30 percent of the total tea produced in the State, which is 14 percent of the total tea production of India. Most of the unemployed youth of Assam are engaged in this business as small tea growers.

All the compiled data is the cause of serious concern as it is reflecting the sick condition of the tea industry of Assam. It is important to revive this industry where about 25% of total population of Assam is directly and indirectly engaged. A strong initiative should be taken to revive this industry as it was before 2001 and to get back its pride in international market.

For optimum benefit of the industry may give emphasize to produce value-added products like medicinal tea, organic tea, genetically modified varieties of tea plants and flavored tea.

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AN INVESTIGATION ON IMPACT OF GST AND DEMONETIZATION ON BUYING BEHAVIOUR OF COMMON PEOPLE IN UDAIPUR CITY

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ABSTRACT

Consumer buying behaviour is the total sum of consumer's attitudes, preference intentions and decision regarding the consumer's behaviour in the market place while purchasing the product or service. With the change in the government lot of changes are undergoing in the economy, which has drastically affected the lifestyle of common people. Recently two important remarkable events took place in our country has severe impacted consumer behaviour. This study is done to gain the insight about the awareness level and knowledge level among the common people. It will also examine the impact of demonetization and GST on buying behaviour of consumers, particularly in Udaipur City of Rajasthan. This is simply a descriptive research in which data will be collected through primary source (Questionnaire) and secondary sources from sample comprises of 150 respondents. It is concluded that psychologically consumers are more worried with the implementation of demonetization and GST, which has imposed a serious impact on buying frequency, purchasing power as well as on the modes of payment. By and large the demonetization and GST had initially created a farrago among the common people due to which common man get exasperated. But with the passage of time and dissemination of knowledge, people will understand the importance and will accept these two important revolutionary steps took by the government are really for good sake of common people. Surpassing all the operational problems government is continuously putting efforts in pushing the economy directly or indirectly towards clean and cashless economy—Clean India Digital India.

KEYWORDS

GST, consumers, demonetization, buying behaviour.

JEL CODES

J19, O30, P23, P46.

INTRODUCTION

CONSUMER BUYING BEHAVIOUR

Customers play extremely crucial role in the achievement of any association since they are the citizens who generate income for the society by purchasing, utilizing and influencing others to purchase their items and services. According to Kotler and Keller (2011) "consumer buying behavior is the study of the ways of buying and disposing of goods, services, ideas or experiences by the individuals, groups and organizations in order to satisfy their needs and wants." From a point of view of a customer, in the present era, it has become quite hard to make a buy decision because availabilities of options that are so close in comparisons. It is quite difficult for the buyers to determine on what they should spend their time, efforts, energy and money. Basically, there are four essential factors that have an impact on customer's buying behavior is:

- **Cultural Factors:** It includes a consumer culture, way of life and social elegance elements. These elements are regularly characteristic in our qualities and choice procedures.
- **Social Factors:** It includes gatherings (reference gatherings, optimistic gatherings and member gatherings), family, parts and status. This clarifies the outside influences of others on our buy decisions either directly or not directly.
- **Personal Factors:** It includes such factors as age and lifecycle organize occupation, financial conditions, way of life (exercises, interests, feelings and socio-economic), identity and self-idea. These may clarify why our inclinations frequently change as our situation changes.
- **Psychological Factor:** It includes our buy decision include motivation (Maslow's— hierarchy of needs), belief, study, idea and attitudes

DEMONETIZATION

Investopedia (2017) defines demonetization as the current form or forms of money being pulled from circulation and retired, often to be replaced with new notes or coins. Sometimes, a country completely replaces the old currency with new currency. The opposite of demonetization is remonetisation, in which a form of payment is restored as legal tender. The demonetization of Rs. 500 and Rs. 1000 bank notes was a sudden and quick process that shocked the country. The surprising and sudden demonetization has had a 'knee twitch' response on the level of financial action. It affects all cash dependent utilization sectors including retail, wholesale, hospitals, etc. After the demonitisation next step of government is to introduce GST in whole India. Bhatnagar (2017) Demonetization should be welcomed as a revitalising and positive step toward massive digital transformation of the country. Continuous process of demonetization is carving the picture of transition of India more toward cashless economy rather than combating black money.

GOODS AND SERVICES TAX (GST)

Goods and Services Tax (GST), is a form of indirect tax in which consumers pay taxes as they purchase goods and services. It is a major step in the field of indirect tax reforms in India. It levied on 1st July 2017 on the sale of goods and services. The threshold limit for exemption from levy of GST is Rs 20 lakh for the States except for the special category, where it is Rs 10 Lakh. The Council has adopted a four slab tax rate structure of 5%, 12%, 18% and 28% for GST. The goods and services tax (GST) is aimed at creating a single, unified market that will benefit both corporate and the economy. Goods and service tax is a new story of VAT which gives a widespread setoff for input tax credit and subsuming many indirect taxes from state and national level. Several countries implemented this tax system followed by France, the first country introduced GST. Introduction of GST make Indian products competitive in the domestic and international markets. The renovation of the tax system will generally affect consumer buying behavior due to the changes in cost and certainty level. Buyers are stressing of the significant cost increases when the GST has fully executed particularly will be a burden for low income group.

The recent demonstration against the GST also proved that there is still an objection among consumers over the implementation of GST. Since GST has been recently implemented in India, it is vital to understand how well consumers understand the concept of change and whether there is a major change in consumer

spending behavior due to GST implementation and demonitisation. This paper will highlight the impact of demonetization and GST on buying behavior of consumers, particularly in Udaipur City of Rajasthan.

REVIEW OF LITERATURE

1. As per research paper entitled by Singh A, Dayal N & Shamim A (2014) "Consumer Buying Behavior" understand the process of consumer buying and the factors that influences such decision making process. The study shows consumer buying behaviour has become one of the most important and complex task for the organisations. In order to gain a competitive advantage over its competitor's huge amount of money and time is devoted to understand the nature of consumer buying process.
2. As per research paper entitled by Zabri S M, Ahmad K and Gen T (2016), "The Implementation of Goods and Services Tax (GST) and Changes in Spending Behavior among Malaysian Consumers" investigate the level of understanding of GST and to examine the relationship between the understanding of GST and spending behavior among consumers. Questionnaire-based survey was conducted among 500 Malaysian consumers and 300 valid responses were received at the end of the survey. The result shows that the level of understanding towards GST among consumers is low. This study provides information on consumer feedback and understanding of GST implementation and changes in spending behavior among consumers in regards to GST implementation.
3. Hong Y H, The B H, Soh P C & Ong T S (2015) research paper on "Consumer Purchase Intention and Cross-Border Shopping: Implementation of Goods and Services Tax (GST)" study compares consumer purchase intention before and after the scheduled implementation of the goods and services tax (GST) and to examine the consumer cross-border shopping intention. A total of 100 shoppers were interviewed in four major shopping centers in Klang Valley. Results show that most of the consumers are "likely" to purchase products before GST implementation and "very unlikely" to purchase within the first three months after GST implementation in Malaysia. One-way ANOVA analysis shows that higher-income groups are less influenced by GST than lower-income groups. The sample size in this study could be considered relatively small for consumer studies. Thus, future studies should increase the sample size and use the longitudinal method.
4. According to Singh P J & Mittal A (2017), in their research paper entitled "Demonetization: A Step Towards Digitalization of Consumers" focuses on the change in buying behavior of consumer after demonetization and also analyzes, how the people who have never used an ATM, playtime, online shopping etc. have become digitized. The study was based on secondary data and the results reveal the impact of demonetization on the consumer behavior and why digital literacy is so important in one's life to use online services or to do cashless transaction.
5. Palil, M. R., & Ibrahim, M. in their research paper has mentioned that Malaysia should implement the GST in near future as an alternative approach to increase the government revenues although at the early stage of implementation there would be many operational problems and acceptance issues from various parties such as traders and consumers. Looking at other developed countries such as United Kingdom (17.5%) and New Zealand (12.5% - 15%), the introductions of GST has improved their tax revenues and efficiency provided that Malaysia received a considerable support and cooperation from all parties not only from business entities but also from consumers like us.
6. Kaur H (2017), in the research paper "Impact on E-Banking during the Demonetization Phase In India" opined that the high-level dependency of the population on Mobile Banking/ E Banking during the phase of demonetization. The paper explores the result as majority of the respondents use E-Banking / Mobile banking whenever they require. the result conclude that there is no significant difference among the education groups in the average awareness score on Phone Mobile banking usage, there is no significant difference among the monthly income groups in the average awareness score on Phone / Mobile banking usage, there is no significant difference among the bank account and average awareness score on Phone / Mobile banking usage, there is no significant difference between public and private bank in the average problem score of internet banking. Hence in further the researcher can also conduct studies with larger samples to get relative importance in each dimension. It has been found that the respondents do have security issues when it comes to the usage of e Banking, however, they find it both time effective and cost effective.

OBJECTIVES OF THE STUDY

1. To study the level of awareness and knowledge about the concept of demonetization and GST among common man.
2. To study the impact of demonetization and GST on buying behavior of common man.

HYPOTHESIS

- H₀₁: There is no significance difference between the mode of shopping pre and Post Demonetization.
 H₀₂: There is no significance difference between the mode of payments pre and Post Demonetization.

RESEARCH METHODOLOGY AND DESIGN

This study basically emphasizes on how the demonetization and application of GST will affect the buying behaviour of common people. This study is based upon primary data supported by secondary data. The primary data has been collected through a questionnaire designed exclusively for the study. The questionnaire was designed to collect information about the changing buying behavior of consumer in Udaipur city after the demonetization and GST. The secondary data has been used to identify other major factors which have major impact on consumer behavior after GST and Demonetization.

SAMPLE SIZE

The sample was collected from the consumers of Udaipur city based on convenience. The questionnaires were distributed to 130 respondents. Respondents are selected on the basis of convenience sampling. Out of 130 questionnaires, 120 were found correct and considered for the study and rest are either not filled or filled incomplete.

TOOLS FOR ANALYSIS

The collected data and information have been analysed and examined critically through descriptive and inferential statistic such as mean score, standard deviation, Chi Square-test etc. to determine the impact of demonetization and GST on buying behavior of consumers.

RESULT OF ANALYSIS AND INTERPRETATION

Recent demonetization and GST has created lot of problems among the citizen of our country which has influenced their buying behaviour directly or indirectly. Total 125 questionnaires were collected from the customers out of 130 distributed questionnaires. Out of 125, 05 were found incomplete questionnaires that were discarded. Therefore only 120 were found completed and considered for analysis purpose. Therefore the response rate is 92.31%.

I. RESPONDENTS BACKGROUND

TABLE 1: DEMOGRAPHIC DISTRIBUTION RESPONDENT

Demographics	Sub Division	Number	Percentage
Gender	Male	65	54.17%
	Female	55	45.83%
Annual income	Below 2.50 lacs	40	33.33%
	2.50- 5.00 lacs	70	58.34%
	Above 5.00 lacs	10	8.33%
Marital Status	Married	80	66.67%
	Unmarried	40	33.33%
Age	Below 30 years	30	25%
	30-60 Years	54	45%
	Above 60 Years	36	30%
Education	Under Graduate	52	43.33
	Post Graduate	68	56.66
Occupation	Private Sector	45	37.50
	Public Sector	25	20.83
	Businessman	30	25.00
	Housewife	20	16.66

Table 1 is showing the distribution of respondents on the basis of their demographics. It shows that the response rate of male is 54.17% and female is 45.83 %. Similarly distribution of respondents on the basis of income, marital status and age is also determined. As per annual income, maximum response is received from the income group 2.50- 5.00 Lacs i.e. 58.34%. Most of the respondents are married 66.67% and belongs to the age group of 30-60 years 45%. 56.66 % are post graduates and rests are under graduates. Similarly 37.50% of respondents are private sector employees.

II .PSYCHOLOGICAL IMPACT ON CONSUMER BUYING BEHAVIOUR

Psychology is something very imperative in influencing the behaviour of every human being both positively as well as negatively. Rani, G. (2016) in her study shows that initially the demonetization effects on market were painful but this also instigate the shopkeepers and consumers to adopt cashless means such as paytm, debit card use, internet banking to buy goods. This study is an effort to determine the impact of GST and demonetization on the buying behaviour of consumers in Udaipur.

1. The level of awareness and knowledge of demonetization and GST among consumer

TABLE 2: AWARENESS

Awareness	Yes	No
Demonetization	120 (100%)	Nil
GST	90 (75%)	30

TABLE 3: KNOWLEDGE LEVEL

Knowledge of concept (What/Why/When/How)	Almost Complete Knowledge	Incomplete Knowledge	No Knowledge
Demonetization	40 (33.33%)	80 (66.66%)	Nil
GST	22 (18.33%)	68 (56.67%)	30 (25%)

TABLE 4: MENTAL STATE

Mental State	Happy	Worried	No Impact
Demonetization	55 (45.83%)	60 (54.17%)	05(4.17%)
GST	31 (25.83%)	54 (45.00%)	35 (29.16%)

Data collected shows that 100% people are aware of demonetization and only 75% are aware about GST due to availability of different sources of print media and electronic media. But if we talk about the level of knowledge of concept among the respondents than it is found that 18.33% respondents has complete knowledge, 56.67% have incomplete knowledge and 25% has no knowledge about GST and 33.33% respondents has complete knowledge, 66.66 % has incomplete knowledge of demonetization.

Similarly, 45.83 % people are happy with Demonetization and 45.83 % consumers are worried due to application of GST. They might be worried of increase in prices, cash crunch, too many regulations and formalities, difficulty in understanding implementation of GST etc.

2. Impact on buying frequency of consumers

This study suggested that after Demonetization frequency of buying among 50% respondents has suddenly decreased due to cash crunch. But after the application of GST most of respondents found no impact of GST on their frequency of buying. But the frequency of buying increases among few consumers, it might be due to excess of old currency stored at home, which they want to exhaust by doing shopping.

TABLE 5: IMPACT ON BUYING FREQUENCY OF CONSUMERS

Particular	Increases	Decreases	No impact
Demonetization	15	60	45
GST	10	25	55

3. Impact on spending money

This study suggested that 65 % respondents get affected by demonetization and 48.33% respondents were affected by the application of GST.

TABLE 6: IMPACT ON SPENDING MONEY

Impact on spending money	Yes	No
GST	30	60
Demonetization	78	42

Due to cash crunch buying becomes tedious task for respondents initially later on everything was normalized. But it creates the habit of using debit cards or electronic modes of transaction among people up to some extent.

4. Impact on mode of shopping

To determine the significance of impact on mode of shopping before and after demonetization, we used chi-square test.

H₀:-There is no significance difference between the mode of shopping pre and Post Demonetization.

TABLE 7: IMPACT ON MODE OF SHOPPING

Mode of Shopping	After	before
Online Shopping	53	30
Offline Shopping	120	120
Both	80	40

The degree of freedom is 2 at 5 % level of significance, the table value is 5.991. Computed value is 30.82 which are higher than table value. So we will reject the null hypothesis, concluded that there is a significant difference in the mode of shopping pre and post demonetization and GST.

5. Impact on mode of payment

After demonetization and application of GST, some people has switched from their current mode of payment to different other modes of payment. Very few people are using wallets like Paytm, Mobiwik as well as banking applications. The hypothesis framed to determine the significant difference in mode of payment after and before demonetization and application of GST.

H₀₂-There is no significance difference between the mode of payments pre and Post Demonetization. The degree of freedom is 3 at 5 % level of significance, the table value is 7.815. Computed value is 13.88 which are higher than table value. So we will reject the null hypothesis, concluded that there is a significant difference in the mode of payment pre and post demonetization.

TABLE 8: IMPACT ON MODE OF PAYMENT ON CONSUMERS

Particular	After	Before
Cash	115	120
Debit card//Credit card	80	50
Wallets	20	8
Banking app	15	5

FINDINGS

- The result shows that that the response rate of male is 54.17% and female is 45.83 % in which most of respondent are married 66.67%. As per annual income, maximum response is received from the income group 2.50- 5.00 Lakhs i.e. 58.34%. 56.66 % are post graduates and rests are under graduates. Similarly 37.50% are private sector employees.
- The Awareness about demonetization and GST among consumers is very high due to availability of various sources of Print and Electronic media. But if we talk about the knowledge level only 18.33 % respondents almost have complete knowledge about demonetization and 33.33 % respondents have knowledge about GST. Similarly consumers are more worried with demonetization and GST. Hence the analysis revealed that consumers are worried due to lack of knowledge, lack of understanding of the complex terms, cash crunch, increase in the prices etc.
- This study shows that there is less impact on buying frequency of consumers is in case of GST as compared to demonetization.
- Due to cash crunch after demonetization has forced people to use electronic mode of shopping. We found significant difference in the mode of shopping pre and post demonetization. Kumar, G. (2017) mentioned in her finding that before Demonetization goods were purchased online according to consumer's preference and risk bearing capacity, but after Demonetization it became almost mandatory to look for maximum possible payments through e-wallet for all kinds of goods and services purchased.
- We also found significant difference between the mode of payment opted by people pre and post demonetization. People are slowly stepping towards the new avenues of electronic mode of payments like wallets, banking apps etc. Paytm is found to be more popular wallets among youths. Still many are stuck with the cash due to security issues, connectivity issues, lack of operating knowledge etc. all these factors discourages consumers from using E mode to make payments. However cash is still the king.

CONCLUSION

Hence it is concluded that psychologically consumers are more worried with the implementation of demonetization and GST which has imposed a serious impact on buying frequency, purchasing power as well as on the modes of payment. After Demonetization, we found that the buying frequency and tendency of spending money among the consumers decreases suddenly but after GST, no such change was found. But significant difference is found in the mode of shopping and mode of payment before and after demonetization. By and large the demonetization and GST had initially created a farrago among the common people due to which common man get exasperated. But with the passage of time and dissemination of knowledge, we will surely understand the significance of two revolutionary steps taken by the government for the good sake of common people. Surpassing all the operational problems government is continuously putting efforts in pushing the economy directly or indirectly towards clean and cashless economy –Clean India Digital India.

LIMITATIONS

- Data collected is only restricted to Udaipur City.
- Primary data is subjected to biasness.

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CUSTOMERS PERCEPTION TOWARDS LOYALTY CARDS WITH REFERENCE TO COIMBATORE CITY

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ABSTRACT

Shopping for daily essential can be rewarding! With the availability loyalty cards, shopping for daily essentials can bring in reward points. Through loyalty cards, the customer gets wide range of discounts, coupons and reward points. These reward points can be redeemed in future. It keeps increasing on every purchase. All updates about the seasonal discount are sent as messages by collecting the personal details of the customers. The main purpose of issuing loyalty cards is to make the customer revisit the store. Many showrooms have tie ups with various banks and hence when the debit/credit cards are used on purchase, more reward points are added to the customer loyalty card. Therefore more awareness should be created on the uses of loyalty cards and hence the study.

KEYWORDS

loyalty cards, reward points, customer loyalty.

JEL CODE

M31

INTRODUCTION

Loyalty Cards are fantastic way to generate extra business and work well as a marketing tool to spread the word about the business. A loyalty card holder is a member of loyalty program. The loyalty card program is an incentive plan that allows a retail business to gather data about its customers. The customers are offered product at discount, coupons, points and reward towards their frequent purchase in a shop. The idea of loyalty card is, when the customers visits a shop and make a purchase they get stamp on their card, several returns and purchase later. They can redeem the card for reward of goods and services. Many businesses find that loyalty card scheme increases sale through existing customer and attract new one as well.

ADVANTAGES OF LOYALTY CARDS

- **CUSTOMER RETENTION:** A loyalty card program is not only a good way to get new customers it's also a tried and trusted method of keeping them.
- **INCREASED SALES:** Loyalty card system encourage customer to come back more often to take advantage of special offers, discounts, rewards etc. The more they shop the more they get in return.
- **INCREASED PRODUCT AWARENESS:** Loyalty card scheme can be an excellent way to increase product awareness. It might encourage customer to try something new by offering them the chances to get one for one free, changing the reward every now and then keeps things fresh and increase knowledge of your products.
- **INCREASED REACH:** Loyalty customers who enjoy the rewards might encourage their friends to join in the loyalty programs. To increase the reach of the loyalty cards of a particular shop, they may offer a special reward to the loyal customers who encourage their friends to join the loyalty schemes of the particular shop.
- **CUSTOMER LOYALTY:** Loyalty card schemes are introduced to make customer feel more important and secure. Customer satisfaction is more important as it keep them coming back for more and encouraging their friends and family.

DRAWBACKS OF LOYALTY CARDS

- Crediting the points in the loyalty cards, while billing may take a few minutes, which helps in getting discounts in future and coupons, if the customer is in a rush this can prove to be inconvenient. Few stores allow the customers to provide a telephone number in case the card is misplaced which in turn steal the time of the customer and make them feel inconvenient
- Few customers are of the opinion that the amount they save with loyalty cards is not worth the hassle of giving out personal information. Loyalty card program vary significantly. Few stores offer reduced prices on a wide variety of items to loyalty card member, others just send coupons to frequent shoppers. Giving out the personal details is not secure for the customer

REVIEW OF LITERATURE

Swati Singh (2012), "Consumer Perception towards Loyalty Cards Programs" The main objectives of loyalty card program collection of customers data which plays in important role in purchasing power of customers in retail stores. The loyalty card decreases the defects and increases the resource which influences the new customer and also ensures the repeating purchase rate. The customer purchasing rate increases during the seasonal offers. The loyalty programs work as a useful tool for retaining old customers and adding the news ones. The study concludes that the loyalty card issued by the retail shops and it create an impact on the mindset of the customers, which encourage the customers in their purchase behavior.

Arunram (2013), conducted a study on "An impact of loyalty cards on consumers purchasing behavior in apparel industry." The main aim of the study was done on the basis of the data provided by the respondents and the customers of five retail outlets such as Lifestyle, Max, Shoppers Stop etc. It was found that the loyalty cards helped the business gain more profit and customer loyalty and provided more benefit to the customers such as reward points, offers, discounts and coupons etc. which made the customers more satisfied.

Bryon Sharp (2013), made a study on "Loyalty programs and their impact on repeat purchase loyalty pattern". The main objective of the study is to know the effect of the loyalty programs in terms of its ability to alter normal repeat purchase pattern and move a brand into an excess loyalty position. The research was extended by examining the almost identical loyalty programs but in promotional sensitive market. The finding of the research is based on a panel survey of 592 respondents, who provided complete details of their retails purchase. The study concludes that loyalty program has brought excess loyalty towards repeat purchase pattern.

Dennis Fok (2014), analyzed the "Reward redemption effects in a loyalty scheme, when customer choose how much and when to redeem". The main objective of the study is to know about the loyalty program rewards has an important impact on consumer behavior, particularly on purchasing in a store before and after redeeming the reward. The data was collected from 100 respondents using the questionnaire. The study concluded that most of the respondents prefer to have the points in card for later use when the points reach the limit.

STATEMENT OF PROBLEM

The use of loyalty cards have increased in the recent days, almost the people who visit the branded showrooms have loyalty cards. With the new laws of demonetization, the users of debit cards and credit cards have increased rapidly. With this view an attempt has been made to analyze the customer perception towards selected loyalty cards in Coimbatore city.

OBJECTIVES OF THE STUDY

1. To study the source of awareness of loyalty cards by the respondents.
2. To analyze the purpose of using the loyalty cards.
3. To find out the level of satisfaction towards loyalty cards.

RESEARCH METHODOLOGY

A research design is the overall plan or program of research. A research design or model indicates a plan of action to be carried out in connection with a proposed research work.

AREA OF STUDY - The area of the study is Coimbatore city. It is known for educational institutions, it is situated in western part of the state of Tamil Nadu.

SAMPLE SIZE - The sample of 200 respondents dealing with loyalty program in Coimbatore was chosen for the study. For the purpose of the study, convenient sampling method has been adopted.

DATA SOURCE - Primary data and secondary data have been used for the study. The primary data has been collected from the questionnaire by issuing it to the consumers in the Coimbatore city. The questions in the questionnaire were prepared in such a way that it will be easy for the consumers to read and understand for filling it. The secondary data was collected from magazines and referred some books.

ANALYSIS AND INTERPRETATION

SOURCE OF AWARENESS OF THE RESPONDENTS

TABLE 1

Questions	Options			
Source of awareness	Advertisements (32%)	Word of Mouth (29%)	Social Network (27.5%)	Others (11.5%)

Source: Primary Data

Majority (32%) of the respondents are aware of loyalty cards through advertisements.

USAGE OF LOYALTY CARDS

TABLE 2

S. No	Questions	Options			
1	Number of Loyalty cards owned	One (19%)	Two (30%)	Three (29%)	More than three (22%)
2	Frequency of visit to fashion stores	At least once a week (11%)	Once a month (31%)	When there is a need (42%)	Rarely (16%)
3	Reasons for using the Loyalty card	Customer Satisfaction (28%)	Wide Range of Collection (37%)	Free Accessibility to Stores (23%)	Others (12%)
4	Frequency of receiving messages	Regularly (24%)	Occasionally (55%)	Rarely (16%)	Never (5%)
5	Purpose of using loyalty cards	Issued free (16%)	Supports future purchase (27%)	To enjoy offers and discounts (50%)	Others (7%)

Source: Primary Data

1. Most (30%) of the respondents own two loyalty cards.
2. Most (42%) of the respondents visit fashion stores only when there is a need.
3. Majority (37%) of the respondents use loyalty cards of a particular store because of wide range of collections.
4. Majority (55%) of the respondents occasionally get updates from the stores.
5. Majority (50%) of the respondents own loyalty cards to enjoy discounts and offers.

SHOPPING PATTERN OF THE RESPONDENTS

TABLE 3

S. No	Questions	Options			
1	Amount spent in ₹ per visit	Below 1000 (9.5%)	1001 -2000 (42%)	2001-5000 (31%)	Above 5000 (7.5%)
2	Stores from where the respondents have purchased	Lifestyle (53%)	Max (27%)	Reliance (14%)	Others (6%)
3	Preference when the points reach the limit	Redeem the points and get discounts (29%)	Purchase for more points (30%)	Save the points for later use (32%)	Others (9%)
4	Interest of sharing information about loyalty cards	Yes (71%)	No (29%)		

Source: Primary Data

1. Most (42%) of the respondents spent between ₹ 1000 – ₹ 2000 per shopping.
2. Majority (53%) of the respondents have purchased from Life Style.
3. Most (32%) of the respondents prefer to save the points in the card for later use when the points reach the limit.
4. Majority (71%) of the respondents like to share the information about the cards to others.

LEVEL OF SATISFACTION OF THE RESPONDENTS

TABLE 4

S. No	Options FACTORS	RESPONDENTS				
		NUMBER				
		HS	S	N	DS	HDS
1	Saves Money	66 (33)	86 (43)	42 (21)	6 (3)	0
2	Quick Access	28 (14)	80 (40)	76 (38)	14 (7)	2 (1)
3	Offers and Discounts	38 (19)	76 (38)	66 (33)	20 (10)	0
4	Inconvenience in carrying the cards	14 (7)	60 (30)	80 (40)	34 (17)	12 (6)

H.S – Highly Satisfied; S – Satisfied; N – Neutral; D.S – Dissatisfied; H.D.S – Highly Dissatisfied

*The values in brackets are expressed in percentage.

Source: Primary Data

Above table shows that 43 percent of the respondents are satisfied with the money savings, 40 percent of the respondents are satisfied with quick access factor, 38 percent of the respondents are satisfied with the offers and discounts, 40 percent of the respondents have neutral feeling about inconvenience in carrying the cards.

SUGGESTIONS

On the basis of results of the study and discussions held with customers, the following recommendations are made:

Increase in Point - The points added to the card after every purchase seems to be less, it can be increased. For every purchase, more points can be added to the customer's card. If he is a regular customer, then more reward points can be added to his/her card.

Mobile instead of card - The customers come to purchase in a hurry and they might have forgotten their cards. So their registered phone numbers can be used to add points to their cards

Reminding the customers - The cashier can inform the customer and redeem the points after every hundred points. A message can be sent to remind the customers about the number of points available in their card and to redeem it as soon as possible.

Retrieve the card - If the customer loses the card, he loses all the points in it if he is unable to retrieve it. Applying for a new card will only add the points from the beginning. Retrieve the card or card number when the customer loses the card, instead of registering for a new one.

CONCLUSION

Loyalty cards impact the consumer purchase behavior in positive manner as it influences the consumers to make repeated purchases as consumers find the different benefits i.e. direct and indirect or immediate. Loyalty cards helps in increasing customer retention which significantly improves a company's profitability and thus means the positive impact of loyalty cards. Consumers show committed behavior towards loyalty cards due to different types of benefits perceived by them. Rewards which are economic, psychological and sociological in nature lead to greater trust, commitment and development of long term relations. Besides, the loyalty card program must have a structure that motivates customers to view purchases as a sequence of related decisions rather than as independent transactions.

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EVALUATING THE PERFORMANCE OF SELECTED BANKS: A CAMEL MODEL ANALYSIS

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ABSTRACT

The advancement of an economy is significantly dependent upon deployment as well as optimum utilization of resources and most importantly operational efficiency of the various sectors, of which banking sector plays a very vital role. Banking sector helps in stimulation of capital formation, innovation and monetization in addition to facilitation of monetary policy. Monitoring and supervision of banks has become very important due to significant Non-performing Assets and bank failures from the 1980s till now. Therefore, it is imperative to evaluate and analyze the financial health of banks so as to ensure a healthy financial system and efficient economy. In this paper, an effort has been made to evaluate the financial performance and soundness of six Public Sector banks in India using CAMEL approach for a five year period 2012-2017.

KEYWORDS

CAMEL approach, financial performance, public sector banks.

JEL CODE

G21

1. INTRODUCTION

The banking sector has been undergoing a complex, but comprehensive phase of restructuring since 1991, with a view to make it sound, efficient, and the same time forgoing its links firmly with real sector for promotion of savings, investment and growth. Although a complete turnaround in banking sector performance is not expected till the completion of reforms, signs of improvement are visible in some indicators under the CAMEL framework. Under CAMEL approach bank is required to enhance capital adequacy, strengthen asset quality, improve management, and increase earnings at various financial risks and liquidity.

The whole banking scenario has changed in the very recent past on the recommendations of Narasimham Committee. Further BASEL II Norms were introduced to internationally standardize processes and make the banking industry more adaptive. The fact that banks work under the most volatile conditions and the banking industry as such in the booming phase makes it an interesting subject of study. Amongst these reforms and restructuring the CAMEL framework has its own contribution to the way modern banking is looked up on now. (Kumar, Harsha, Anand, & Dhruva, 2012) CAMEL is an acronym for six measures (capital adequacy, assets quality, management soundness, earnings, liquidity, and sensitivity to market risk). In this analysis the six indicators which reflect the soundness of the institution framework are considered. The attempt here is to see how various ratios have been used and interpreted to reveal a bank's performance and how this particular model encompasses a wide range of parameters making it a widely used and accepted model in today's scenario.

2. LITERATURE REVIEW

The financial performance of banks, both public and private, has been analyzed by academicians, scholars and administrators using CAMEL model in the last decade. A summary of some of the studies is given below:

Kwan and Eisenbeis (1997) observed that Asset Quality is commonly used as a risk indicator for financial institutions, which also determines the reliability of capital ratios. Their study indicated that capitalization affects the operation of financial capitalization affects the operation of financial institution. More the capital, higher is the efficiency.

Said and Saucier (2003) evaluated the liquidity, solvency and efficiency of Japanese Banks using CAMEL rating methodology. The study assessed the capital adequacy, assets and management quality, earnings ability and liquidity position.

Prasuna (2003), analyzed the performance of Indian banks by adopting the CAMEL Model. The performance of 65 banks was studied for the period 2003-04. The author concluded that the competition was tough and consumers benefited from better services quality, innovative products and better bargains.

Sarker (2005) scrutinized the CAMEL model for regulation and supervision of Islamic banks by the central banking Bangladesh. The study enabled the regulators and supervisors to get a Shariah benchmark to supervise and inspect Islamic banks and financial institutions from an Islamic perspective.

Gupta and Kaur (2008) assessed the performance of 20 old and 10 new Indian Private Sector Banks on the basis of Camel Model for the period of five years i.e., from 2003-07.

Hugar S.S. and Vaz N.H. (2008), evaluated the customer orientation in 5 public sector banks 3 new private sector and 3 foreign banks are selected. The study concluded that new private sector banks had more ATMs as on March 2006 followed by SBI where 77.5% branches were fully computerized and 18.2% were partially computerized. Business per employee and profits per employee was higher in foreign banks where SBI had received more number of complaints followed by ICICI. The study also suggested adopting CRM by public sector banks to stand strong in competitive environment.

Sangmi and Nazir (2010) analysed the performance of biggest nationalised bank (PNB) and biggest private sector bank (J&K Bank) using the CAMEL model for the period from 2001-2005. The study exhibited that the position of both the banks under study was sound and satisfactory in case of capital adequacy, asset quality, management capability and liquidity.

Chaudhry and Singh (2012) analyzed the impact of the financial reforms on the soundness of Indian Banking through its impact on the asset quality. The study identified the key players as risk management, NPA levels, effective cost management and financial inclusion.

Sushendra Kumar Misra and Parvesh Kumar Aspal (2013) empirically tested the applicability of CAMEL MODEL and its consequential impact on the performance of SBI Groups for the years 2009, 2010, 2011. The study concluded that annual CAMEL scanning helps the PSU banks to diagnose its financial health and alert the bank to take preventive steps for its sustainability.

3. OBJECTIVES & RESEARCH METHODOLOGY**3.1 Objectives of the Study**

The main objective of the study is to analyze the financial position and performance of the selected Public Sector banks in India using CAMEL model.

3.2 Research Design

CAMEL is a ratio-based model used to evaluate the performance of banks with the help of different criteria, viz. Capital Adequacy, Asset Quality, Management Quality, Earnings and Liquidity. The present study is a descriptive research study based on analytical research design.

3.3 Hypothesis of the Study

The present study tested the following null hypothesis:

H_0 = There is no significant difference in performance of Public Sector Banks in India as assessed by CAMEL model

H_1 = There is a significant difference in performance of Public Sector Banks in India assessed by CAMEL model

4.1 DATA ANALYSIS TECHNIQUES

4.1.1 CAPITAL ADEQUACY

Capital base of financial institutions facilitates depositors in forming their risk perception about the organization. Also, it is a significant structure for financial managers to maintain adequate levels of capitalization. Capital adequacy is very useful for a bank to conserve & protect stakeholders' confidence and prevent the bank from bankruptcy. Reserve Bank of India prescribes banks to maintain a minimum Capital to risk-weighted Assets Ratio (CRAR) of 9 % with regard to credit risk, market risk and operational risk on an ongoing basis, as against 8 % prescribed in Basel documents.

For the study, the following ratios have been used to measure capital adequacy:

- Capital Adequacy Ratio
- Advances to Assets Ratio
- Government securities to Total Investment Ratio
- Debt Equity Ratio

TABLE 1: COMPOSITE CAPITAL ADEQUACY

Bank	Capital Adequacy		Advances to Assets		Govt Securities to Total Investment		Debt Equity Ratio		Group Rank	
	%	Rank	%	Rank	%	Rank	%	Rank	Average	Rank
SBI	12.74	3	64.9	1	78.76	4	12.61	2	2.5	1.5
BOB	13.47	1	61.62	4	83.6	1	14.93	4	2.5	1.5
PNB	12.44	4	63.82	2	81.55	3	13.79	3	3	3
IDBI	12.96	2	60.74	5	72.52	5	12.02	1	3.25	4
CBOI	11.68	5	62.36	3	82.77	2	22.29	5	3.75	5

On the basis of group averages of four ratios of capital adequacy as expressed in table 1, SBI and Bank of Baroda are at the top position with group average of 2.5, followed by PNB (3.00), IDBI (3.25) and CBOI (3.75). CBOI scored the lowest position due to its poor performance in Debt- Equity and capital adequacy ratio

4.1.2 ASSET QUALITY

Asset quality determines the healthiness of financial institutions against loss of value in the assets as asset impairment risks the solvency of the financial institutions. The weakening value of assets has a spillover effect, as losses are eventually written-off against capital, which eventually expose the earning capacity of the institution. With this framework, the asset quality is assessed with respect to the level and severity of nonperforming assets, adequacy of provisions, distribution of assets etc.

For the study, the following ratios have been used to measure asset quality:

- Net NPA to Net Advance (%)
- Net NPA to Total Assets (%)
- Total Investments to Total Assets

TABLE 2: COMPOSITE ASSET QUALITY

Bank	Net NPA to Net Advances		Net NPA to Total Assets Ratio		Total Investments to TA Ratio		Group Rank	
	%	Rank	%	Rank	%	Rank	Average	Rank
SBI	2.05	3	1.64	4	23.26	2	3.00	2.5
BOB	1.12	1	0.67	1	19.08	1	1.00	1
PNB	2.33	4	1.47	3	26.12	3	3.33	4
IDBI	1.92	2	1.16	2	30.51	5	3.00	2.5
CBOI	2.8	5	1.75	5	28.04	4	4.67	5

On the basis of group averages of four ratios of assets quality as expressed in table 2, BOB was at the first position with group average of 1, followed by SBI and IDBI with ranking of (2.5). CBOI scored the lowest position with 5 rank due to its poor performance in net NPAs to net advances, total investments to total assets and net NPAs to total assets ratios.

4.1.3 MANAGEMENT EFFICIENCY

Management efficiency, another indispensable component of the CAMEL framework, means adherence to set norms, knack to plan and be proactive in the dynamic environment, leadership, innovativeness and administrative competence of the bank.

The following ratios have been used to measure management efficiency:

- Business per Employee
- Profit Per Employee
- Total Advances to Total deposits

TABLE 3: COMPOSITE MANAGEMENT EFFICIENCY

Bank	Business Per Employee		Profit per Employee		Total Advances to Total Deposits		Group Rank	
	%	Rank	%	Rank	%	Rank	Average	Rank
SBI	9.49	5	0.053	4	83.7	2	3.67	4
BOB	16.28	2	0.099	1	71.88	4	2.33	2
PNB	11.83	3	0.069	3	77.29	3	3.00	3
IDBI	19.15	1	0.098	2	84.87	1	1.33	1
CBOI	9.66	4	0.025	5	73.41	5	4.67	5

On the basis of group averages of four ratios in table 3, IDBI was at the first position with group average of 1.33, followed by BOB (2.33) and PNB (3.00) respectively. CBOI scored the lowest position with 5.0 rank due to its poor performance in total advances to total deposits, and profit per employee.

4.1.4 EARNING QUALITY

The quality of earnings represents the sustainability and growth of future earnings, value of bank's lucrativeness and its competency to maintain quality and earn consistently. Earnings and profitability are examined as against interest rate policies and adequacy of provisioning. The single best indicator used to gauge earning is the Return on Assets (ROA), which is net income after taxes to total asset ratio.

For the study, the following ratios have been used to measure earnings quality:

- Return On Assets
- NIM to Total Assets (%)
- Interest Income to Total Income

TABLE 4: COMPOSITE EARNING QUALITY

Bank	Return On Asset		NIM to Total Assets		Interest Income to Total Income		Group Rank	
	%	Rank	%	Rank	%	Rank	Average	Rank
SBI	0.73	3	3.37	2	87.03	5	3.33	4
BOB	0.86	2	2.68	4	89.86	2	2.67	2
PNB	0.94	1	3.58	1	89.56	3	1.67	1
IDBI	0.6	4	2.06	5	89.48	4	4.33	5
CBOI	0.23	5	2.85	3	92.88	1	3.00	3

On the basis of group averages of four ratios of quality of earning as expressed in table 4, PNB was at the top position with group average of 1.67, followed by BOB and CBOI with an average of (2.67) and (3.00) respectively. IDBI scored the lowest position with 5.0 rank due to its poor performance in Net Interest Margin (NIM) to Total Assets ratios.

4.1.5 LIQUIDITY

In case of an adequate liquidity position, the institution can obtain sufficient funds, either by increasing liabilities or by converting its assets to cash quickly at a reasonable cost.

The following ratios have been used to measure liquidity:

- Liquid Assets to total Assets (%)
- Government securities to Total Assets (%)
- Liquid Assets to Total Deposits (%)
- Liquid Assets to Demand Deposits (%)

TABLE 5: COMPOSITE LIQUIDITY

Bank	Liquid Assets to Total Assets		Govt Assets to Total Assets		Liquid Assets to Demand deposits		Liquid Assets to Total Deposits		Group Rank	
	%	Rank	%	Rank	%	Rank	%	Rank	Average	Rank
SBI	8.11	2	18.36	4	110.33	3	10.51	2	2.75	2.5
BOB	16.89	1	15.97	5	243.87	1	19.61	1	2	1
PNB	7.48	3	21.24	3	122.56	2	9.03	3	2.75	2.5
IDBI	5.86	4	21.89	2	62.64	5	8.14	4	3.75	4.5
CBOI	5.58	5	22.97	1	102.25	4	6.58	5	3.75	4.5

On the basis of group averages of four ratios of liquidity as expressed in table 5, BOB was at the top position with group average of 2, followed by SBI with average of (2.75) and PNB (2.75) respectively. IDBI and CBOI scored the last position due to their poor performance in Liquid Assets to Total Assets, Liquid Assets to Total Deposits and Liquid Assets to Demand Deposits ratios.

4.1.6 COMPOSITE RANKING OF BANKS

TABLE 6: COMPOSITE RANKING (OVERALL PERFORMANCE) OF SELECTED PUBLIC SECTOR BANKS

Bank	SBI	BOB	PNB	IDBI	CBOI
C	1.5	1.5	3	4	5
A	2.5	1	4	2.5	5
M	4	2	3	1	5
E	4	2	1	5	3
L	2.5	1	2.5	4.5	4.5
Average	2.9	1.5	2.7	3.4	4.5
Rank	3	1	2	4	5

4.2 TESTS OF NORMALITY

For testing the normality of data, we proposed the hypothesis that the population distribution is normal.

TABLE 7: SHOWING THE SHAPIRO-WILK TEST

Bank	Statistic	df	P - Values
SBI	0.9814	5	0.9421
BOB	0.8614	5	0.2334
PNB	0.8317	5	0.1433
IDBI	0.9282	5	0.5839
CBOI	0.8792	5	0.3056

The results highlighted that calculated P- values are greater than the chosen alpha level of 0.05 for all banks, which means data are normally distributed.

4.3 ANOVA RESULTS

For determining whether there is any significant difference between the means of CAMEL ratios, we applied one-way ANOVA test on the data shown in table 6. The results of one-way ANOVA test are presented in table 8.

TABLE 8: SHOWING ANOVA CALCULATIONS

Anova: Single Factor						
SUMMARY						
Groups	Count	Sum	Average	Variance		
Column 1	5	15.25	3.05	0.21389		
Column 2	5	10.5	2.1	0.43889		
Column 3	5	13.75	2.75	0.40972		
Column 4	5	15.6667	3.13333	1.27292		
Column 5	5	19.8333	3.96667	0.50208		
ANOVA						
Source of Variation	SS	df	MS	F	P-value	F crit
Between Groups	9.13611	4	2.28403	4.02472	0.01488	2.86608
Within Groups	11.35	20	0.5675			
Total	20.4861	24				

For determining whether there is any significant difference between the means of CAMEL ratios, one-way ANOVA test has been applied on the data. The results of ANOVA test highlighted the $F_{STAT} = 4.0247 > F_{CRIT} = 2.866$. It means there is a statistically significant difference between the mean values of CAMEL ratios and thus, the null hypothesis is rejected. It connotes that there is a significant difference in performance of all the public sector banks as assessed by CAMEL model.

5. CONCLUSION

The central banks all around the world have improved their supervision quality and techniques. In evaluating the function of the banks, many of the developed countries are now following uniform financial rating system (CAMEL RATING) along with other existing procedures and techniques. Various studies have been conducted in India as well on various banks using CAMEL framework. Different banks are ranked according to the ratings obtained by them on the five parameters. The results show that there is a statistically significant difference between the CAMEL ratios of all the Public Sector Banks in India, thus, signifying that the overall performance of Public Sector Banks is different. Also, it can be concluded that the banks with least ranking need to improve their performance to come up to the desired standards.

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DEMAND DRIVER OF HOTEL INDUSTRY - A STUDY WITH REFERENCE TO DIMAPUR DISTRICT OF NAGALAND

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ABSTRACT

The Indian hospitality industry has emerged as one of the key industries driving growth of the service sector. The fortunes of the hospitality industry have always been linked to the prospects of the tourism industry and tourism is the foremost demand driver of the hospitality industry. The growth of any hotel or hotel industry depends on two pillars such as growth driver and the performance. A number of factors have acted together to produce a great demand for hotel or hotel's product. The present study intended to identify the demand driver of hotel industry, which contributes to the growth of hotels industry with reference to Dimapur district of Nagaland. A descriptive and exploratory survey will be used to ascertain the characteristics of variables based on quantitative data both from primary and secondary sources. The study revealed that Inflow of Tourist, Economic growth, Standard of living, Infrastructure Facilities, Urbanisation and Profitability are the leading demand driver for the growth of hotel industry.

KEYWORDS

Dimapur, growth driver, tourist inflow, economic development.

JEL CODE

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INTRODUCTION

Hospitality industry is one of the fastest growing industries in the current scenario of any economy, contributing significantly to the country's gross domestic product (GDP) and foreign exchange earnings (FEE). It is also linked with other industries such as transportation, food & beverages, handicrafts and infrastructure, which further aids in the growth and development of the country. The demand of hotel industry has been increased in recent times due to the advent of technological progress particularly through higher capacity cruise ships and aircrafts, computerized reservation system, better road and transport facilities, all have played key roles in the global growth of hotel industry and now-a-days tourists want highly specialized as well as customized services from hotel industry. Thus, the industry has been a cause as well as beneficiary of the overall economic development of India due to its forward as well as backward linkages. It has evolved into an industry, as it is sensitive to the needs and desires of people. Fortune of the hospitality industry has always been linked to the prospects of the tourism industry and tourism is the foremost demand driver of the hospitality sector.

The growth of any hotel or hotel industry depends on two pillars - one is growth driver and the other one is performance. Growth driver is that which influence the business to grow, expand over the period of time. The pervasive influence of the travel and tourism, the infiltration of national and international attitudes and increasing leisure associated with higher income groups have made the environment more conducive for the growth of hotels. A number of factors have acted together to produce a great demand for hotel or hotel's product. The main factors are -

- a. Increasing population.
- b. Rapid urbanisation and growth of cities.
- c. Broader parameters of tourism.
- d. Proliferation of economic transactions and interaction, sports and recreational facilities.
- e. Proximity to other large towns and easy accessibility.
- f. Development of transport.
- g. Adoption of information technology in the business world.
- h. Strong industrialization and urbanization.

LITERATURE REVIEW

In terms of demand, there was lot of research work in multiple countries across the world recently. **Song, Lin, Witt, and Zhang (2011)** suggested a model of hotel room demand affected by the income of origin markets, relative prices and economic crisis. They found that the income, relative price and economic crisis are three key factors what have determined the demand for hotel rooms in Hong Kong. **Canina and Carvell (2005)** studied hotel demand in 22 metropolitan markets during 48 quarters from 1989 to 2000 and found that income is inelastic to the hotel demand. Hotel demand decreased when the room rates increased and other relative prices decreased. **Hiemstra and Ismail (1993)** analyzed the effects of taxes on lodging demand whereas **Palakurthi and Parks (2000)** focused on socio-demographic factors (gender, occupation, age, and income) on lodging demand. **Wheaten and Rossoff (1998)** used 1969-1994 data and time series to estimate the relationship between demand, supply, price, and income. They found that in the long run the GDP was closely related with hotel room demand; the room rates are low (high) when room demand runs faster (slower) than economic growth.

Urbanization is recognized as fundamental to the multidimensional structural transformation that low-income rural societies undergo to modernize and to join the ranks of middle and high income (**Spence et al., 2009**). The relationship between urbanization to level of economic growth is universally accepted (**Kasarda and Crenshaw, 1991**). **Landes (1969)** and **Williamson (1987)** found that situated urbanization as an essential ingredient in modernization. **Burgess and Venables (2004)** noted that urbanization is one of the clearest features of the development of manufacturing and service activity. Similarly, **Kasarda and Crenshaw (1991)** pointed out a society continues to generate surplus, it enhances the capability of shifting economic activities to technologically advanced production techniques, which also necessitates spatial concentration of consumer markets, labour, and related activities. Furthermore, according to **Burgess and Venables (2004)**, the discussion of urbanization is absent from economic analysis of growth and development. Hotel development is influenced by the role of urbanization since hotel industry is part of service activity.

OBJECTIVE OF THE STUDY

The main objective of the study is to identify the demand driver for the growth of hotel industry in Dimapur Town of Nagaland.

METHODOLOGY OF THE STUDY**STUDY DESIGN**

A descriptive and exploratory survey has been used to ascertain the characteristics of variables based on quantitative data both from primary and secondary sources.

DATA SOURCE AND PERIOD OF STUDY

Data was collected mainly from secondary sources, which were mainly from both published and unpublished report. The period of study is from 2006 to 2015 i.e. 10 years.

LIMITATION OF THE STUDY

The study considers only few demand drivers for the growth of hotel. Moreover the study considers only the Dimapur area for the study purpose.

ANALYSIS**DEMAND DRIVER OF HOTEL INDUSTRY**

Literature review showed that the Inflow of Tourist, Economic growth, Standard of living, Infrastructure Facilities, Urbanisation and Profitability are factors leading demand driver for the growth of hotel industry.

INCREASED TOURIST MOVEMENT

Inflow of tourist, which is widely believed to be the major driving force that propels the country's hotel industry. The hotel industry in India thrives largely due to the growth in tourism and travel. Due to the increase in tourism with rising foreign and domestic tourists, hotel sector is bound to grow.

Table 1.1: Tourist Inflow in Nagaland from 2006-2015

Year	Domestic	Absolute change	Percentage increase over previous year (%)	Foreign	Absolute change	Percentage increase over previous year (%)
2006	15,850	-	-	576	-	-
2007	22,085	6235	39.34	936	360	62.5
2008	21129	-956	-4.33	1219	283	30.24
2009	20953	-176	-0.83	1423	209	16.74
2010	21094	141	0.67	1132	-291	-20.45
2011	25000	3906	18.52	2000	868	76.68
2012	28945	3945	15.78	2,173	173	8.65
2013	35,638	6693	23.12	3,304	1131	52.05
2014	58,507	22869	64.17	2,585	-719	-21.76
2015	64616	6109	10.44	2,796	211	8.16

Sources-Statistical Hand Book of Nagaland 2015

As per statistical Hand Book of Nagaland, the available figures show that from 2006 to 2015 the number of domestic tourists has ranged from 15850 to 64,616 while foreign tourists have crossed mere from 576 to 2769. Thus data reveals that inflow of tourist increasing every year inspite of its own constraints due to the general perceptions of security and law and order situation in the state.

ECONOMIC GROWTH

The hotel industry is largely determined by the growth of the general economy, which inspire spending confidence in both businesses and households. The hotel industry is cyclical, which means that is business depends on the country's economic growth. During the periods of economic prosperity, disposal income is on the rise. A booming economy allows people to spend money on discretionary items such air travel, so hotel revenue are higher during economic growth and lower during economic contraction.

Table 1.2: GSDP of Nagaland in Crore INR (from 2006-2015)

	GSDP of Nagaland in Crore INR										
	05-06	06-07	07-08	08-09	09-10	10-11	11-12	12-13	13-14	14-15	15-16
Constant Prices	6,436	6,938	7,445	7,917	8,463	9,254	10,024	10,671	11,367	12140	15919
Growth rate (%)	-	7.80	7.31	6.33	6.90	9.35	8.32	6.45	6.52	6.80	31.12
Current Prices	6,588	7,257	8,075	9,436	10,527	11,759	13,859	15,676	17,749	20099	20524
Growth rate (%)	-	10.15	11.27	19.85	11.56	11.70	17.86	13.11	13.22	13.24	2.11

Source- Ministry of Statistics and Programme Implementation, Last updated 20 Aug.2015
- Statistical Hand book of Nagaland 2010,2014,2015

Table- 1.3: NSDP of Nagaland (2005-06 to 2015-16)

	NSDP of Nagaland in Crore INR										
	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Constant Prices	5,986	6,454	6,978	7,422	7,842	8,587	9,291	9,887	10,522	11,203	14,102
Growth rate (%)		7.82	8.12	6.36	5.66	9.50	8.20	6.41	6.42	6.47	25.88
Current Prices	6,116	6,728	7,477	8,784	9,711	10,850	12,788	14,441	16,328	18,469	18,447
Growth rate (%)		10.01	11.13	17.48	10.55	11.73	17.86	12.93	13.07	13.11	-0.12

Source- Ministry of Statistics and Programme Implementation, Last updated 20 Aug.2015
- Statistical Hand book of Nagaland 2010,2014,2015

To analyse the growth of the economy of Nagaland both GSDP and NSDP was considered for the period of 2006 to 2015 both at current as well as constant prices. Data revealed that GSDP and NSDP in constant and current prices have a persistent rise in absolute figures but the percentage growth over the previous year

registered a continuous fall for the period 2006 to 2015. The Gross State Domestic Product (GSDP) of Nagaland was about 15919 crore in 2015-16, from 6436 in 2005-06 at constant price and 20524 in 2015-16 from 6588 in 2005-06 at current price increasing at a compound annual growth rate (CAGR) of around 9.48 percent between 2004-05 and 2015-16. Whereas the Net State Domestic Product (NSDP) of Nagaland has shown an increase from Rs. 5986 crore in 2005-06 to 14102 crore in 2015-16 (at constant 1980-81 prices) and Rs. 6116 during 2005-06 to 18447 in 2015-16 (at current prices) increasing at a compound annual growth rate (CAGR) of around 12.03 percent between 2004-05 and 2015-16.

STANDARD OF LIVING

In India the prospects of the hotel industry drives with the change in the spending pattern and perception of the individual towards the hotelling. The foreign tourists as well as the local visitors are now a day's become more demanding due to the increase in the income level and status.

Table-1.4: Per Capita (GSDP) of Nagaland in Rs. (from 2006-2015)

Per Capita (GSDP) of Nagaland (in Rs.)											
	05-06	06-07	07-08	08-09	09-10	10-11	11-12	12-13	13-14	14-15	15-16
Constant Prices	35556	37706	39815	41646	43802	47408	59463	61837	67138	71279	76648
Growth rate		6.05	5.59	4.60	5.18	8.23	25.43	3.99	8.57	6.17	7.53
Current Prices	36396	39438	43182	49637	54486	60243	59463	67688	78952	86264	98816
Growth rate		8.36	9.49	14.95	9.77	10.57	-1.29	13.83	16.64	9.26	14.55

Source- Statistical Hand book of Nagaland 2010,2014,2015

Table-1.5: Per Capita Income (NSDP) of Nagaland in Rs. (from 2006-2015)

Per Capita (NSDP) of Nagaland (Rs.)											
	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Constant Prices	33072	35074	37317	39041	40590	43992	51314	53364	58434	62664	67900
Growth rate (%)		6.05	6.40	4.62	3.97	8.38	16.64	4.00	9.50	7.24	8.36
Current Prices	33792	36568	39985	46207	50263	55582	51314	58727	69261	76679	88818
Growth rate (%)		7.59	8.55	13.47	8.07	9.57	-8.32	12.62	15.21	9.67	13.67

Source- Statistical Hand book of Nagaland 2010,2014,2015

The Per Capita Income (PCI) is taken as an indicator of living standard of the people of a particular region. It is an average figure of income, supposed to be received by every individual in the state. The PCI is taken as one of the most important indicator of economic growth in the state/country. The per capita income in the state (both at GSDP and NSDP at constant and current price) increased from 2005-06 to 2015-16.

INFRASTRUCTURE FACILITIES

Infrastructure is defined as the physical framework of facilities through which goods and services are provided to the public (Goel, 2002). World Development Report (1994) divides infrastructure stock into economic or physical infrastructure and social infrastructure. Former includes services such as electricity, transport, roads, water system, communications, irrigation etc., while latter includes education and health facilities. Other forms of infrastructure may be identified as institutional infrastructure as banking and civil administration.

Table-1.6: Infrastructure development of Nagaland – (from 2005-2015)

a) Economic or Physical Infrastructure

	Units	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Road	Km	13368.45	13368.45	14648.68	15078.12	NA	NA	12033	12032.99	NA	NA
Railway	km	12.85	12.85	12.85	12.85	12.85	12.85	12.85	12.85	12.85	12.85
Airways(Flight)	No.	3	3	3	3	3	3	3	3	3	3
Power-Installed capacity	MW	102.7	102.7	102.7	102.7	103.1	103.1	116.8	116.8	140.4	141.04
Banking	No.	91	99	102	109	111	111	146	146	158	161

Sources: Directorate of Economics and Statistics, Kohima, Statistical Hand Book of Nagaland, Various issues.

b) Social Infrastructure

		2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Health	No.	560	560	560	561	561	561	561	561	574	745
Education	No.	2604	2622	2624	NA	NA	NA	NA	3506	3099	NA
Water supply-village covered	No.	64	86	108	108	94	128	136	104	71	94

Sources: Directorate of Economics and Statistics, Kohima, Statistical Hand Book of Nagaland, Various issues.

The State has been largely successful in developing infrastructure facilities. The table revealed that the total road length (including National Highways, state highways, major district road, village district road and road under broader etc.) of Nagaland in the year 2005-06 was only 13368.45 km which rose to 12032.99 in 2013-14.

Dimapur is the only place of the state where rail and flight services are available. The length of railways in Nagaland is minimal and it remains constant during 2005-06 to 2015-16. The Dimapur airport is a public airport and is operated by the airport authority of India. The runway length of this airport is 7298 feet (2290

meter) with the availability of cargo handling facilities. The government is planning to make a second airport at Kohima. The department of Power, Nagaland, was established in 1964 to provide power supply to public, industry and agriculture sectors and is responsible for transmission, distribution of power in the state. Despite the vast potential, the power generated within the state is quite insignificant. The state is still dependent on the neighbouring states of Meghalaya and Assam for its power requirements. The data reveals that the growth of power generation almost remains same from 2005-06 to 2015-16. As of June 2016, Nagaland had total installed power generation capacity of 141.04 MW, of which 110.37 MW was under central sector and 30.36 MW was under state utilities. Of the total installed power generation capacity, 57.05 MW was contributed by thermal, 53.32 MW by hydro and 30.67 MW by renewable energy. As of March 2016, 94% village in the state had electricity supply. Social infrastructure development of Nagaland is quite impressive in all the respect of health, education and water facilities. There was a persistent increase in numbers from 2005-06 to 2015-16.

URBANIZATION

Urbanization refers to the process by which rural areas become urbanized as a result of economic development and industrialization. The term urbanization can represent the level of urban relative to overall population, or it can represent the rate at which the urban proportion is increasing (United Nations, 2010). Hotel development is influenced by the role of urbanization since hotel industry is part of service activity. Population, economic, geographical landscape and social cultural dimensions were identified as major connotations of urbanization impact on hotel development.

Table-1.7: Level of Urbanization (%) in Nagaland from 1961-2011

Sl. No.	Particulars	1961	1971	1981	1991	2001	2011
1.	Total Population ('000)	369	516	775	1210	1989	1981
2.	Decennial Growth of Population (%)	-	39.88	50.50	56.08	64.41	-0.40
3.	Density of Population (per sq. Km)	22	31	47	73	120	119
4.	Percentage of Rural Population	94.80	90.00	84.48	82.79	82.26	71.14
5.	Level of Urbanization (%)	5.20	10.0	15.52	17.21	17.74	28.86
6.	Urban population	19188	51600	120280	208241	352849	571717
7.	Growth of Urbanization (%)	16.6	10.4	8.9	5.6	5.4	NA

Source: Census of India, 1961 to 2001 and Provisional Census Report 2011 & www.census2011.co.in/census/state/nagaland.html. NA-Not Available

Nagaland has had the highest rate of urbanization in the country for the past two decades, according to the census of India. As per the Census of India 2001, Nagaland recorded a total of 3,52,821 urban population as against 16,35,815 rural population. This shows a marginal increase in the percentage of urban population to the total population from 17.21 percent in 1991 to 17.74 percent in 2001. This is an indication of the migration that is taking place in the State from rural to urban areas. People living in rural areas constituted 82.3 percent of Nagaland's population in 2001, as against 90 percent in 1971.

PROFITABILITY

For every kind of business organization, profit is often regarded as motive for the entrepreneurs and it measures the overall performance of the business. The term profitability differs from the profit. It is a measurement in terms of the return on the asset, but it is not measured in terms of money. Actually, profitability incites to the business ability to grow in the future and obtain additional profit. A hotel is no different in this regard.

The occupancy rate of hotels in Dimapur from 2005-06 to 2015-16 shows that the rate on an average for 10 years is 60%. In the table it shows that 2006-07, 2008-09, 2009-10, 2010-11, 2012-13, there is a positive growth over the previous years but 2007-08, 2014-15 shows a negative growth, and the year 2011-12 and 2013-14 shows no increase or decrease over the previous years. Out of these ten years 2007-08 shows the lowest occupancy rate and 2006-07, 2012-13 and 2013-14 shows the highest occupancy rate (65%).

Table-1.8: Occupancy Rate of Hotels in Dimapur

Year	Occupancy rate (%)	% in increase
2005-06	60	-
2006-07	65	8.33
2007-08	52	-0.20
2008-09	55	5.76
2009-10	58	5.45
2010-11	60	3.44
2011-12	60	-
2012-13	65	8.33
2013-14	65	-
2014-15	60	-7.69
2015-16	60	-

Sources: Field Survey

FINDINGS OF THE STUDY

The prospects for the hotel industry in Dimapur are bright. All key drivers of growth would help to increase the domestic travel. The industry could be a game changer and the factors could help to achieve the increasing demand for the growth of hotel. The main findings of the study are:

- The GSDP & NSDP both at constant and current prices has shown an upward trend during the study period.
- An analysis of both domestic and foreign tourist inflow in the state shows that it is increasing very fast and thus opens a new gate for the hotels in Nagaland in general and Dimapur in particular.
- The per capita income of the people of the state has increased by 10.34% over the previous year. The per capita income of the state is Rs. 11,119, with Dimapur having the highest per capita income among the districts (Rs. 16,837) and Mon having the least (Rs. 4,500) in 2001-02.
- A synoptic view of the infrastructure of Nagaland shows that both economic and social infrastructure made a rapid stride during the period of study.
- Nagaland has had the highest rate of urbanization in the country for the past two decades; according to the census of India 2011, the decadal growth rate was 69% as against average rate at the national level is 21%.
- The occupancy rate of hotels in Dimapur from 2005-06 to 2015-16 shows that the rate on an average for 10 years was 60%.

All the drivers considered for the study are directly contributed for the growth of hotel and all the drivers showing an increasing trend during the period of study. Although all the drivers play an active role in promoting the hotel industry but it is known fact that out of all the drivers inflow of tourist are considered the prime

factors for the growth of hotels industry in general and Dimapur in particulars and as the fate of the hotel industry are directly linked to the prospects of tourism industry and ultimately affects the hotel industry, which can be justified from the fact there is a growth of hotels in terms of number of units, beds and rooms during 2006 to 2015.

CONCLUSION

The future of the hotel industry is bright and promising. With the revival in the economy of the world international tourist inflow into the country is expected to rise and also to Nagaland. Additionally, hosting of sports events and trade fairs and exhibitions in the country are expected to help both inflow of international tourist and domestic tourist movement. The upcoming industrial parks, manufacturing facilities and development of micro markets, especially in primary travellers of the cities prefer to stay at hotels closer to the place of work /visit to save time. This has led the hotel company setting up hotels across different location within a city. Factors like rapid industrial progress, liberalization of trade and opening up of economy will further lead to revolutionary growth in this sector. With the growth of key drivers there led in hotel development activity and expansion and the hotel companies believe that this could be a game changer and help to boost the growth of this sector.

RECOMMENDATION

The present study has been undertaken with some specific objectives. Therefore, it does not claim to have examined all the areas associated driver of the hotel industry. There remains a scope and gap for further research in this domain of knowledge.

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STEERING THE PHARMACEUTICAL INDUSTRY THROUGH QUALITY DASHBOARD

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ABSTRACT

This paper describes and demonstrates pharmaceutical quality dashboard, is a visual display of the pharmaceutical industry critical quality metrics information to steer industry to meet quality vision and overall performance of your firm, set objectives, consolidated and arranged in a single frame so that the quality metrics can be monitored effectively by senior management at a glance and promoting transparency throughout the organization. All cross-functional departments quality metrics are integrated into the pharmaceutical quality dashboard and all critical quality metrics are visualize which may provide insights of quality risk and a further area of improvements. This is paramount as high-quality data has become a strategic resource to make well-informed decisions and steer the pharmaceutical industry smoothly and achieve its quality mission i.e. connect-communicate-collaborate the world to provide 7+ billion people (1) with access to high-quality medicine. Despite the availability of robust quality systems in-place and in-use, it does not mitigate quality risk and non-compliances. Therefore, this study proposes a research model that support management monitor and steer their quality metrics throughout the continuous improvement cycles. The exploratory method has been used for study through data available on regulatory websites, interview with pharma industrial personnel and secondary data in articles of other researchers for developing a quality dashboard to be included in a measurement framework for systems strengthening. More than 83 participants, who represented 05 different organizations working to design and roll-out of the quality dashboard. The quality dashboard framework and indicators will help guide pharmaceutical industry in ways that will have lasting results.

KEYWORDS

quality, dashboard, steering, pharmaceutical, transparency, framework.

JEL CODES

M1, M14.

INTRODUCTION

As per Peter Drucker, the two most important quotes in business management are (2)

1. "If you cannot measure it, you cannot improve it." And
2. "Leadership is doing right things"

The impact quality has on a pharmaceutical industry success is often well understood. However, the pharmaceutical industry had no standard operating procedure/framework, traditionally struggled to establish metrics that can easily represent the effectiveness of quality in the organization (3). Quality Dashboard is less understood and implemented in the pharmaceutical industry to monitor the quality risk of the site and as a continuous improvement tool for quality. Steering pharmaceutical industry through quality dashboard is an innovative way of operating business to safeguard quality and avoid recalls, batch failures of drug products. First a thorough understanding of the current pharmaceutical industry practices about quality dashboard and through many interviews of both management and shop floor personnel an initial starting point quality dashboard developed/identified to steer pharmaceutical industry of quality levels (low/medium/high) in the pharmaceutical industry. That initial thought was that if the quality can easily be quantified through quality metrics, that will adjust behavior in order to meet those expectation of quality and thus performance will improve overall. The pharmaceutical quality dashboard is complex, involving numerous quality metrics that influence the performance of a pharmaceutical industry. The starting point for identifying quality metrics for its measurement is better conceptual clarity on what a pharmaceutical system is, including its key quality metrics and performance objectives. This paper reviews a wide range of earlier work in defining and conceptualizing pharmaceutical quality dashboard and its strengthening, as well as relevant insights from the pharmaceutical industry literature to highlight common themes and insights.

REVIEW OF LITERATURE

According to Philip Crosby (1995), "Quality is Still Free" understood that the employees are a real source for the quality non-compliances, it is a myth. Employers do and adhere the written approved procedures laid down by the management and they do not deviate (or) dishonor due to job loss. Employees myth is a pharmaceutical quality risk and quality of drug product is some not quantifiable and not qualitative analysis (or) undefinable, it shall be perceived, feel, seen, touch. Regulatory bodies of various countries had well defined pharmaceutical quality drug product requirements/expectations with well documentation, what patients wants from the pharmaceutical companies i.e. very crystal clear "Quality Drug Product". Again big myth is pharmaceutical quality drug product manufacturing is not vague. or exceeding customer/patients expectations (4). The Tim Stevens revealed in his research in Indian pharmaceutical industries manual error is unavoidable because man is the great resource of unreliable, so tools, procedures, techniques are essential to developing to safe guard the quality of the drug product (5). Jill Wechsler (2017) in his article 'FDA Quality Metrics Initiative Challenges Manufacturers' states that FDA plans to launch its quality metrics data initiative in January 2018 by opening an electronic portal (e-portal) to collect data on certain manufacturing processes electronically from biopharmaceutical companies. He found companies who able to demonstrate operations consistently produce high quality products shall be rewarded (6). The scientific literature talks about continuous improvement cycles for quality management. Despite many of these theories are available for quality management in general (example, sig sigma, total quality management) no full proof and comprehensive framework is available on pharmaceutical quality dashboard. Quality management through on-going cycles is already acknowledged in manufacturing theories since 1986. In that time William Deming developed Total Quality Management (TQM) as a pragmatic method for quality improvement. He believed that adopting a continuous improvement cycle of Plan, Do, Check and Act could help companies to better address and improve their production quality (7). Later also other methodologies like Six Sigma were based on this principle. Nevertheless, these are not specific and applicable to quality management.

NEED/IMPORTANCE OF THE STUDY

This study underlines the how pharmaceutical quality dashboard steer the pharmaceutical industry towards performance/strengthening/continuous improvement of the quality system to deliver quality products to the customer.

STATEMENT OF THE PROBLEM

How the pharmaceutical quality dashboard steer the pharmaceutical industry?

OBJECTIVES

1. To understand the pharmaceutical quality dashboard and steer the pharmaceutical industry to continuously improve their people/process/systems/procedures/ products.
2. Defining functionality, framework, and characteristics of the pharmaceutical quality dashboard.

RESEARCH METHODOLOGY

The research methodology involved is a combination of data available on pharmaceutical regulatory websites, interview with pharma industrial personnel and secondary data in articles of other researchers. The participants for this study were managerial of a pharmaceutical industry; therefore, the study did not require ethics approval. The primary data has been collected in the year 2017, the interviewees were all at a managerial level within their respective organizations and were regarded as being experienced personnel. They were from the European Medicines Agency (EMA), US FDA approved organizations with several years of experience (5-25 years). They were selected on the basis of their seniority within their organization and also their willingness to participate in the research. Eighty-three (83) managers were invited to participate; however, the two managers did not respond despite one follow up, and therefore, the 81 managers that did respond provide a 97.59% response rate, and those characteristics collected are presented in Table 1.

RESULTS & DISCUSSION

Intention to improve existing methodologies used, the following research question is addressed in this paper:

Which pharmaceutical quality dashboard integrate with quality metrics on-order to support the continuous improvement cycles and mitigate quality risk?

The following sub-questions should be answered to address the main question.:

- A. What requirements and recommendations can be defined as the pharmaceutical quality dashboard?
- B. How pharmaceutical quality dashboard should look and how to design?
- C. Which conclusions and final recommendations can be made for the pharmaceutical quality dashboard?

TABLE 1: SOCIO-DEMOGRAPHICS OF STUDY PARTICIPANTS

S. No.	Organization Name#	MNC / Domestic	Export	No. of Employees	Location	No. of Participants	Gender	Job Title Range	Years of Experience
1	A	Domestic	Europe USA ROW*	1000+	Hyderabad India	15	Male: 12 Female: 3	<ul style="list-style-type: none"> Senior Vice President Senior Manager Manager 	8 to 25
2	B	Domestic	Europe ROW*	500+	Pune, India	16	Male: 14 Female: 2	<ul style="list-style-type: none"> Managing Director Manager 	5 to 30
3	C	Domestic	Europe USA ROW*	2000+	Goa, India	18	Male: 13 Female: 5	<ul style="list-style-type: none"> Senior General Manager Manager 	8 to 20
4	D	Domestic	Europe USA ROW*	1500+	Goa, India	21	Male: 17 Female: 4	<ul style="list-style-type: none"> Senior General Manager Manager Assistant Manager 	5 to 20
5	E	Domestic	Europe USA ROW*	740+	Chennai, India	10	Male: 8 Female: 2	<ul style="list-style-type: none"> Senior General Manager Manager Assistant Manager 	5 to 18
6	F	MNC	Europe USA ROW*	23000+	Hyderabad India	3	Male: 2 Female: 1	<ul style="list-style-type: none"> Assistant General Manager Senior Manager Manager 	8 to 15
TOTAL						83	Male: 66 Female: 17		

Source: Primary data. *ROW – Rest of World; Organization Name# - Confidential information

TABLE 2: PHARMACEUTICAL QUALITY DASHBOARD STRUCTURE

	Drug Product	Drug Product Quality Risk
What is managed?	Information Drug product life cycle	Quality metrics like deviations, out-of-specifications, failures etc.
How is it managed?	Connect-communicate-collaborate of cross-functional teams Integrating and partnership with key suppliers	Corrective Actions Preventive Actions Upgrading vendors and process
Why manage it?	World to provide 7+ billion people with access to high-quality medicine	Through visualization of quality risk Pooling and summarizing quality metrics
What is a success?	Delighting customer Regulatory Approvals Product Approvals	Quality system works No non-compliances Exceeding regulatory norms

Pharmaceutical quality dashboard not only visualizes quality metrics but also derives action points, which are pain areas to the organizations, which require the immediate attention of senior management to roll-out corrective and preventive actions, escalate deficiencies in the product, process, people, procedures, and customers. Pharmaceutical companies through pharmaceutical quality dashboard shall steer and anticipate and mitigate quality risk and non-compliances.

FINDINGS

83 personnel (66 male: 17 female) from the pharmaceutical industry were interviewed (Table 1). The saturation point for the interviews was reached after 83 interviews. The consolidated output of the qualitative research comprised of the framework of the pharmaceutical quality dashboard.

Here elaborates these more in-depth of the pharmaceutical quality dashboard and gives a brief overview of possible features derived from theory and interviews. The following key requirements form the foundation to put continuous control into practice:

INTEGRATION

- **Quality Risk Visualization (Low-Medium-High)**

A pharmaceutical quality dashboard is designed to summarize quality metrics in a comprehensive and appropriate manner.

- **Analysis**

In many cases, it is hard to recognize overall quality risk based on a single and ad hoc base. Therefore, it is required to monitor the changes over time and conduct a trend analysis. Useful to incorporate are historical information, actual values, and the target measures.

FUNCTIONALITY

• **Customer Perception**

For the pharmaceutical industry, the customer is patient, who required quality drug product for wellbeing. So, the pharmaceutical quality dashboard shall be in-line with patient interest to mitigate risk in product and exceeding regulatory expectations.

• **Feasibility**

Besides meeting quality requirements, it shall talk about pain areas to the organizations, which require the immediate attention of senior management to roll-out corrective and preventive actions, escalate deficiencies in the product, process, people, procedures, and customers.

SENIOR MANAGEMENT

• **Workflow monitoring**

A senior management is vital to religiously evaluate the pharmaceutical quality dashboard and take proper and constructive decisions to mitigate quality risk in the product/process/systems. Well informed and timely decisions shall save life of people

• **Alerts & Warnings**

For deriving and roll-out corrective & preventive actions, all cross functions teams should be alerted when a quality risk rated as HIGH or deteriorate trends occur.

• **Accountability**

For example, deteriorate quality metric observed, senior management shall identify the action points and roll-out corrective and preventive actions to further deteriorate of quality metric.

TECHNOLOGY

• **Quality Metrics**

The main constituent of the pharmaceutical quality dashboard are quality metrics and it is a building block. These should comply with SMART principle (8).

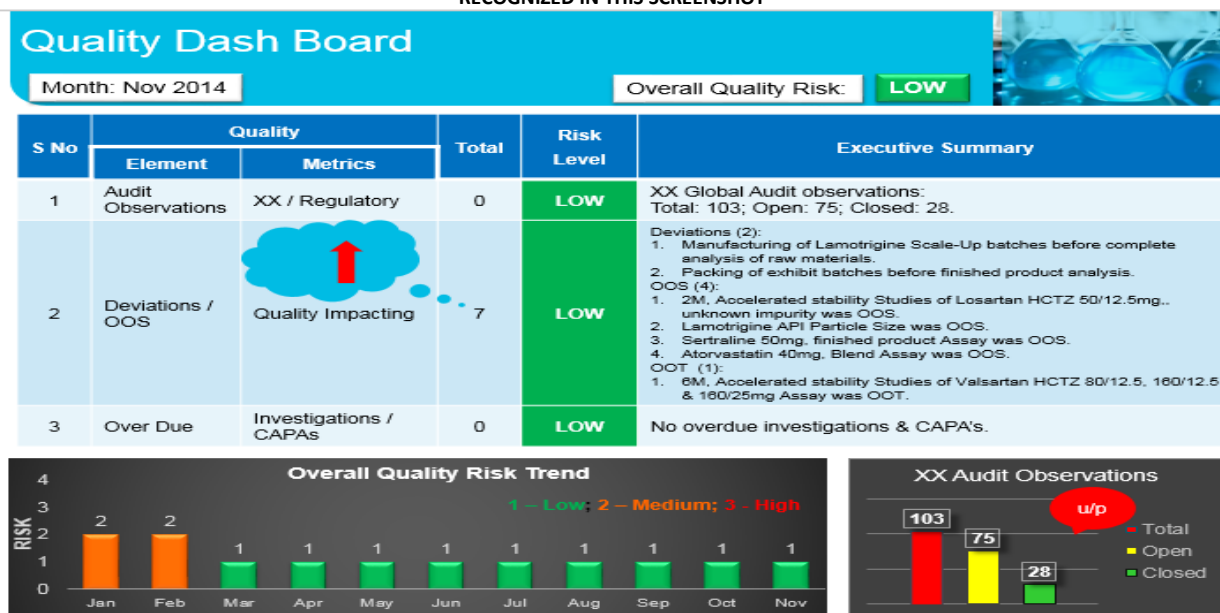
• **Virtual Access & Periodical Evaluation**

For strict implementation and in-place and in-use, senior management has to lead with ownership by providing training about benefits to all employees.

Top 5 Must Have Quality Management Metrics for the Executive Dashboard (9),

1. Cost of quality
2. Overall equipment access
3. Percentage of products in compliance
4. On time and complete shipments
5. New product shipments

FIGURE 1: CONTAINS AN EXAMPLE PHARMACEUTICAL QUALITY DASHBOARD. FEATURES LIKE OVERALL RISK, TREND, AUDIT OBSERVATIONS, CAN BE RECOGNIZED IN THIS SCREENSHOT



Characteristics of Pharmaceutical Quality Dashboard (9)

- 1) All the visualizations pertaining to all departments fit in a single screen.
- 2) It displays the department’s quality metrics performance indicators that can be monitored.
- 3) Indicators such as filtering and drill-down can be used in the dashboard; department’s quality metrics performance indicators actions which also include lag & lead performances wise etc.
- 4) The dashboard can be accessed by the senior management to monitor effectively & take necessary actions if needed.
- 5) The data gets automatically updated without any assistance from the user. The frequency of the data updating will vary with the departments. Dashboard data gets updated on a daily basis.

RECOMMENDATIONS/SUGGESTIONS

1. The pharmaceutical quality dashboard is not a magic dashboard to remedy/visualize all quality issues; senior management had to religiously/periodically have to do an assessment, identify and derive action points to mitigate quality risk.
2. The major problematic area in steering the pharmaceutical dashboard is inadequate training and bringing awareness to the organization about the dashboard.
3. The deteriorated metrics identified from the pharmaceutical dashboard shall be tracked and presented/bring to the notice to the senior management who are responsible to deliver quality drug products for 7+ billion people and their wellbeing.

CONCLUSIONS

The purpose of the pharmaceutical quality dashboard is to ensure real-time governance of all events and deterioration of trends. Through implementation, one can ensure and steer for track areas of developments, and continuous improvement to enhance happiness index in the firm. This helps in interacting with people anywhere and understand pharmaceutical firm/quality needs and requirements. Through pharmaceutical quality dashboard at center, many pharmaceutical sites

are connected, linked to the system. The senior management shall visualize on a giant screen which can show multiple screens simultaneously and dashboards with information on quality trends, pending action points, commitments and real-time progress of ongoing projects.

LIMITATIONS

Furthermore, the theoretical model of the pharmaceutical quality dashboard is not empirically tested and quantitatively validated. This means that this model needs further research before it can be reliably applied to pharmaceutical industry. Overall, it can be determined that the outcomes of this study are valid and reliable from the pharmaceutical industry perspective. But additional research and empirical study are necessary to generalize the findings to reliable theories and apply them.

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INVESTMENT PATTERN OF LIC: AN EMPIRICAL STUDY OF BHUBANESWAR DIVISION

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ABSTRACT

In the broad and customary sense of the term, an investment is an asset or property rights acquired or held for wealth acquisition or income generation. From the point of view of investors or suppliers of capital, investment is the placement of present funds and resources for acquiring future incomes in the form of interest, dividends, rent or retirement benefits, or in the form of an appreciation in the value of the principal. The financial and economic meanings of 'investment' though distinguished from economic meaning are related to each other because investment is a part of the savings of individuals which flow into the capital market either directly or through institutions. Investors as 'suppliers' and investors as 'user' of long-term funds find a meeting place in the market. As such, investment depends on the capacity of individuals to save. The savings and investments, therefore, become two important aspects of any socioeconomic development. Investment is both important and useful in the context of present day conditions. Some factors that have made investment decision increasingly important are larger life expectancy, high rate of inflation, increasing rates of taxation, high interest rates, larger income and availability of a complex number of investment outlets. After having discussed the concept of investment, it is essential to point out the factors, which are favourable for the growth of investments. The investment market should have a favourable environment to be able to function effectively. In India where all business activities are marked by social, economic and political considerations, it is important that the political and economic institutions are congenial for economic investments. Generally, there are three basic considerations, which foster growth and bring opportunities for investment. These are legal safeguards, existence of financial institutions to aid savings and form of business organization.

KEYWORDS

investment, economic, safeguards, aid savings.

JEL CODE

D25, E22, G11, H54.

INTRODUCTION

The Insurance industry in India is subjected to a comprehensive set of rules and regulations. The regulations strictly specify forms of security in which insurers may invest and limit their share in the total amount. Insurance companies are required to invest minimum amounts of their invested assets in government securities; and restrictions are likewise placed on the amount to be invested in approved investments and other investments, as per a detailed list that includes specific equities and corporate bonds as well as bank deposits. Approved investments are in companies that have a strong, multi-year dividend payment record. Investments that do not fit these criteria are called Other Investments. The objectives behind such comprehensive set of regulations are the preservation of the real value of funds in the coeval circumstances of an unstable investment setting as well as support the insurers in satisfying their commitment towards policyholders at any given time.

Apart from this, insurance investment professionals should be familiar with economic, accounting and regulatory frameworks in the management of a company's investment portfolio. In some cases, conflict among these measures leads to suboptimal economic investment decisions. Therefore, investment policy should set reasonable investment goals for the fund that would comply with the broad objectives of the fund. The investment policy should define the strategic asset allocation strategy for the fund, performance objectives and method for screening and when necessary modifying allocations in the light of evolving liabilities and market conditions. It should likewise cover broad decisions pertaining to tactical asset allocation, security selection and trade execution. There should be procedures by which the governing authority periodically reviews the investment policy and figures out if there is a need to transform the policy, its implementation procedures, the decision-making structure as well as those responsibilities connected to its design, implementation and review. A fund manager must invest only in assets whose risks it can legitimately identify, measure, monitor, manage, control and report. Investment portfolio must balance the objectives of security, quality, liquidity and profitability as a whole commensurate with the predetermined policy objectives.

Insurance companies generally function on two dimensional landscapes which include

(a) underwriting activity which is mainly centred on collecting premiums and honouring claim.

(b) Investment activity which is meant to dispense assets into various investments to earn additional revenues in the form of interests, dividends and realised capital gains. Under underwriting activity, insurance companies collect premiums from people and Forman insurance fund. The insurance fund should not be held ticking over until claims being lodged. It should be invested through creating a float.

Insurance investment activities diversify firm's capital base and enhance its ability to settle claims when they occur. Insurance capital and reserves are paramount hotspot of money finances of the economy. Insurance industry particularly in emerging markets like India is playing an important role in the advancement of capital markets, providing finance to companies and governments and bringing forward the mechanisms for corporate control and risk management. Insurance companies additionally decrease dependence on the banking system and acting as stun absorber now and again for budgetary trouble (OECD, 2011). Toward the same time, the consistent streams of premium considerably in period of business sector downturn empowers insurers to be a hotspot of liquidity and to purchase all the holdings that are undervalued throughout the downturn when a significant number of market players sell. Therefore, insurers have a counter-cyclical and settling impact on the economy.

On account of large scale protection arrangements and predictable long haul liabilities, insurers could put resources into long haul and illiquid assets. Insurers should have sound, systematic and objective process of determining investment pattern (Swiss reinsurance company ltd, 2010) to maximize the value of shareholder as well preserve the value of policyholders.

REVIEW OF LITERATURE

Globally, the life insurance industry is in an advanced stage of development in developed economies as against the initial stages in developing economies. Keeping with this trend, quite a few research studies and analyses have been done in respect of the life insurance industry globally. In India, after the liberalization of life insurance industry in 2000, we are witnessing significant changes in products offered, services delivered and methods of distribution. Due to monopoly status of the life insurance industry between the years 1950 and 2000 coupled with the lack of product differentiation, there have been few elaborate studies in India on this subject. This review is aimed at capturing the essence of recent investigations undertaken in the life insurance industry both in India and globally.

Investment management is the critical area of operation in any financial institution, in any insurance company, which has to generate reserve for claim that might arise (and over a period, a large corpus of fund is build up) keeping in view the different risk level, regulations and a variety of investment objective implicit in mind of policyholders and shareholders. It is therefore, necessary to study the investment management of Life Insurance Corporation of India (LIC) after the liberalization policy regime and as also the changes that might have occurred or any restructuring that might have been done by the LIC in the wake of entry of private players in the life insurance sector. A number of studies have been undertaken on Public Insurance Companies in India; and most of it deals with insurance products,

revenue, cost and marketing aspects. The literature available on Development Finance is limited. A few relevant studies have been reviewed and presented in this chapter. Some of the important reviews literatures are as follows:

Irani Sherin, has concluded in the doctoral thesis titled "Investment by LIC in Industries in India, that apart from formulating and organizing industrial investment, LIC has made an entrepreneurial role and it has enumerated the extent to which they have appropriately and prudently taken the initiative and the leadership in conceiving proposals for new enterprises, organizing the finance for them, and carrying them out. They have also worked out the economics of corresponding costs and risks associated with it.

'Life Insurance Fund and Industrial Growth in India' (**Dwivedi Rajkishore,1977**), in his study on Investment of Life Insurance Funds and Industrial Growth in India remarked that Life Insurance Corporation of India has made a sizeable contribution to the development of capital markets when the country was in the developing stage. When the widespread use of consumer financing was very popular in a tight money situation, it resulted in high yields to finance company papers, outstripping all other available yields and thereby channeling a sizable production of investable funds into consumer finance at the expense of investments in industry.

Panda (2013) analyzed the investment pattern of LIC of India and its risk taking ability while investing in different segments. The paper has used autocorrelation through linear trend analysis for keeping present and past years in the analysis of segment wise investment with Box L Jung statistics. The result of study indicated a significant increase in trends in case of G-securities segment, S-securities plus housing/infrastructure, corporate sector & project loan while investment in housing and infrastructure alone does not reveal any significant increase.

Parekh (2013) observed that investment function of insurance industry in India is not so vibrant when compared with global counterparts. Therefore, he has suggested government to recognize the importance of insurance sector in financial landscape and introduce more fiscal stimulus and tax incentive to strengthen its role in saving mobilization.

SIGNIFICANCE OF THE STUDY

- Life Insurance Sector polls large funds from masses and then invests in the infrastructure projects as well as other long-term projects, which will generate a regular income flow in the coming years.
- The insurance sector needs a great deal of financial planning, knowledge, as well as knowledge about other financial products and their current markets so that we can compare those products with the insurance product and convince the client.
- Insurance is one of the most flourishing services even in the developing country like India. There are 53 insurance companies existing in India. Among which 29 are general insurance, 24 are life insurance and out of 29 general insurance companies 5 private sector insurers are registered to provide underwrites service business.

OBJECTIVES OF THE STUDY

1. To understand the concept of investment of life insurance corporation of India.
2. To analyze the sector wise distribution investment by LIC of India.
3. To examine the investment by LIC of India on various development activities.
4. To highlight the problems and suggest suitable measures for improvement and development of investment of LIC.

RESEARCH METHODOLOGY

This study is based on secondary sources of data. The data relating to investment pattern Of LIC of India can be collected different insurance companies and Beema Samiti, Bhubaneswar Stock Exchange, Government agencies and bodies, published and unpublished books, journals, newspapers, reports, magazine & journal and referring various websites. This thesis articles are used the data from the secondary sources.

ANALYSIS & DISCUSSION

DEVELOPMENTS OF INSURANCE SECTOR IN INDIA

While direct foreign investment is permitted in several areas of business in India, the insurance industry has been fraught with trouble from the beginning. Insurance has been and continues to be a government monopoly. For instance, section 30 of the Life Insurance Corporation Act 1956 expressly provide that the Life Insurance Corporation of India shall have the exclusive privilege of carrying on life insurance business. This monopoly situation also applies to general insurance, although the position is different as regards risk management and reinsurance. The previous government (The Indian National Congress) appointed the Malhotra Committee which presented its Report in 1994, making recommendations for opening up the insurance sector. It recommended *in alia* that the private sector be called upon to take some portion of the rural and non-traditional insurance market. It also recommended that private foreign companies should enter into Joint ventures, the promoter equity being 40 per cent and the balance held by the public. When the present coalition government, the United Front, came to power, as the Central Government, it introduced its promised Common Minimum Programme. One of the attractions of this programme was the desire to introduce wide ranging changes affecting the insurance sector, on lines similar to the banking sector based on this manifesto, the following developments took place in 1996.

- A Bill on the Insurance Regulatory Authority was proposed. It is presently uncertain whether the Authority will be empowered to invite domestic and foreign investment in the insurance sector. Of course, the insurance industry cannot be opened up until the necessary amendments have been made to the LIC Act 1956 and the General Insurance Business Act 1972. It was expected that this Bill would be debated in December 1996. However, considering the strength of opposition to the Bill, and the time needed to draft new guidelines and issue licences, it is likely to be at least 18 months before any changes are implemented something which foreign insurers have already taken into account.
- The Reserve Bank of India (RBI, the central regulatory bank in India) has in the meantime granted approval to four foreign insurance companies to open liaison offices in India. These will act only as channels of communication between parties in India and their head offices abroad and are not permitted to undertake any insurance business in India.
- As was expected, the existing insurance companies, both at the managerial and employee level, have strongly opposed and criticized any move to privatize insurance. A lot of criticism has also come from the coalition partners of the United Front government. There seems to be little support for the move to privatize.
- The Life Insurance Corporation of India (LIC) and the General Insurance Corporation of India (GIC) should enjoy substantial autonomy, including the power to make non- scheduled, non-consortium investments.
- LIC should be permitted to promote joint ventures in pensions fund business.
- GIC should be permitted to promote joint ventures in health insurance business.
- Selected Indian companies with majority Indian ownership should be allowed to undertake business in the health insurance sector.
- LIC should continue to enjoy a monopoly in life insurance business and GIC should retain a monopoly in non-life, non-health insurance business.

Hence, it was decided to allow competition in a limited way by stipulating the minimum capital requirement of Rs.100 crores. The committee felt the need to provide greater autonomy to insurance companies in order to improve their performance and enable them to act as independent companies with economic motives. For this purpose, it had proposed setting up an independent regulatory body.

INVESTMENT PATTERN OF LIC IN INDIA

Life Insurance Corporation of India is an investment as well as a development institution. Its primary aim is to spread the message of life insurance and while pursuing this objective, the premium form policyholders are received which are in the nature of trust funds invested and administered in the best interest of policyholders as per guidelines of the Government. The investment of the Corporation's fund is governed by section 27A of the Insurance Act, 1938 and subsequent

guidelines/instructions issued by the Government of India from time to time. These investments are regulated by the government to benefit the people at large by providing basic amenities like water, drainage, sanitation, power, housing, transportation, etc. The modified section 27A of the Indian Insurance Act, 1938, prescribes percentage-wise ceiling of maximum limit in different categories of investment. These have been modified from time to time with a view to pre-empting an increasing proportion of its funds in Government/Government guaranteed / approved / socially oriented investments. The LIC has been directed to concentrate more on the financing of the socially-oriented investments. LIC is one of the largest investors in government securities, infrastructure and social sector. The corporation helps to boost up the industrial growth in the country. It helps the small scale and medium scale industries by granting loans for setting up cooperative industrial estates. The corporation assists state level financial corporations and all India Financial Corporations like IDBI, IFCL, ICICI, etc. by way of subscription to bonds/debentures issued by such institutions. It also makes investment in the corporate sector in the form of long, medium and short term loans to companies/corporations.

PRE-NATIONALIZATION INVESTMENT PATTERN

Before the setting up of LIC in 1956, through the nationalization and amalgamation of 245 companies, life insurance companies were governed by section 27 and 27A of the Indian Insurance Act, 1938. According to the Act, every insurance Company was required to invest as follows.

TABLE NO. 1.1

Sl. No.	Type of Investment	Percentage
1	Government securities	25%
2	Government securities or approved securities	Not less than 25%
3	Other investment	Not more than 15%
4	Approved investment	35%

POST-NATIONALIZATION INVESTMENT PATTERN

Based on the recommendation of the Jagannathan Committee to review the investment policies of the LIC, Section 27A was further amended in 1975. The amended section 27A stipulated that accretions to the controlled fund of the LIC could be invested as under:

TABLE NO. 1.2

Sl.No.	Type of Investment	Percentage
1	In central government marketable securities	25%
2	In central government, state government securities including the government guaranteed marketable securities including (a) above	50%
3	In social oriented sector including public sector, cooperative sector, own your home (OYH) scheme including second above.	75%

Notes:

- 8% was required for loans against policies within the surrender values.
- About 2% could be invested in immovable properties.
- 10% be invested was invested in the private sector.
- Remaining 5% was not available for investment as it constituted funds in the pipeline.

INVESTMENT PATTERN AFTER INSURANCE SECTOR REFORM

The IRDA has mandated the pattern of investments to be followed by the insurance companies. Investments in Government securities, approved securities, approved investments and in infrastructure and social sectors have been prescribed in the Insurance Act, 1938. The Authority has also specified that every insurer carrying on the business of life insurance shall invest and at all times keep invested his controlled fund (other than funds relating to pension and general annuity business and unit-linked life insurance business) in the following manner:

TABLE NO. 1.3: PATTERN OF INVESTMENTS SPECIFIED BY IRDA - LIFE INSURANCE

Sl. No	Type of Investment	Percentage
1	Government Securities	
2	Government Securities or other approved securities (including (i) above)	
3	Approved Investments as specified in Schedule-1 a) Infrastructure and Social Sector b) Others to be governed by Exposure Norms	Not less than 15% Investments in 'Other than in Not exceeding 35% Approved Investments' in no case exceed 15% of the Fund.

In the case with pension and general annuity business, every insurer shall invest and at all times keep invested funds in the following manner:

TABLE NO. 1.4: PATTERN OF INVESTMENTS SPECIFIED BY IRDA - PENSION AND GENERAL ANNUITY

Sl. No	Type of Investment	Percentage
1	Government securities	20%
2	Government Securities or other approved securities	40%
3	Balance to be invested in Approved Investments and to be Not exceeding governed by Exposure/ Prudential Norms	60%

And in the case with unit linked life insurance business every insurer shall invest and at all times keep invested his segregated fund in unit linked life insurance business as per pattern of investment offered to and approved by policyholders. Unit linked policies may only be offered where the units are linked to categories of assets which are both marketable and easily realizable. However, the total investment in other than the approved category of investments shall at no time exceed 25% of the fund.

ANALYSIS OF SECTOR WISE DISTRIBUTION OF INVESTMENTS IN INDIA

Over the years LIC has helped to spread up the tempo of economic development of our country by making investment in public, private and cooperative sector. In fact the huge fund at the disposal of LIC has proved to be that drop of useful oil, which greases and smoothen to the wheels of economic development of our country. The analysis has been done in order to see the sector wise distribution of investment in each sector and the growth in investment in each sector has been calculated for the study period. Table 5.4 depicts the broad distribution of sector wise investment of LIC in India. The book value of investments in India is considered as on 31st March of every year.

TABLE NO. 1.5: ANALYSIS OF SECTOR WISE DISTRIBUTION OF INVESTMENT IN INDIA

Year	Private Sectors		Public Sectors		Co-operative Sector		Total Investment	
	Amount (In Crores)	% Share	Amount (In Crores)	% Share	Amount (In Crores)	% Share	Total Investment (In Crores)	% growth over previous year
2001-02	10078.8	12.93	65917.4	84.6	1941.8	2.5	77938	
2002-03	12334.3	13.18	79235.7	84.7	2030.3	2.2	93600.3	20.1
2003-04	15597.7	13.67	96410.5	84.5	2094.5	1.8	114102.7	21.9
2004-05	19843.9	14.27	117059	84.2	2129.3	1.5	139032.2	21.85
2005-06	23579.2	14.12	141256.2	84.6	2168.4	1.3	167003.8	20.12
2006-07	24500.6	11.82	180574.1	87.1	2128.6	1	207203.3	24.07
2007-08	30091.3	11.95	219596.7	87.2	2082.3	0.8	251770.3	21.51
2008-09	52883.2	16.19	271778.5	83.2	2079.5	0.6	326741.2	29.78
2009-10	69754.6	17.74	322021.8	81.9	1408.2	0.4	393184.6	20.34
2010-11	107063.5	21.97	378807.2	77.7	1356.5	0.3	487227.2	23.92
2011-12	84369.2	16.17	433810.3	83.1	3555.1	0.7	521734.6	7.08
2012-13	128541.5	20.22	503388.4	79.2	3817.6	0.6	635747.5	21.85
2013-14	187212.5	24.54	572050.3	75	3628.9	0.5	762891.7	20
2014-15	236205.5	25.73	678374.5	73.9	3336.5	0.4	917916.5	20.32
2015-16	265880.3	25.43	775992.5	74.2	3666.6	0.4	1045539.4	13.9
CAGR	24.33%		17.90%		4.54%			18.94%

Source: RBI Handbook of statistics on the Indian economy for the year 2015-16

CHART 1: ANALYSIS OF SECTOR WISE DISTRIBUTION OF INVESTMENT IN INDIA

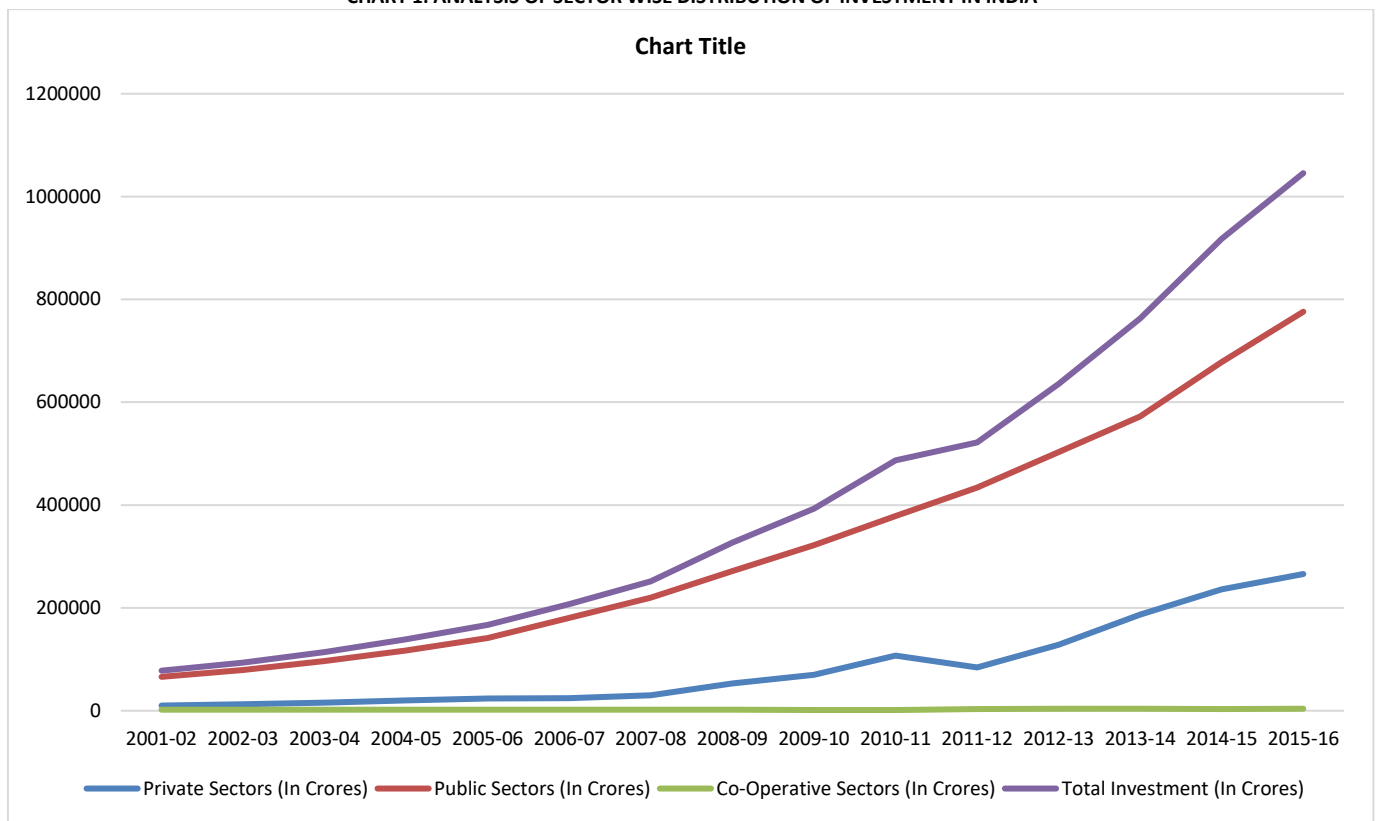


TABLE 1.6: LOANS ADVANCED TO VARIOUS AUTHORITIES FOR DEVELOPMENT ACTIVITIES BY BBSR DIVISION (Amounts in Thousands)

Sl.No.	Authority	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
1	Electricity	495.26	846.54	1366.11	470.82	1045.46	1060.93	956.00
2	Housing	598.85	721.85	1651.10	2113.31	1056.25	890.07	742.18
3	Water Supply & Sewage	128.71	137.86	488.52	526.82	342.87	570.33	3235.27
4	Transport	32.24	34.29	65.29	48.05	108.84	465.00	14.00
5	Industrial Development	494.38	410.43	358.96	329.47	381.31	278.68	3522.91
	Total	1749.44	2150.97	3929.98	3488.47	2934.73	3265.01	8470.36

Source: Annual Reports of LIC BBSR Division 2009-10 to 2015-16

CHART 2: LOANS & ADVANCE TO VARIOUS AUTHORITIES FOR VARIOUS DEVELOPMENT ACTIVATES

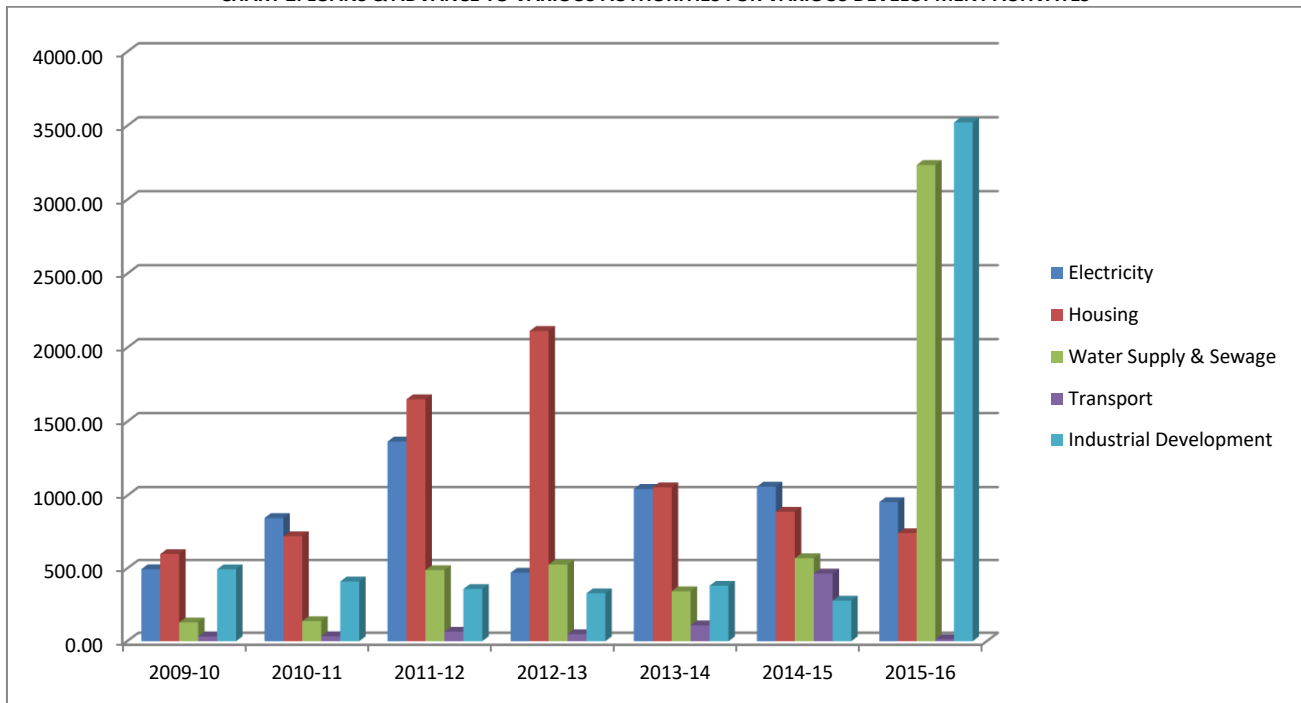
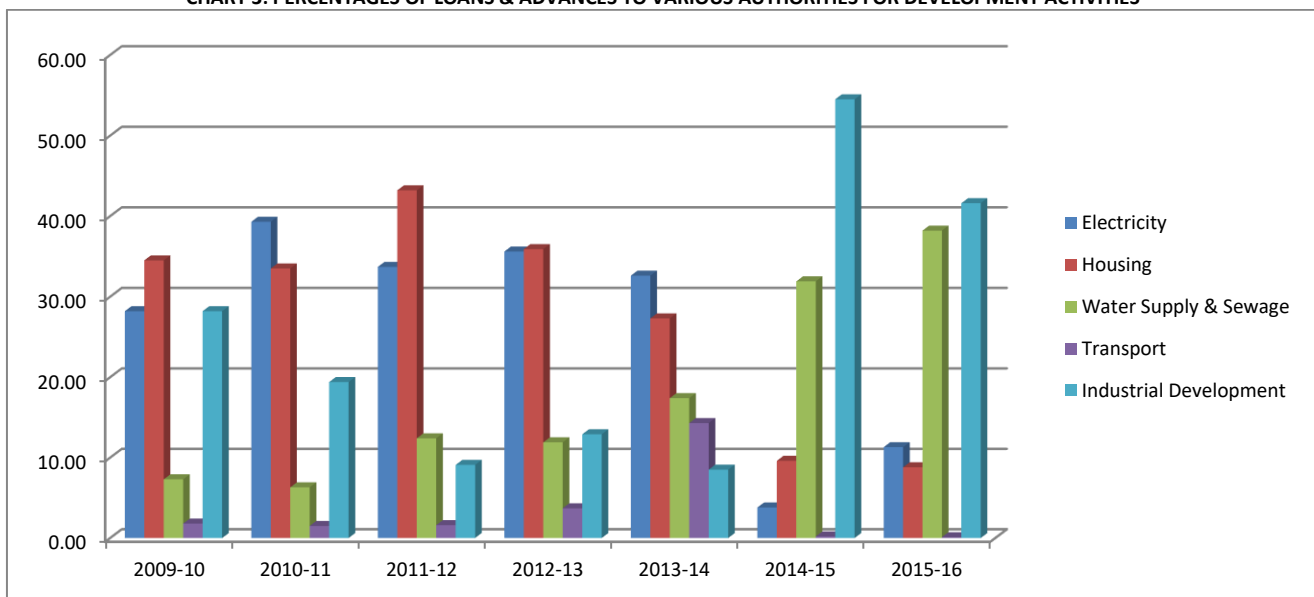


TABLE 1.7: PERCENTAGE DISTRIBUTION OF LOANS ADVANCED TO VARIOUS AUTHORITIES FOR DEVELOPMENT ACTIVITIES BY BBSR DIVISION (Amounts in Thousands)

SL.NO.	AUTHORITY	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
1	Electricity	28.20	39.30	33.70	35.60	32.60	3.80	11.30
2	Housing	34.50	33.50	43.20	35.90	27.30	9.60	8.80
3	Water supply & sewage	7.30	6.30	12.40	11.90	17.40	31.90	38.20
4	Transport	1.80	1.50	1.60	3.70	14.30	0.20	0.10
5	Industrial development	28.20	19.40	9.10	12.90	8.50	54.50	41.60
	TOTAL	100	100	100	100	100	100	100

Source: Annual Reports of LIC BBSR Division

CHART 3: PERCENTAGES OF LOANS & ADVANCES TO VARIOUS AUTHORITIES FOR DEVELOPMENT ACTIVITIES

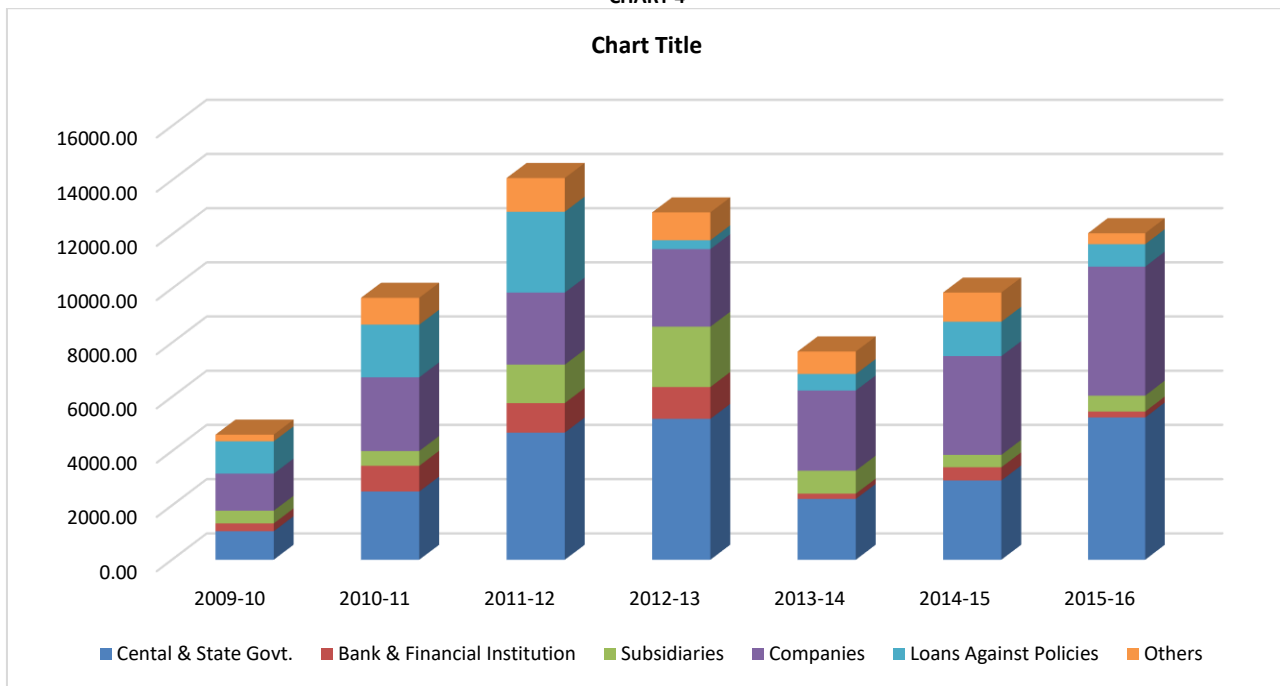


Statistics in Table 4.5 exhibits that LIC's investment contribution to social welfare and infrastructural developments have been from modest to substantial. The table presents, the data from 2009-10 to 2015-16. The investment outflows of the insurance funds in the sector have grown in volume steadily with minor and negligible fluctuations. The LIC allocated an investment of Rs. 1,750.44 thousands for social well-being and infrastructure development in 2009-10. The allocation swelled to Rs. 8470.36 thousands over the course of one-and-a-half decade of this study ending by the year 2015-16. The investments in the infrastructure and social sector registered an increase of around five times during the corresponding period.

TABLE 1.8: BORROWER-WISE CLASSIFICATION OF LOANS& ADVANCES BY LIC BBSR DIVISION

SL.NO.	CATEGORY OF BORROWER	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
1	Central & State govt.	1050.79	2513.84	4684.23	5190.71	2241.09	2923.33	5243.22
2	Bank & financial institution	289.50	948.67	1089.03	1173.87	196.26	484.25	217.85
3	Subsidiaries	468.00	546.21	1419.25	2228.90	845.26	456.26	587.96
4	Companies	1365.85	2714.99	2659.85	2863.42	2956.82	3643.79	4762.50
5	Loans against policies	1188.98	1945.03	2985.04	328.40	608.40	1269.70	827.86
6	Others	246.56	991.92	1245.87	1027.90	831.65	1077.46	405.25
	TOTAL	4609.68	9660.66	14083.27	12813.20	7679.48	9854.79	12044.64

CHART 4



Thus, on an average, half of the investible funds used to be lent to Central and State Governments from 2009-10 to 2015-16. Insurance Regulatory and Development Authority (IRDA) constituted by the Government of India while liberalizing the insurance sector in 2011-12, brought about change in legal framework which widened the avenues of investment for the Corporation. As a result, borrower's preference underwent a change. Loans to Central and State Government dropped from 68 percent of the total volume of loans in 2009-10 to a paltry 5.9 percent in 2013-14, 6.4 percent in 2014-15 and 9.6 percent in 2015-16. Banks and financial institutions which were getting loans of 3 to 5 percent of the aggregate of the Corporation loans from 2009-10 to 2012-13, had a reduced share of 0.3 percent in 2013-14, 1.1 percent in 2014-15 and 0.2 percent in 2015-16. Loans to companies, however, maintain a fluctuating but constant trend of flow of loans ranging between 8 to 17 percent over the period 2009-10 through 2015-16. Policyholders borrowing against assurance policies from the Corporation have been more or less second largest borrower as the loans granted to them range between 13 to 27 percent of the aggregate of loans extended by the Corporation to various classes of borrowers. Loans to 'others' which accounted for 3 to 6 percent of total loans upto 2012-13 have become the largest borrowers since 2013-14. 'Other' borrowers are recipient of loans which constitute 63.1 percent of the total loans in 2013-14, 53.1 percent in 2014-15 and 44.5 percent in 2015-16. Thus, the shift is quite viable as the loans to Central and State Governments have declined and loans to 'others' borrowers and policyholders have increased.

SUGGESTIONS

- ❖ From the period of present study, LIC was more focusing on investing their funds in public sector securities. So it is suggested that LIC should also give preference to private sector and co-operative sector securities for investing their funds.
- ❖ LIC also gives importance on electricity and housing sector securities in investing their funds. So my suggestion is that LIC also give their importance to other sector securities like water & sewerage and transport securities.
- ❖ LIC, Bhubaneswar Division was more focusing on central and state govt. Securities for lending their funds. But my suggestion in that areas is that LIC have to invest more fund in their subsidiaries and bank and financial institution securities.
- ❖ The investment of funds by LIC, Bhubaneswar division on other social welfare activities is very low so my suggestion is that LIC has to utilise more fund for the social welfare activities in the rural areas of Bhubaneswar which is more beneficial for the LIC, Bhubaneswar division for image building.

CONCLUSION

The foregoing study concludes that the LIC's pattern of investment is deeply influenced by the liability characteristics and the legal framework mandating the direction of investment as well as the quantum of investment. At the same time the character of LIC itself being of a financial intermediary between the savers and investor, it carries an obligation to deploy the accumulated funds for the social welfare and development of various sectors of the economy particularly the infrastructure and emerging private sector in the wake of economic reforms. The Corporation, therefore, has to design a structure which satisfies its obligation towards the policyholders whose premium money the Corporation holds as trust money requiring utmost safety as well as liquidity and return. The corporation has also to redeem its obligation towards the society of financing the social welfare activities and infrastructure programmes of the nation as well as to finance the industrial development now assigned to private sector. The investment structure of the Corporation, therefore, is to be a blend that combines the securities of conflicting characteristics in order to ensure security of investment with high return and adequate liquidity while remaining within the confines of legal circumscriptions for investment at the same time. The pattern of investment, thus, exhibits the dominance of government securities, government guaranteed bonds and treasury bills which comprise the stock exchange securities in the portfolio structure of the Corporation.

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