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ABSTRACT

Corruption is precisely not to be in shade but rather to be forced in to heat of engaging with the force of law, but outside the protection of the law. Perhaps the "corrupt" people protesting corruption would like to live a life in which they would not have to be corrupt just to survive every day? The symbolism is this, Anna movement is dangerous. "Abhi To Hum Gandhibadi hai Anna ko kuch ho Gaya to ye Mat Kahna Aatankbadi hai". The victims and recipients of corruption are together. They can be not held together for long and that is scary". Government Mistook Anna Harare's Movement with that of Baba Ramdev's.

KEYWORDS

Anna Hazare, Corruption, India. Movements.

INTRODUCTION

Anna movement was not confined to the educated elite class but it also trickled down to the school and college going students, boot polishers and Dubbawalas, who all joined hands to eradicate the epidemic of corruption. The movement did not gather momentum from the 2G scam, the CWG scam, the Bellary mining scam and the anger of the people due to these scams. It's not the same thing as the Narmada movement. It was not same thing as a people's movement. Obviously people joined in, but all of them were not from the middle class but they were Indian. People from RWA, Traders, School.Students, Children, IITians, Doctors, Lawyers, Poor, Farmers, Rich, and Teenagers all joined this movement. Since very beginning of this movement there has been a conflict of interest amongst the politician, with in the Cabinet, with in the Government, within the parties. But Seasoned Anna Hazare was always calm, and was in full control over his team formulated a new ideology- **Shuddh Aacharan, Suddh Vichar, Niskalan Jeevan, Tyag Karna aur Apman Sahna**, that was in real a turning point of battle between Government and Supporters of Anna Hazare. There is an underlying reason as to why India's anti-corruption movement has garnered immense support in such a short span of time: it is a highly-efficient management model. The right mix of marketing, motivation, operations and service is spearheading the process .It is not often that you can draw lessons in management from a Mass public initiative. On the field, Eliyahu M Goldratt's Theory of Constraints was being executed flawlessly to ensure that there were minimum bottlenecks. The help desks were placed near the entrances with enough space for people to queue for sending postcards to the prime minister. The 4 P's marketing model was in application in its full spirit Product (Gandhi topics), Price (affordable), Place (Ram Lila Maidan), and Promotion (viral marketing).

The topi symbolized allegiance to Gandhian form of dissent you can shun the real Anna, topple him, starve him but his spirit will live on through an invisible line of succession.

"If the movement had not ended this way, it could have ended extremely dangerously. The symbolism was dangerous. The victims and recipients of corruption were together. They could have not held together for long and that was scary." trying to push through a regressive piece of legislation by all means." In other word If this issues of Corruption in India are not resolved, A time will come when it will take a war path amongst Aam Aadmi who have nothing to loose and target will be Government servant particularly who holds administrative post.

Corruption is precisely not to be in shade but rather to be forced in to heat of engaging with the force of law, but outside the protection of the law. Perhaps the "corrupt" people protesting corruption would like to live a life in which they would not have to be corrupt just to survive every day? The symbolism is this movement is dangerous. "Abhi to Hum Gandhibadi hai Anna ko kuch ho Gaya to ye Mat Kahna Aatankbadi hai". The victims and recipients of corruption are together. They can be not held together for long and that is scary".

Ye Jeet Abhi Aadhi hai, Adhi Abhi Baaki Hai- Anna Hazare

Anna Hazare, age 74, suddenly leapt into fame for his anti-corruption mission in India. A man of average height, attired in white Dhoti- Kurta stirred the Indian masses like a seasoned musician who synthesizes all the notes of an instrument to create one tune. His simple and to-the-point conversation without the use of any flowery or flashy words had the desired magic that commanded the attention of millions of Indians. The movement was not confined to the educated elite class but it also trickled down to the school and college going students, boot polishers and Dubbawalas, who all joined hands to eradicate the epidemic of corruption.



Psychologically speaking, Anna's personality is a rare blend of a number of positive psychological characteristics as mental toughness, patience, maturity and wisdom of decision making, leadership, managerial qualities, love for country and countrymen, brahmcharya and spirituality. Unconditional support and acceptance of Anna's leadership by the people of this country is exhibited in the slogans, "Anna Tum Sangharsh Karo Hum Tumhare Saath Hain". Anna and his teammates showed us that it is possible to manage a movement of this magnitude without a single incident of violence. They had separate teams of volunteers' who looked after the arrangement of food, water and law and order.

Surprisingly, people from the system also took a plunge into this nationwide movement but at the same time there were a small percentage of people who leaned back comfortably in their seats wanting to become the beneficiaries of new reforms as a result of this movement without showing their consent or dissent, hats off to them!!!

We were taken aback when one policeman narrated his experience, "Are saab! Mujhe to 100 rupe ke lyia teen maheene ke lyie suspend kar diya tha, yahan to karodon ka ghotala karne wale chattis T.V. channel dekhte hain, paanch akhbar pardte hain aur hum jaisa gareeb inki hifajat karta hai". Why such dual standards? It's disturbing! On one hand rules are so stringent and promptly followed and on the other hand not followed at all.

"The movement did not gather momentum from the 2G scam, the CWG scam, the Bellary mining scam and the anger of the people due to these scams. It's not the same thing as the Narmada movement. It was not same thing as a people's movement. Obviously people joined in, but all of them were not from the middle class but they were Indian. People from RWA, Traders, School.Students, Children, IITians, Doctors, Lawyers, Poor, Farmers, Rich, Teenagers all joined this movement. Saint Francis School students Utkarsh and Umang to whom we met at India Gate were of the view that he likes Anna Hazare because he speaks better than our prime minister. We should make him Prime Minister of our country. It may be true that many people like Aamir Khan, Anupam Kher, Om Puri, Kailash Kher, Raghvir Yadav, Manoj Tewari, Sonu Nigam etc came for a sort of reality show, well orchestrated by the media." But what about people like Sri Sri Ravi Shankar, Dr. Naresh Trehan, Justice Pandey, Media Honchos, who neither require media attention nor One's recognition.

BACK GROUND OF ANNA HAZARE

Kisan Baburao Hazare was born on 15 June 1937 in Bhingar, a small village in Hingangaon near the city of Bhingar, in Bombay Province (present-day Maharashtra). Kisan's father, Baburao Hazare, worked as an unskilled labourer in Ayurveda Ashram Pharmacy. Kisan's grandfather was working for the army in Bhingar, when he was born. His grandfather died in 1945, but Baburao continued to stay at Bhingar. In 1952, Baburao resigned from his job and returned to his own village, Ralegan Siddhi. Kisan had six younger siblings and the family faced significant hardships. Kisan's childless aunt offered to look after him and his education, and took him to Mumbai. Kisan studied up to the seventh standard in Mumbai and then sought employment, due to the economic situation in his household. He started selling flowers at Dadar to support his family. He soon started his own shop and brought two of his brothers to Bombay.

MILITARY SERVICE

In 1962, events in South Asia meant that large-scale army recruitments were being undertaken. Despite not meeting the physical requirements, 25-year-old Hazare was selected, as emergency recruitment was taking place in the Indian Army. After training at Aurangabad in Maharashtra he started his career in the Indian Army as a driver in 1963. During the Indo-Pakistani War of 1965, Hazare was posted at the border in the Khem Karan sector. On 12 November 1965, the Pakistan Air Force launched air strikes on Indian bases, and all of Hazare's comrades were killed; he was the only survivor of that convoy. It was a close shave for Hazare as one bullet had passed by his head. He was driving a truck. This led him to dwell on the purpose and meaning of life and death. He came across a small booklet titled "Call to the youth for nation building" by Swami Vivekananda in a book stall at the New Delhi railway station. He realized that saints sacrificed their own happiness for that of others, and that he needed to work towards ameliorating the sufferings of the poor. He started to spend his spare time reading the works of Vivekananda, Gandhi, and Vinoba Bhave. During the mid-1970s, he again survived a road accident while driving. It was at that particular moment that Hazare took an oath to dedicate his life to the service of humanity, at the age of 38. He took voluntary retirement from the army in 1978. He was honourably discharged from the Indian Army after completing 12 years of service. During his tenure about five medals were appraised to Anna Hazare: Sainya Seva Medal, Nine Years Long Service Medal, Sangram Medal, 25th Independent Anniversary Medal, and Pashimi Star award. Allegations of Hazare deserting the Indian Army were put to rest when an RTI application brought forward information of him having been honourably discharged from service.

RIGHT TO INFORMATION MOVEMENT

In the early 2000s Hazare led a movement in Maharashtra state which forced the state government to pass a stronger Maharashtra Right to Information Act. This Act was later considered as the base document for the Right to Information Act 2005 (RTI), enacted by the Union Government. It also ensured that the President of India assented to this new Act. Law professor Alasdair Scott Robertssaid:

The state of Maharashtra – home to one of the world's largest cities, Mumbai, adopted a Right to Information Act in 2003, prodded by the hunger strike of prominent activist, Anna Hazare. ("All corruption can end only if there is freedom of information," said Hazare, who resumed his strike in February 2004 to push for better enforcement of the Act).

On 20 July 2006 the Union Cabinet amended the Right to Information Act 2005 to exclude the file noting by the government officials from its purview. Hazare began his fast unto death on 9 August 2006 in Alandi against the proposed amendment. He ended his fast on 19 August 2006, after the government agreed to change its earlier decision.

THE RIGHT TO INFORMATION ACT, 2005

RTI is an Act of the Parliament of India "to provide for setting out the practical regime of right to information for citizens." The Act applies to all States and Union Territories of India. Its also applicable in Jammu and Kashmir as J & K Right to Information Act. Under the provisions of the Act, any citizen may request information from a "public authority" (a body of Government or "instrumentality of State") which is required to reply expeditiously or within thirty days. The Act also requires every public authority to computerize their records for wide dissemination and to pro-actively publish certain categories of information so that the citizens need minimum recourse to request for information formally. This law was passed by Parliament on 15 June 2005 and came fully into force on 13 October 2005.^[1] Information disclosure in India was hitherto restricted by the Official Secrets Act 1923 and various other special laws, which the new RTI Act now relaxes

ANNA'S MOVEMENT: A HONEST EFFORT TO GET JAN LOKPAL BILL PASSED BY THE PARLIAMENT

Movement was to support Anti Corruption "Anti Corruption " then is precisely = Politics. "Corruption" has the emotive charge of "Salt" to the Dandi march. It touches every one, and it highlights the oppressiveness of the state. Holding Government and the bureaucracy accountable for corruption will automatically will check corporate corruption too, because it is the former that must be bribed for corporation to circumvent the law.

The other argument against an anticorruption law is that "Corruption provides a little shade to the poor" As skeptics about the law and the state. But how to understand the poor and working class who throng the movement? Perhaps corruption is precisely not to be in shade but rather to be forced in to heat of engaging with the force of law, but outside the protection of the law. Perhaps the "corrupt" people protesting corruption would like to live a life in which they would not have to be corrupt just to survive every day? And that is why the entire nation under the leadership of Anna Hazare wants "Janlokpal Bill" passed by the Parliament so that the people indulged in Corruption including Prime Minister could be nailed under charge of Corruption.

JAN LOKPAL BILL VS CONFLICT OF INTERESTS

Since very beginning of this movement there has been a conflict of interest amongst the politician, with in the Cabinet, with in the Government, within the parties. Few leaders like Lalu Prasad Yadav, Amar Singh, Mayawati, Ambika Soni, Kapil Sibal, Manish Tewari and P.Chidambaram never wanted this Janlokpal Bill to be passed by the Parliament. There may be several reasons behind it. May be some cases of corruption pending against them that will be opened by their

political rivals the movement Janlokal get passed. Few of them like Kapil Sibbal and Manish Tewari started using abusive and non parliamentary language against Team Anna and Anna Hazare that has added Ghee to the Fire. But Seasoned Anna Hazare was always calm, and was in full control over his team formulated a new ideology- **Shuddh Aacharan, Suddh Vichar, Niskalan Jeevan, Tyag Karna aur Apman Sahna**, that was in real a turning point of battle between Government and Supporters of Anna Hazare.

Rahul Gandhi's Speech In the parliament was very clear that Government in not going to listen any more to Anna's Demand, has created uncertainty in the Mind of team Anna and has also downsized his status in Indian Politics particularly amongst youth and poor, which may take several years from now to gain.

But with the support of BJP and their Senior leaders like Lal Krishna Advani, Sushma Swaraj and Pranab Mukharjee and Salman Khurshid in parliament worked well in resolving this Conflict of Interest.

Pranab Mukharjee-who in reality deserves to be a Prime Minister once said: Our Democracy is powerful enough.....Flexible enough to accommodate different view points.... Parliament does not necessarily follow the conventional way of law making..... **I accept the lapse of Our Government.** (TOI page-11, 28 August 2011)

Salman Khurshid- Law Minister in Manmohan Singh Government says: **I admits error of Judgment in Handling Anna's Movement**-(TOI page-11, 29 August 2011).

And at the end of the day with conflict resolution Manish Tewari who was in Social Exile for last two weeks appears before Media Seeking Apologies from the Great Anna Hazare for his past statement in which he has termed Anna Hazare the Most Corrupt Person of this Civil Society.

ON THE NGOS BEHIND THE MOVEMENT

"It was an NGO driven movement by Kiran Bedi, Arvind Kejariwal, Manoj Sisodia, Prashant Bhushan, Shanti Bhushan, Justice Santosh Hegde, Medha Patekar etc. Three of them run NGOs and all the three core team members are Magasaysay Award winners. I wanted to indicate why these NGOs are participating to mediate in what the public policy should be? Is this movement is really supported by World Bank and Ford Foundation fund the anti-corruption campaigns. What Few Minister are saying is really true? We went inside the crowd; there was no space find place for your foot where we found every body sweating. We saw a Group of people standing mid way holding banner in their hands of a NGO - Utkarsh-The Spirit of Development. Dr. Needhi Arora Kumar Prasan Thakur, Shishir Kumar. All office Bearer of this NGO collectively says - That Anna is a best Communicator- his style of communication brings Aam admi closer to his heart, makes them understand what Anna is saying and that is why peoples are gathering to support him. Then our illusion came to end that this entire Movement is being funded by World Bank and Ford Foundation.

ANNA HAZARE'S MOVEMENT: A CASE STUDY IN MANAGEMENT

There is an underlying reason as to why India's anti-corruption movement has garnered immense support in such a short span of time: it is a highly-efficient management model. The right mix of marketing, motivation, operations and service is spearheading the process.

It is not often that you can draw lessons in management from a Mass public initiative. We went to Ram Lila Maidan to join the thousands others in the fight against corruption. The mission, operations, communications, enrollment, marketing, motivation and customer service of the movement were being managed in a way that would put most business school case studies to shame.

The field had roughly One Lakh people, including thousands volunteers and a few dozen policemen. Every corner of the field had covered seating (it had been raining all day).



Those fasting were sitting on stage facing the myriad television cameras at the opposite end, separated only by enthusiastic supporters. On the mike were organisers, community leaders and sloganeers from different walks and religions of life -- Anna Ke Hai Char Bhai- Hindus, Muslims, Sikhs, Eesai (Christians).

Outside the covered area were groups of protestors in circles doing their own sloganeering. The crowd was mostly lower middle class educated, passionate, decent and downright patriotic. The older men were in office-going cotton pants with shirts, and the women in salwar suits. The younger crowd was in jeans and tee-shirts, holding up the Indian tri-color with pride.

Both the young and the elderly were protesting side-by-side, reflecting the gravity of the cause that had transcended the generations.

Speaker after speaker on the stage made the mission of the movement crystal clear: it is a fight against corruption. Not land acquisition, not food inflation, but corruption. Team Anna was taking on leadership of a cause for which demand was high but supply almost zero.

To confirm a tangible outcome, rather than an endless battle for a good cause, a measurable and achievable success criteria had also been defined passage of the Jan Lok Pal Bill. This laser-sharp focus has enabled the organizers and the citizen protestors at Ram Lila Maidan, as also the distributed protests around the country, to march in step and direct all the firepower towards the one, single goal.

On the field, Eliyahu M Goldratt's Theory of Constraints was being executed flawlessly to ensure that there were minimum bottlenecks. The help desks were placed near the entrances with enough space for people to queue for sending postcards to the prime minister. The entire process of taking the postcard (provided free), getting a pen (borrowed), writing into the postcard, filling the PM's address (done by an organiser) and receiving a chest badge, took less than five minutes!

We timed it. That's called a Throughput time in MBA language, and five minutes would have clinched a medal. And all of this was done by five people manning a booth that was seeing thousands pouring in since morning. That's Lean Management for you. Queues can scare away people. Managing the crowds should be a priority.



Two boards were communicating the message. One had the slogan Azaadi ki doosri ladai.

The second had listed out the 11 major differences between the government's version and Team Anna's version of the bill. It was so simply written that a Cobbler, who had also been looking up at the board with me, turned and said, "Anna Nahi Andhi hai Desh ka Doosra Gandhi hai."

No better indication that the board was serving its purpose. Subscription to the movement is easy. All you need is, I am Anna topi and lots of patriotism and no bar for language, religion, caste, age, gender.

Most slogans are in hinglish India's unrecognised national language. There were Sikhs, Muslims, Hindus, Christians who stood up to claim that they were in it together. So did the Gujaratis, Marathis, Biharis and Tamilians, and men and women of all ages, and it was showing the Magnitude of Influence- the best communicator Anna Hazare only, after Mahatma Gandhi.

"Mai Bhi Anna, Tu Bhi Anna ab to sara Desh hai Anna"

No need of registration was required there. No need to learn jargons, or fear missing the fine print, or providing proof of your Indian citizenship or Indian-ness, or accumulating loyalty points by fasting for a hours to be considered a Desh Bhakt.

ALL THE 4P's MUST RESONATE WITH PEOPLE: THE REAL STORY BEHIND SUCCESS OF MOVEMENT

The 4 P's marketing model was in application in its full spirit Product (Gandhi topis), Price (affordable), Place (Ram Lila Maidan), and Promotion (viral marketing). The topi symbolized allegiance to Gandhian form of dissent you can shun the real Anna, topple him, starve him but his spirit will live on through an invisible line of succession.

The cost at Rs. 5 to 20 is just at the right price-point that most people can buy, and become one of the proud many that can be spotted in the most crowded streets.

The Zakir Hussain College and the Shyama Prasad Mukharjee Civic Centre – The newly constructed Head Quarter of Municipal Corporation of Delhi (probably the most visibly corrupt institution) located right opposite Ram Lila Maidan provided the perfect place to begin the second struggle for independence. Lastly, and perhaps, the most viral of all, was the I am Anna slogan written on each topi.

RIGHT AMBIENCE CAN TIP THE MOVEMENT IN YOUR FAVOR

If you have been wondering how a make-do protest ground can engage people for so long, the power of context can help somewhat explain that. Malcolm Gladwell had explained in his book, Tipping Point, that a movement can gather steam or tip, if the audio-visual context is right. He questioned whether Paul Revere's midnight runs to warn about the British may have had the same affect if it had been done during the day.

YE ANDAR KI BAAT HAI POLICE BHI HAMARE SAATH HAI

Similarly, the picture of people fasting in white kurta's, with white Gandhi topis, under the portrait of Gandhi in Ram Lila Maidan made the movement patriotic, and emotional. The visible appeal converts into an adrenalin rush through your heart in seconds, and before you know it, you body has suddenly acquired energy to go on.

RIGHT AMBIENCE CAN TIP THE MOVEMENT IN YOUR FAVOUR

Finally, like every management strategy, this one too has its limitations and will have its critics. But like every management strategy, it cannot come with a promise of solving all the problems, for all the people, for all the time.

It can only be an example for those who follow, with the hope that they adopt it for a good cause and retain the values with which this strategy was created.

G B Road sex worker at Ram Lila Maidan also joined this Andolan with President Bhartiye Patita Uddhar Sangh told us that- We are here in Brothel (Kotha par) because of Indian corrupt system (ICS. Politician, Police Wala and some Jamindar. We hope that Anna's Movement will find its destination and one fine day we will out of this Dhandha.

ON THE MEDIA'S ROLE IN THE MOVEMENT

"We would not say that it was completely media manufactured event. There was mobilisation from the Rashtriya Swayamsevak Sangh and the Bharatiya Janata Party too. I don't know when the media has campaigned in this way earlier, where every kind of news has been pushed out for Thirteen days and you have only this (particular piece of) news. For a nation of one billion people, the media did not find anything else to report.

Certain major TV channels like -- Aaj Tak, Dilli Aaj Tak (DAT), Star News, Zee News, IBN-7, Times Now, CNN IBN, Headlines Today (A TV Today Network), all other print Media like The Times of India, The Indian Express, Dainik Jagran, Nai Dunia, Daily Life Analysis (DLA) campaigned for this Movement. That's a kind of corruption in the first place. If it was not only for TRPs but for a right cause. But for some other TV channels and News Paper with less or no credibility in Market this entire Aandolan was merely a Peepli Live- Nattha Marega, but Koi Natha Mara Nahi at the end you need to decide. Who is Nattha is for you?

CONCLUSION

"If the movement had not ended this way, it could have ended extremely dangerously. The symbolism was dangerous. The victims and recipients of corruption were together. They could have not held together for long and that was scary." trying to push through a regressive piece of legislation by all means". In other word If this issues of Corruption in India are not resolved, A time will come when it will take a war path amongst Aam Aadmi who have nothing to loose and target will be Governmentt servant particularly who holds administrative post. A veteran Journalist Virendra Sengar, Executive Editor Daily Life analysis-who has been a part of this Anndolan right from the beginning was of the view that Government Mistook Anna Harare's Movement with that of Baba Ramdev's .

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STUDENTS BEHAVIOUR AND THE QUALITY OF EDUCATION IN ETHIOPIAN SECONDARY SCHOOLS (THE CASE OF EASTERN ZONE OF TIGRAI REGION, ETHIOPIA)

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ABSTRACT

The study has dealt on the basis of the perception of the schools' principals of the quality of education in the secondary schools of Eastern Zone of the Regional State of Tigray, Ethiopia. The study adopted census method to investigate the quality of education with a particular emphasis on students as one of the core actors in the teaching learning process. It has executed the research process by considering all the secondary schools in the zone. Questionnaire method of data collection is applied so that greater degree of freedom of respondents is maintained and possible bias is minimized. The study disclosed that there is a dramatic incremental trend of student population in the past few years which will continue in the future too with fundamental implication on the provision of supply side factors. This situation demands due attention from all concerned bodies and manage it strategically. The study revealed that students as core stakeholders of the teaching learning process are not properly discharging their roles properly. The achievement of quality of education remains unconceivable owing to the failure of the implementation of the shared responsibility vested on students by themselves. To overcome the observed gap from student side, the school better take the initiative to take the leading role for restoration of the desired execution of shared responsibilities for quality of education. Some problems attributed to students are shared by some schools such as the prevalence of low attitude to schooling; while some are peculiar depending on the respective school's prevailing situation.

KEYWORDS

Eastern Zone, educational quality, Ethiopia, principals' perception, students' behavior, students' responsibility, students' role, Tigray.

INTRODUCTION

Many countries of the world used to assume education quality as one crucial national priority with the intent of supporting economic progress and social aspirations. It is obvious that the Ethiopian Government has been directing all efforts of the various sectors with the aim of alleviating the deep rooted poverty which has been so prevalent in the country for a very long period of time. One of the top priorities given from the various sectors of the country was the education sector with the rationale that poverty can be eradicated with the help of the force of diversified, capable and skilled personnel army that can effectively combat the fight against backwardness. Consequently nationwide development strategies were designed where the educational sector got a prominent place as a result massive expansion on the educational activities has been made in a very short period of time. The educational coverage of the country and the expansion of Higher institutions is so enormous which resulted the production and supply of skilled and semi skilled human resource that can involve or participate in the development activities of the country. Despite the positive results achieved in expanding education and access to the people, still there are indications where a lot of work should be done on the quality part of the education. It has been observed that from those who are sitting to take the national competence assessment very few are observed passing the examination. Moreover, significant number of the students who join universities are observed to have a lot of difficulties in coping up and grasping the concepts of the subject matter of the courses they are taught. The Secondary Schools in the country are serving as the direct inputs to Ethiopian Universities and Colleges. The educational performance of the Secondary schools is significantly affecting the academic performance of Ethiopian Higher Institutions. Currently, the State Regional Government is also giving a lot of focus to ensure the provision of quality education to the people of Tigray and some measures are being taken. It is evident that the problem of the quality of education is not as such to be left solely to be dealt by the regional government. The desired quality can be ensured and be sustained through the concerted efforts of various bodies. Agazi Alumni Association is one that the issue of quality of education concerns it directly and has the social responsibility and obligation to contribute its part in maintaining the desired quality of education and see students of today becoming productive citizens of tomorrow. With this rational in mind the association has taken the initiative to conduct a study to identify the actual real problems of schools with a particular emphasis on the high schools of the Eastern Zone of Tigray.

OBJECTIVE OF THE STUDY

The objective of this study is to examine the problems with regard to the behaviours of the clients or participating students and identify the problems of high schools in this regard that deter the realization of the desired quality of education in Eastern Zone of the Tigray Regional State of Ethiopia.

METHODOLOGY

The study bases its analysis on the conceptual frame work of most researchers adopt while doing similar study on education. The study has reviewed various literatures on education, quality of education, factors that determine quality of education, conceptual definition of education, and the like. The survey study is conducted based on primary data collected from almost all high schools of the Eastern zone of the Regional State of Tigray. A questionnaire has been prepared and filled by the respective principals of each school. The study is analyzed on the basis of descriptive approach using tables

The study focuses on the expected behaviours of students and the actual behavior as observed by the respective principals of the secondary schools. The desired quality of education can be realized through the integration of various factors. This study deals with the factors related to students which are the clients expected to be built up equipped with the necessary skills, knowledge, and behavior at the end of the teaching learning process. However, apart from the contributions and roles of other factors like teachers, facilities, and the environment, if the clients or students are not playing their expected roles properly it could saddle the efforts of the various parties striving for achieving the targeted quality of education. The study will investigate the actual prevailing behaviour of students as perceived by the respective principals of the secondary schools.

SCOPE OF THE STUDY

The scope of the study is limited to the assessment of the problems of the high schools in Eastern Zone of Tigray with a particular emphasis on students' behaviour of these schools. It is limited to the problems associated with the teaching learning process that affects the quality of education. The study does not deal with the problems related to teachers, physical and location of the specified Eastern zone high schools; and the tertiary higher institutions such as colleges, universities of the zone. It specifically focuses on the students' behavior related problems of the secondary schools of the Eastern zone.

LIMITATION OF THE STUDY

Problems related to education are so general which may range from primary level to the tertiary level. These problems could be country wide, region wide, in their coverage. However, this study is limited to the specified zone of the region and on one part of the educational sector that is on the secondary schools. The study attempted to deal with the educational quality problems attributed to students' related factors. Educational quality can be affected by many factors in which students related issues are only part of it that this study assumes as a limitation of this study. Moreover quality can be realized through the integration of the various factors responsible for, which this study considers partial analysis of the behavioural factors of students. Besides, the findings of this study may not represent to other secondary schools in the other zones of the regional state of Tigray. Moreover, as the study is mainly based on descriptive approach due to the relative inherent characteristics of the approach it may not investigate the problem so deeply. The analysis used in this study are based on the responses given by the respective principals of each high school and it can be inferred that had the views of the teachers, students and parents to some of the issues been incorporated to some extent the reliance on the responses of the principals would have been minimized which this study considers as a limitation.

SIGNIFICANCE OF THE STUDY

Most of the studies reviewed used to focus on teachers and other inputs of the teaching learning process, whereas the behavioural aspects of the participating clients of the education process are not given due attention as principal subject of a study. This study attempts to explore this part in the education process. The study will help identify the real problems high schools are facing in the teaching learning process which enables them to recognize from the students part and tackle it in a way that enhances the quality of education. It will help the Education Bureau of the Tigray Regional State government in Ethiopia, Agazi Almuhi Association, which took the initiative to undergo this research and other concerned bodies understand the problems the schools are facing and do all necessary planning and execution efforts to mitigate it. Moreover, this study will be important to concerned bodies to prioritize the problems that should be challenged and effectively channel the resources it used to generate for the enhancement of quality of education in the zone. This study also is of paramount importance serving as an input for alleviating the hurdles on behavioural aspects of students. Having a picture about the prevailing overall problems related to the important key stakeholders (students' behavior in this case) of the schools will help government and nongovernmental organizations persuade their respective audiences in the home country and across the world to be coordinated and work cohesively to achieve the common major goal of enhancing quality of education.

STUDY AREA

The study is conducted in Ethiopia in which it is classified in to regional administrative states. The regional states of Ethiopia are also classified into administrative zones. Accordingly one of the regional states of Ethiopia, Tigray Regional State in which this study is conducted is classified into four zonal administration areas, namely Eastern Zone, Western Zone, Southern Zone, and Central Zone. The zonal administration is further classified into 'woreda' (subzone) administration areas. This study is conducted in one of the regional zonal administration of the Eastern Zone of this Tigray Regional State.

LITERATURE REVIEW

The precise meaning of education quality and the path to improvement of quality are often left unexplained. Examined within context, education quality apparently may refer to inputs (numbers of teachers, amount of teacher training, number of textbooks), processes (amount of direct instructional time, extent of active learning), outputs (test scores, graduation rates), and outcomes (performance in subsequent employment). Additionally, quality education may imply simply the attaining of specified targets and objectives. More comprehensive views are also found, and interpretation of quality may be based on an institution's or program's reputation, the extent to which schooling has influenced change in student knowledge, attitudes, values, and behavior, or a complete theory or ideology of acquisition and application of learning (Adams 1998).

As education systems grow and the numbers of stakeholders and clients involved in education decisions change, the potential for misunderstanding, disagreement, and conflict regarding the meaning of quality increases. Full agreement among parents, teachers, administrators, and students as to the ingredients of quality, how to measure it, and how to initiate and sustain improvement is unlikely. (Chapman and Adams, 2002)

In all aspects of the school and its surrounding education community, the rights of the whole child, and all children, to survival, protection, development and participation are at the centre. This means that the focus is on learning which strengthens the capacities of children to act progressively on their own behalf through the acquisition of relevant knowledge, useful skills and appropriate attitudes; and which creates for children, and helps them create for themselves and others, places of safety, security and healthy interaction. (Bernard, 1999)

The students have unique role to play in ensuring quality education institutions from Government College of Engineering, Amravati (GCOEA). Firstly, the students should realize that they have right for quality education and it is the responsibility of the GCOEA to provide quality educational experience to learners. Secondly, the students should equally be aware of their responsibilities which in turn will help the institutions to provide quality education. This means students should demand quality education and demonstrate their commitment to quality education by accepting their responsibilities. Otherwise the institution will have very little motivation for quality enhancement. (GCOEA)

It adds that student's responsibilities of learning as student shall appreciate the institutional goals and objectives and contribute to the realization of the same by participating in relevant institutional activities; have a clear knowledge of programs, admission policies, rules and regulations of the institution; follow the time schedules, rules and regulations of the institution; undertake regular and intense study of learning materials; make optimum use of the learning resources and other support services available in the institution; prepare for continuous assessment and term-end examination; give feedback for system improvement; have a faith and ability to pursue lifelong learning; live as worthy alumni of the (GCOEA)

A study of village-based schools in Malawi found that students with higher rates of attendance had greater learning gains and lower rates of repetition, a finding consistent with many other studies (Miske, Dowd et al. 1998).

Parental education not only influences parent-child interactions related to learning, but also affects parents' income and need for help in the home or field — help that often comes at the expense of keeping children in school (Carron & Chau, 1996). Parents with little formal education may also be less familiar with the language used in the school, limiting their ability to support learning and participate in school-related activities.

Do larger class sizes hurt the quality of education? Educators and researchers from diverse philosophical perspectives have debated the relationship between class size and student learning at length. Although many studies have found a relationship (Willms, 2000), class size has not consistently been linked to student achievement (Rutter, 1979, cited in Pennycook, 1993). They added that this may be due to the fact that many schools and classrooms have not yet adopted the more demanding but higher quality student-centered learning practices. Moreover, quantitative relationships between class sizes and academic achievement rarely take other key quality factors into account, such as teachers' perceptions of working conditions and their sense of efficacy.

Within schools and classrooms, a welcoming and non-discriminatory climate is critical to creating a quality learning environment. In many countries, attitudes discouraging girls' participation in education have been significant barriers to providing quality education to all students. The Republic of Guinea provides an example of how this barrier can begin to overcome. Between 1989 and 1997, Guinea was able to increase the percentage of school-age girls enrolment from 17 per cent to 37 per cent. This was done through the establishment of a high-profile Equity Committee, research to better understand various communities' needs and attitudes, policy reforms related to pregnancy of school-age mothers, the building of latrines for girls in schools, institutional reform that brought more

women into teaching and administrative positions, and a sensitization campaign to raise community awareness about the value of girls' education. Although curricular reform and other issues remain to be acted upon, and girls' persistence and achievement have not yet reached the level of boys', this case shows that efforts to improve the learning environment for girls and all students can lead to real results (Sutton, 1999).

The other issue that can be considered in the case of education is the psychosocial factor. Once girls gain access to schools, however, they may experience both direct physical threats and more subtle assaults on their confidence, self-esteem and identity (Pigozzi, 2000). The journey to school may be unsafe, since many girls experience harassment and physical attacks either on public transportation in cities or remote paths in rural areas. At school, teachers often require girls to do maintenance work while boys study or play, and allow boys to bully girls. Girls must often sit at the back of the classroom, where teachers may call on them infrequently. In some cases, extreme physical assault, including rape, may be perpetuated against girls at school. The threats that come in the form of unequal treatment, harassment, bullying and undervaluing girls harm them in profound and long lasting ways.

Relative to both girls and boys, parents, educators and researchers express important concerns about teachers who create an unsafe environment for students. In some schools in Malawi, for example, male teacher's sexually harassed girls even with outside observers present (Miske, Dowd, et al., 1998). When parents in Burkina Faso, Mali and Tanzania were asked about reasons they might withdraw their children from schools, they most often cited a lack of discipline, violence of teachers towards pupils (corporal punishment), and the risk of pregnancy due to the male teachers' behaviour (Bergmann, 1996). A study in Ethiopia found that nearly 50 per cent of teachers interviewed reported using corporal punishment at least once a week, with 11 per cent saying they use it every day. Just over one third said they never use corporal punishment (Verwimp, 1999). These teacher behaviours affect the quality of the learning environment since learning cannot take place when the basic needs of survival and self-protection are threatened.

The presence of inclusive environment is supposed to have its own impact on the quality of education. Reducing other forms of discrimination is also critical to quality improvement in learning environments. Most countries, in all parts of the world, struggle with effective inclusion of students with special needs and disabilities. An examination of special education policies and practices in China, Indonesia, Japan, Malaysia, New Zealand, South Korea, Thailand and Viet Nam found that although most educational policies include some philosophy of inclusion, significant gaps between policies and actual practices in schools and classrooms exist (Mitchell, 1995). Children of ethnic and language minorities, politically or geographically disfavoured groups, and groups at low socio-economic levels may also suffer from discriminatory policies and practices that hinder the advancement of quality education for all children. This can occur by excluding such children from school or by excluding their participation in school once they are attending. In general, continued restructuring of most learning environments needs to occur to improve learning opportunities for children of all abilities and backgrounds.

The maintenance of effective school discipline contributes its part in realizing the desired level of educational quality. Well-managed schools and classrooms contribute to educational quality. Students, teachers and administrators should agree upon school and classroom rules and policies, and these should be clear and understandable. Order, constructive discipline and reinforcement of positive behaviour communicate a seriousness of purpose to students (Craig, Kraft & du Plessis, 1998). It is important not to mistake small group cooperative learning for disorder, however; although noise levels may increase, task-orientation and focus on learning signal effective practices. Policies are also needed on bullying, harassment, drug and tobacco use, and anti-discrimination with regard to disabilities, HIV/AIDS and pregnancy.

Quality content refers to the intended and taught curriculum of schools. National goals for education, and outcome statements that translate those goals into measurable objectives should provide the starting point for the development and implementation of curriculum (UNICEF, 2000).

Teacher education, both pre-service and in-service, should help teachers develop teaching methods and skills that take new understandings of how children learn into account. Just as curriculum should be child-centered and relevant, so should instructional methods. The limited view of teaching as presentation of knowledge no longer fits with current understandings of how and what students learn. Instead, instruction should help students build on prior knowledge to develop attitudes, beliefs and cognitive skills; as well as expand their knowledge base. Teaching styles in many places, however, remain traditional, teacher-centered and fairly rigid or even authoritarian (Carron & Chau, 1996).

When Ethiopian teachers were interviewed about the degree to which their teaching practices were learner-centered and relevant to student's lives, about half said they link lessons to the daily life of pupils at least once a week. Almost two-thirds, however, said they never or rarely ask pupils what their interests are, or what they would like to learn (Verwimp, 1999). Greater understanding of student-centered learning can be encouraged through programs such as the Bangladeshi project on Multiple Ways of Teaching and Learning. Begun in 1994, the project helps improve teachers' skills by integrating brain research and multiple intelligences theory as the foundation for understanding children's needs (Ellison & Rothenberger, 1999). Teaching methods that facilitate active student learning rather than promote passivity and rote memorization represent a new and difficult paradigm for many teachers, but one that needs to be understood and put into practice if learner outcomes are to improve. Life skills is a term which UNICEF uses in two main ways, (i) to refer to a broad group of psychosocial and interpersonal skills, and (ii) to refer to the process of teaching and learning about these skills. As such, it is important to discuss life skills in terms of essential content and processes related to life skill-based education. Teaching and learning about life skills requires interactive, student-centered methods. Since skills are by definition active, competency is unlikely to be developed without active practice.

Education that supports and empowers both teachers and students through democratic processes increasingly defines quality in the 21st century. An example of how schools might organize learning activities around these principles comes from Uganda. With help from USAID's Improving Educational Quality project, researchers collaborated with teachers in primary schools in Uganda to develop action research opportunities for students that would exemplify empowering student-centered education. In one school, for example, students identified the problem area of student tardiness and selected it for study. They collected and analyzed data tracking attendance and mapping the homes and routes tardy children took to school. Based on these data, more punctual students teamed up with their slower classmates who lived nearby, and devised systems to encourage them along (Kanyike, L., Namanya, P., & Clair, N., 1999). Among other things, this type of learning activity promotes critical thinking, problem solving, teamwork, and community involvement. Such activities can build the attitudes and values in children that contribute to democratic societies.

The feedback mechanism of teachers influences the quality of education. Good teachers are skilled not only in instructional methods, but also in evaluation and assessment practices that allow them to gauge individual student learning and adapt activities according to student needs. This process should include both performance assessment and assessment of factual knowledge. Observations in Guinea and India found that teachers are very poorly trained in evaluation techniques, and the reality is far from the continuous evaluation procedures recommended by official programs (Carron & Chau, 1996). Indeed, many teachers and educational systems continue to rely almost exclusively on traditional paper-and-pencil tests of factual knowledge that tend to promote rote memorization rather than higher order thinking skills (Colby, 2000).

The teachers' belief that all students can learn enables them to strive for applying various instructional and teaching methods so that the desired skills and knowledge can get transferred to all students. The way time is used is related to school priorities and expectations. Quality education puts students at the centre of the process; student achievement must be the school's first priority. Since schools exist because of students, this would seem self-evident. Perhaps because of the complexity of educational systems, however, teachers may not always believe in the school's ability to help all students. For example, teachers interviewed in Guinea and Mexico had little awareness of the school's role in pupil failure and dropout. Instead, they tended to blame the pupils and their family environment (Carron & Chau, 1996). Research around the world has shown that low expectations for student achievement permeate educational systems.

Rather than setting high standards and believing that students can meet them, teachers and administrators in many developing countries expect that up to half the students will drop out or fail, especially in primary grades. Schools committed to student learning communicate expectations clearly, give frequent and challenging assignments, monitor performance regularly, and give students the chance to participate in and take responsibility for diverse school activities (Craig, Kraft, & du Plessis, 1998).

Recent scholarship has emphasized the importance of student effort and involvement in their academic and co-curricular activities as the decisive elements in promoting positive college outcomes. As colleges have struggled to extend opportunities, an accompanying expectation for students to assume responsibility for their own education often has been lacking. Institutions must work to create a climate in which all students feel welcome and able to fully participate. It is

equally important to nurture an ethic that demands student commitment and promotes student responsibility. Students can contribute to their own learning and to the development of a campus climate in which all can grow and learn. (Davis Todd M. and Patricia Hillman Murrell)

The foundations of student responsibilities in higher institutions are expressed by scholars such as Pace, Tinto, Pascarella, and Astin which they have offered explicit theories about how colleges can promote student learning and growth. Despite different uses of terms, these approaches have much in common. First, each theorist recognizes that the student's background plays a role in shaping college outcomes. This role is largely indirect and is moderated by the college environment and a student's interactions with faculty and peers. Second, each theorist sees the campus environment exerting an enabling effect on college outcomes. Last, all emphasize the importance of a partnership between the college and the student. Colleges alone cannot "produce" student learning. Colleges provide opportunities for interaction and involvement and establish a climate conducive to responsible participation. Each approach reflects the centrality of what we call student responsibility. (<http://www.ntlf.com/html/lib/bib/93-8dig.htm> accessed on November 29, 2011)

Institutional policies and practices must be oriented toward developing a climate in which students' responsibility and active participation in their own collegiate experience are promoted. Policies that stress the importance of student achievement and in-class and co-curricular challenge and support are essential for student growth. The institutional culture clearly must convey the institution's purpose in an unambiguous manner, and the ethos of the campus must be one in which students believe they are members of a larger community. As student culture serves as a filter for students entering college, care must be taken to ensure that students who are prepared inadequately understand the nature of college life and what is expected to attain satisfactory academic and developmental gains. (<http://www.ntlf.com/html/lib/bib/93-8dig.htm> accessed on November 29, 2011)

Small-scale, human environments must be built in which students and faculty collectively can engage in the process of teaching and learning. As learning is the process through which development occurs, it is crucial for students to be actively engaged in the classroom. Course activities are the vehicle through which students may become more fully engaged with academic material. The literature clearly indicates that the quality of effort that a student expends in interactions with peers and faculty is the single most important determinate in college outcomes.

This report concludes with a call for a new relationship between our institutions of higher learning and our students. A genuine shared purpose among all members of the higher education community can be created by recouping individual rights with a sense of personal and social responsibility around issues of teaching and learning. The work of Pace is a good place at which to begin thinking about the renewal of our intellectual community. As Pace reminds us, all learning is the mutual responsibility of students, faculty, and administrators. Student responsibility doesn't just happen. We must expect it, foster it, and nurture it. Pace is a good place at which to begin thinking about the renewal of our intellectual community. As Pace reminds us, all learning is the mutual responsibility of students, faculty, and administrators. Student responsibility doesn't just happen. We must expect it, foster it, and nurture it. (<http://www.ntlf.com/html/lib/bib/93-8dig.htm> accessed on November 29, 2011)

Considering the importance of student behavior in achieving the quality of education this study is attempted with a particular focus on the secondary schools of Eastern Zone of Tigray, Ethiopia. Basically the study makes its base for its analysis on the perceptions of the secondary schools respective principals. This research is done by framing a questionnaire addressing questions of students' behavioural situations in the schools. Understanding the perception of principals in this respect of the prevailing behavior students and its implications in achieving the intended quality of education may help identify challenges that could be given attention by respective stakeholders and devise remedial measures which will help for implementing the reform policies as well as points of intervention to improve the effectiveness and success of the new policies.

RESULTS AND DISCUSSION

LOCATION, GRADE LEVEL AND AREA OF PREMISES OF THE HIGH SCHOOLS IN EASTERN ZONE

The role of education in developments in all forms in general and in the process of poverty eradication through producing labor force with diversified, capable and skilled personnel that can effectively combat against backwardness in particular is quite oblivious. The socio-economic development achievements exhibited in the world are concrete evidences for the assertion. With this understanding nationwide development strategies have been designed where the educational sector got a prominent place and as a result massive expansion on the educational activities have been made in a very short period of time in Ethiopia.

Similar trend, if not more, is achieved in the Regional State of Tigray too where education has been among the priority areas in terms of the attention given and the investment deployed in the undergoing development endeavors. As the result currently the number of secondary schools has reached nineteen in the Eastern Zone. Hence, no exaggeration if one concludes that the performances realized in the educational sector are remarkable comparing to the earlier periods. 10 of the high schools found in the zone are up to preparatory level (9th-12th) that is they are having both cycles (first and second cycle secondary schools) while nine are at the level of first cycle secondary schools (9th-10th). But the schools included in this assessment are 15 for it could not be possible to get information on the remaining schools on time.

The data gathered from the respective schools shows that eight of them are not fenced. Such situation may expose the schools for various problems. Taking the simplest job that can be realized in the schools, it is not easy even to practice plantations and hence students cannot have appreciation on nature and environmental concerns. It is very surprising to observe one of the oldest high schools in Tigray Region, Agazi Comprehensive Secondary School, and being still not having a secured compound. Of course the problem might be linked with availability of resources for the fact other things might be the priority areas in a situation of scarce resources.

The data collected on the area of premises of respective school reveals different size. The information gathered shows that there is no standard as to the area required for the schools. It is quite obvious that concentration of the schools tend to Adigrat town not only because of the reason that there is relatively high population but also the surrounding suburbs are served by the prevailing infrastructures in the town.

TABLE 1: LOCATION AND GRADE LEVEL OF HIGH SCHOOLS IN EASTERN ZONE

S/N	Name of School	Grade Level	Location		Premises		Fenced
			'Wereda'	Town	Area Size	Circumference	
1	Agazi Copenhive Secondary School	9 th -12 th	Adigrat	Adigrat	90 m ²	1200m	No
2	Yalemberhan Secondary School	9 th -10 th	Adigrat	Adigrat	9500 m ²	1200m	No
3	Finoteberhan Secondary School	9 th -10 th	Adigrat	Adigrat	200,000 m ²	-	No
4	Tsinsetamariam Secondary School	9 th -12 th	Adigrat	Adigrat	-	-	Yes
5	Zalanbessa Secondary School	9 th -10 th	Gulomekada	Zalanbessa	62500 m ²	1000m	Yes
6	Dewhan Secondary School	9 th -12 th	Erob	Dewhan	-	-	No
7	Lideta Secondary School	9 th -10 th	Erob	Alitena	2500 m ²	-	No
8	Bizet Secondary School	9 th -12 th	Ganta-Afeshum	Bizet	-	-	Yes
9	Ahzera Secondary School	9 th -10 th	Ganta-Afeshum	Ahzera	46500 m ²	-	Yes
10	Edaga-Hamus Secondary School	9 th -12 th	Saesie-Tsaeda Emba	Edaghamus	914000 m ²	-	No
11	Masho Secondary School	9 th -12 th	Hawzien	Hawzien	-	-	Yes
12	Negash Secondary School	9 th -10 th	Kilte-Awlalo	Negash	37500 m ²	-	No
13	Wukro Secondary School	11 th -12 th	Wukro	Wukro	-	-	Yes
14	Atsebi Secondary School	9 th -12 th	Atsibi Wonberta	Atsibi	69689 m ²	-	Yes
15	Agulae Secondary School	9 th -10 th	Kilte-Awlalo	Agulae	5000 m ²	1000m	No

Source: Data gathered from respective school, 2010.

STUDENT POPULATION BY YEAR

The increment of high schools in the past years is quite clear. Four of the schools from the listed ones are established after 2008. Hence, increment of student population is found quite dramatic compared to the situation earlier. Taking the data indicated in the table below, one can derive that growth of student population of 2010 compared to the situation of 2005 is about 400% which brings the simple yearly average to be about 67%. The increment favors more to females where their share that was 41.6% of the students in 2005 is found to have grown to 49.1% in 2010. But the share of female students from the total number of students is still low.

It is important to remind here that the student population does not show the complete picture of the Eastern Zone for the fact there are high schools not included in the assessment as stated earlier. The data on Agazi also have not included the student population of the earlier periods. So, some differences are expected had the information included all. However, the documented data is sufficient to derive reasonable conclusions from the assessment.

Generally, the growth of student population is highly encouraging. The trend in the growth of student population is likely to continue in the future too although might not be with similar marginal increment rate. The population at the lower grades is very high since every child is expected to join at the proper age. Various reports show that the achievements recorded in this respect are so high. The implication of the dramatic increment is obvious. It would require similar trends in all the inputs for the smooth operations of the schools. Hence, the budget load that takes place as the consequence on the government is quite significant.

Nevertheless, the continuation of the students through college levels needs to be given adequate attention. This can be realized only when the quality of education at the lower and high school levels are ensured so that students would be equipped with skill and knowledge that enable them to pass the national exam and withstand the challenges they encounter at the tertiary levels. The student population organized for the high schools is depicted in the following table.

TABLE 2: STUDENT POPULATION BY YEAR

S/N	Name of School	2005			2006			2007			2008			2009			2010			
		M	F	Total	M	F	Total	M	F	Total	M	F	Total	M	F	Total	M	F	Total	
1	Agazi Coprehnsive Secondary School	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Yalemberhan Secondary School	1027	941	1968	1315	1174	2489	1236	1335	2571	1286	1353	2639	1384	1405	2789	1504	1646	3150	
3	Finoteberhan Secondary School	-	-	-	-	-	-	-	-	-	999	1050	2049	1421	1462	2883	1505	1650	3155	
4	Tsinsetamariam Secondary School	235	195	430	323	265	588	423	375	798	493	412	905	502	420	922	568	511	1079	
5	Zalanbessa Secondary School	-	-	-	-	-	-	199	153	352	460	394	854	515	420	935	630	514	1144	
6	Dewhan Secondary School	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	388	403	791	
7	Lideta Secondary School	32	41	73	26	48	74	37	53	90	71	63	134	61	62	123	68	66	134	
8	Bizet Secondary School	-	-	-	-	-	-	-	-	-	-	-	710	699	1409	852	806	1658		
9	Ahzera Secondary School	-	-	-	-	-	-	-	-	-	-	-	111	99	210	122	133	255		
10	Edaga-Hamus Secondary School	-	-	-	961	551	0	1113	796	1909	1124	981	2105	983	823	1806	829	836	1665	
11	Masho Secondary School	1064	698	1762	1161	842	2003	1503	1384	2887	1774	1560	3334	2152	2013	4165	1839	1833	3672	
12	Negash Secondary School	-	-	-	-	-	-	203	183	386	389	369	758	384	411	795	614	468	1082	
13	Wukro Secondary School	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	734	518	1252	
14	Atsebi Secondary School	568	211	779	814	311	1125	975	456	1431	1014	572	1586	1136	826	1962	?	?	1945	
15	Agulaa Secondary School	-	-	-	-	-	-	-	-	-	194	195	389	260	261	521	256	270	526	
	Total	2926	2086	5012	4600	3191	6279	5689	4735	10424	7804	6949	14753	11444	10256	21700	11661	11253	24859	

Source: Data gathered from respective school, 2010.

OPINIONS OF SCHOOLS ON EFFORTS OF STUDENTS

The direct beneficiaries from the schooling process are the students themselves. It is therefore reasonable to expect them to devote their effort and time fully for the success of the process. With this understanding data is gathered from the schools with respect to the efforts exerted by the students. Schools are made to give their opinions as to how they perceive efforts of their respective students in the teaching-learning process. Accordingly only one school has responded that most of its students are hardworking persons. On the other hand, ten schools indicated few of their students to be hardworking ones. Eight have replied that most of the students show medium effort. While giving response to the question related to this issue, it is expected that two answers are possible as long as they do not contradict to each other. As a result eight schools have marked two times on the options as depicted in the following table, in fact, the responses do not contradict to each other. Four of the schools have the opinion that most of the students show low effort. Efforts of teachers and provision of educational materials are not sufficient by themselves to ensure quality education. Similar to that of teachers, if not more, effort of students is quite determinant for the efficient operation of the schools and to the realization of national and regional development objectives. Thus, students are among those aspects that need special attention as could be concluded from the information portrayed on Table-3.

It is evident from Table-3 that the teaching learning process in the Eastern Zone of Tigray could be effective and attain the required level of educational quality when the main actors are to play their respective roles effectively. If one of these players is not in a position to execute the responsibility and share it has to, it becomes just like clapping by one hand. Therefore, the schools should take the initiative of appreciating this prevailing problem which brings in failure of educational quality, and get it to the attention of the teachers, and students and let them get convinced of this situation as a serious problem that should not be left for tomorrow. Then the schools administration better design a means that is accepted by all the key stakeholders and execute it in a responsible manner.

TABLE 3: OPINIONS OF SCHOOLS ON EFFORTS OF STUDENTS

S/N	School	Most of them Hardworking	Few of them Hardworking	Most of them Show Medium Effort	Most of them Show Low Effort
1	Agazi Comprehensive Secondary School		✓	✓	
2	Yalemberhan Secondary School			✓	
3	Finoteberhan Secondary School		✓		✓
4	Tsinsetamariam Secondary School	✓			
5	Zalanbessa Secondary School		✓		
6	Dewhan Secondary School		✓		✓
7	Lideta Secondary School			✓	
8	Bizet Secondary School		✓	✓	
9	Ahzera Secondary School		✓	✓	
10	Edaga-Hamus Secondary School		✓		
11	Masho Secondary School			✓	
12	Negash Secondary School			✓	
13	Wukro Secondary School		✓		✓
14	Atsebi Secondary School		✓	✓	
15	Agulaa Secondary School		✓		✓

Source: Data gathered from respective school, 2010.

PREVAILING PROBLEMS RELATED WITH STUDENTS BEHAVIOUR

Most of the schools have pointed out similar problems linked with students. Attitude of students being low for education is the major problem that is stated by almost half of them. In fact all the items documented are in one way or another related to the low attitude of the students to schooling. On top of the schools that have taken the low attitude of students as a problem, some others have highlighted that lack of self-confidence of students and hence tendency to depend

on copying from others, students not working their assignments properly, unethical behavior of students like coming to school taking alcohol are among the issues highlighted but all can be considered as the manifestations of law attitude to schooling. Late coming to school, absenteeism and withdrawal of students is also among the items indicated by some of the schools. There are also schools that have stated students not being educationally well equipped at the elementary level to be one of the problems. The combined effect of all the problems is quite obvious to result in low educational performance of the students. The low performance does not stop at the high school level. It continues to linger at the tertiary level also. The low performance of students at the college levels is practically prevailing that is exposing quite a number of students for dismissal every semester in all the colleges and universities found in the country in general and region in particular.

There are also arguments that raise doubts on the capacities of even the graduates. In general, the situation is one of the issues that demand top attention since it is not only understood as an affairs of individuals. It rather determines the progresses of the socio-economic developments of the country and region as well as competitiveness of the individuals in particular and society in general. The writers believe that the issue should be considered seriously. Attitude of students to schooling is the bottom line that has to be ensured for the effectiveness and efficiency of the resources to be deployed for the sector.

The detail problems documented by every school are indicated in the subsequent table. As could be understood from the information gathered, some schools have indicated problems related with facilities which should not be considered as problems linked with students. But they can be included in the items that would be treated under issues highlighted for facilities.

TABLE 4: PROBLEMS RELATED WITH STUDENTS' BEHAVIOUR

S/N	School	Prevailing Problems
1	Agazi Comprehensive Secondary School	<ul style="list-style-type: none"> • Attitude of students on education being low • Attitude of students to depend on copying from others • Students not being ready to do their class-room and home works
2	Yalemberhan Secondary School	<ul style="list-style-type: none"> • Less attention of students to schooling • Few students are found with unethical behavior • Low performance/results of students
3	Finoteberhan Secondary School	<ul style="list-style-type: none"> • Relation of parents with the school is not as required • Students being with less courage • Attitude of students to depend on copying from others • Few students are found with unethical behavior
4	Tsinsetamariam Secondary School	<ul style="list-style-type: none"> • Shortage of educational materials of orphan and poor students although the school supports about 200 students
5	Zalanbessa Secondary School	<ul style="list-style-type: none"> • Low interest of students
6	Dewhan Secondary School	<ul style="list-style-type: none"> • Students are not well equipped academically at the elementary level • Feeling of being hopeless for they do not see their predecessors are not living in better life
7	Lideta Secondary School	<ul style="list-style-type: none"> • Students are not well equipped academically at the elementary level
8	Bizet Secondary School	<ul style="list-style-type: none"> • Low interest of students in education/schooling • Few students coming to school taking alcohol • Because of distance students coming to school being late
9	Ahzera Secondary School	<ul style="list-style-type: none"> • Low interest of students in education/schooling • Absenteeism and late coming to school
10	Edaga-Hamus Secondary School	<ul style="list-style-type: none"> • Sense of hopelessness of students and no confidence on the living improvements that can be gained through education
11	Masho Secondary School	<ul style="list-style-type: none"> • Shortage of text books • Shortage of library
12	Negash Secondary School	<ul style="list-style-type: none"> • Distance of the school for students • Shortage of laboratory • Shortage of teachers
13	Wukro Secondary School	<ul style="list-style-type: none"> • Tendency of student to depend on copying from others • Less efforts and interest to work hard
14	Atsbi Secondary School	<ul style="list-style-type: none"> • Coming late to school • They do not work assignments properly • Withdrawal and absenteeism of students
15	Agulae Secondary School	<ul style="list-style-type: none"> • Late coming and absenteeism of students • Students do not work their assignments properly • Students do not bring their books when coming to class • Withdrawal of students

Source: Data gathered from respective school, 2010.

PROVISION OF TUTORS IN THE SCHOOLS

The support of provision of tutor in the teaching- learning process is important. It can create opportunities for all students to participate in the whole process since class hours are limited. Provision of tutor in schools has become almost customary in Tigrai region.

An attempt is made to collect data on the practices of schools in this regard. All schools have replied that tutor is given in their respective schools. Except in two non-governmental schools, tutor is given to weaker students and girls in seven of the schools while three of the schools give to weaker students without segregation by sex and another three provide the service to girls only.

With respect to the tutor providers only one governmental high school has replied that all the teachers are involved in providing tutor. On the other hand, six schools have indicated that few of their respective teachers are involved and seven have replied most of the teachers.

Effectiveness and contribution of the service would depend on the level of internalizing the assignment as an important aspect by the service providers. Although participation of students may depend on their interests, it appears important if all students get the opportunity as long as the tutor service is organized in the schools. The contribution of the tutor provision has to be evaluated also. It may also be important to involve volunteers from the academically strong students. Responses of each high school are depicted in the table below.

TABLE 5: PROVISION OF TUTORS IN THE SCHOOLS

S/N	School	Is Tutor Given?		Tutor is Provided to			Tutor is Provided by			
		Yes	No	All Students	Weaker Students	Girls (Only)	All Teachers	Few Teachers	Most Teachers	Female Teachers (Only)
1	Agazi Comprehensive Sec. Sch.	✓			✓	✓			✓	
2	Yalemberhan Secondary School	✓			✓	✓			✓	✓
3	Finoteberhan Secondary School	✓			✓	✓	✓			
4	Tsinetamariam Secondary Sch.	✓		✓					✓	
5	Zalanbessa Secondary School	✓			✓	✓			✓	
6	Dewhan Secondary School	✓			✓			✓		
7	Lideta Secondary School	✓		✓					✓	
8	Bizet Secondary School	✓			✓	✓			✓	
9	Ahzer Secondary School	✓			✓	✓				
10	Edaga-Hamus Secondary School	✓				✓		✓		
11	Masho Secondary School	✓			✓				✓	
12	Negash Secondary School	✓			✓	✓		✓		
13	Wukro Secondary School	✓				✓		✓		
14	Atsebi Secondary School	✓				✓		✓		
15	Agulae Secondary School	✓			✓			✓		

Source: Data gathered from respective school, 2010.

CONCLUSION AND RECOMMENDATION

The study has revealed that there is a dramatic increment of student population in the past few years and this trend is to continue in the future. This will have a serious implication on the supply side of resources such as classrooms, teaching materials, and even qualified teachers and the like. Hence, the concerned bodies should consider this trend and devise a handling mechanism that at the same time ensures the educational quality in the future.

The study finds that one of the major players of the teaching learning process; students are not discharging their roles properly. Whatever efforts may be done by other stakeholders if this key stakeholder is not executing its shared responsibility the educational quality in the zone is going to be unconceivable. To mitigate this problem the schools primarily should take the initiative to take the leading role in sharing this issue with all the key stakeholders to devise a mechanism to bring it to the desired position.

Even though some schools have their own peculiar problems most of the schools have pointed out similar problems linked with students. Low attitude, lack of confidence, the tendency to depend on copying from others, not working their assignments properly, unethical behavior of students like coming to school taking alcohol are among the issues highlighted but all can be considered as the main ones that may be also thought of as manifestations of low attitude to schooling. Moreover, coming late to school, absenteeism and withdrawal of students are also observed problems. As the combined of all these problems obviously results in low quality of education, all concerned bodies should take this conditions and take remedial action to restore to its normal position as this low performance does not stop at the high school level. It continues to linger at the tertiary level which in turn adversely affects the development endeavours of the country at large.

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POLICY STABILITY: A HOPE FOR INDUSTRIAL AND ECONOMIC DEVELOPMENT IN NIGERIA

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ABSTRACT

Nigeria, although richly endowed with vast agricultural, mineral and human resource potentials, pursued numerous policies with a view to transform the country into an industrialized giant. However, despite the myriad policies put in place since the country's existence, Nigeria is still grappling with numerous development challenges like poverty, unemployment, slow growth and dilapidated infrastructure. On that note, the paper examines the relationship between policy stability and industrial/economic development in Nigeria. Nigeria was governed by 14 Heads of State/Presidents in 5 decades (9-coups and 4-republics) on average of 3-year 6 months, where each successive regime faults and reverse policies of his predecessors. Although certain levels of improvements were recorded sequel to the implementation of policies over the years, the summary of all is that past policies are mere copy and paste strategies. They were not tailored to Nigeria's circumstances and needs rather, they follow universal blueprint approaches. The paper suggested that government policy should go pari passu with economic discipline and social conscience and also, willingness to experiment and adapt policies to changing circumstances should be seen as a key element to sustained economic reform thereby leading to industrial and economic development.

KEYWORDS

Industrial Policy, Policy Stability, Economic Development, Reform, Nigeria.

INTRODUCTION

Five decades after political independence, Nigeria is still facing an array of complicated economic problems despite sufficient resources available to achieve sustainable development. In those years, the country earned several billions of naira from both the agricultural boom and oil boom as well as the excess proceeds of crude oil price of the late 1990's and beyond. However, the overall performance of the Nigerian economy has been below expectation. In fact, the economy was characterized by pervasive poverty and widespread unemployment; deterioration of government institutions; inadequate capacity to deliver critical services effectively; sporadic violence between ethnic groups; widespread corruption; little growth in the non oil private economy; structural defects; rigidities; and limited self – employment. These complex issues must be overcome for Nigeria to be successful in its transition to a democratic system and have a vibrant market economy (Tsauni, 2006; EDA, 2011).

Industrial growth is central to the development of any economy. Hence, attaining industrial and economic development in Nigeria in the face of the challenges mentioned above has been the interest of all governments or regimes – both military and civilian – and the citizens. In view of that, various governments in the history of Nigeria have often articulated with clear descriptions, principles and guidelines on how the industrial and economic development could be achieved. These guidelines and laws, or simply *policies*, are of veritable importance in attaining myriad objectives of both government and the private sector. In essence, numerous policies ranging from; industrial policy, trade policy, agricultural policy; export and import policy, fiscal and monetary policy, oil policy, to mention a few, have been established with certain extent of implementation from pre-independence era to date. Although targets and objectives may vary across governments and regimes, the overall purpose of the policies is to achieve industrial and economic development.

Policy is the process of making important governmental/organizational decisions, including the identification of different alternatives such as programmes or spending priorities, and choosing among them on the basis of the impact they will have. Policies can be understood as political, management, financial, and administrative mechanisms arranged to reach explicit goals. Policies can assist in both **subjective** and objective decision making. Policies to assist in subjective decision making would usually help government with decisions that have positive impact on individuals, and the economy via considering a number of factors. Policy could be a deliberate action to decide how the economy should operate in terms of income distribution, level of prices, infrastructure and public goods provision. It is normative in nature as it focuses on prescriptive statements that establish rules to help attain specified goals (Pappas and Brigham, 1979).

Policies prescribe relevant dosages for all economic ailments and provide the requisite atmosphere and flat forms for growth and development. Where right policies are pursued vigorously in a sustained manner, growth and development prevail. But where a policy is wrongly formulated/implemented or non-consistent over time, it is overly difficult for a country to attain sustainable economic development. Hence, the suitability and consistency of policies have direct bearing in *industrial and economic development*.

However, analysis on the performance of the Nigeria's economy vis-à-vis its numerous policies over the years suggests that the country is still struggling to develop. Thus, the growing consensus in the literature is that, Nigeria has to diversify its production and export patterns to reduce vulnerability to shocks, to boost growth, to provide employment opportunities, to reduce poverty and to enhance its integration into the global economy. Impliedly, Nigeria requires a competitive manufacturing sector; hence the interest of the paper is to discuss the relationship between industrial policy/strategy and industrial/economic development in Nigeria. That objective is a prelude to envisaging whether policy stability is a hope in industrial and economic development. Against this background, the paper in the remaining sections presents related theoretical issues. The third section contains the historical perspectives of industrial policy in Nigeria; the fourth section involves industrial performance in Nigeria; and lastly the closing remarks.

THEORETICAL ISSUES**INDUSTRIAL POLICY**

This can be seen as part of government's microeconomic policy geared toward improving the economic performance of individual economic agents, firms and industries on the supply-side of the economy (Egbon, 1995). An industrial policy can either be *interventionist* or *anti-interventionist*.

Interventionist industrial policy reflects the Keynesian view that economic problems result from a failure of market forces and that the problems can be reduced or solved by appropriate government intervention. According to the theory of the second best, government policy is formed where there is market failure. That is when the market forces failed to provide the right products/services/benefits/development required by consumers or citizens. Hence, government designs policies to correct for market failure (i.e. regulation of monopolies, corrections of externalities, provision of public goods) and influence desirable distribution of real income (i.e. through tax, public spending, and subsidy).

The intervention could be in different forms. In the case of Nigeria, (Aliyu and Muhammad, 2006) thus:

1) POLICIES FOR BOOSTING OUTPUT

- Minimum local raw material utilization (a tax credit of 20% for 5 years is granted to industries meeting that target)
- Research and Development (R&D)
- Export Expansion Grant (EEG)
- Capital allowances
- Local value added scheme (10% tax concession for 5 years to the qualified companies)

- A 25% import duty rebate
- Re-investment allowance
- Export Processing Zones (EPZ) Calabar and Kano
- Deregulation of several sectors
- Support to export oriented industries

II) POLICIES FOR REDUCING PRODUCTION COST

- Infrastructure development
- In-plant training (2% is given to companies for training for 5 years as concession)
- Investment in economically disadvantaged areas
- Pioneer status (100% tax-free for 5 years to pioneer industries)
- Export price adjustment scheme
- Abolition of excise duty
- Tax relief on interest income

III) POLICIES FOR FINANCING EXPORT

- Export Development Fund (EDF)
- Rediscounting and Refinancing Facility (RRF)
- Commercial and Merchant Banks credits
- Industrial Development Bank (NIDB, now BOI)
- Foreign Input Facility (FIF)
- Direct Loan to Exporters
- Duty Drawback scheme
- Manufacturer In-Bond scheme
- Negotiable Duty Credit Certificate (NDCS)

IV) POLICIES FOR PROTECTING LOCAL INDUSTRIES

- Tariff
- Ban on some imports

The **anti-interventionist policy**, on the other hand is formulated on the basis that the correct role of government is not to reduce the role of market forces but to create the conditions in which market forces can work effectively and efficiently. These views were first articulated by the classical economists like the Adams Smith and later advanced by neo-classical economists up to neo liberals. The ideology of capitalism was anchored in the nowadays reform policies, particularly starting from mid 1980s. The policy emphasizes the role of the private sector and discourages government interventions through things like subsidy, restrictions or control.

TRADE POLICY

Trade policy has largely play a complementary role to industrial policy in Nigeria. Nigeria's trade policies have witnessed extreme swings from high protectionism in the first few decades after independence to its current more liberal stance. Tariffs have at various times been used to raise fiscal revenues, limit imports to available foreign exchange or to protect domestic industries from foreign competition. Various forms of non-tariff barriers (NTBs) such as quotas, prohibitions and licensing schemes were also extensively used in the past to limit the quantity of imports of a particular good (Adenikinju, 2005).

Trade policy in Nigeria, 1980 – 1985: Trade policy from 1980 to 1985 was largely restrictive. But in the period, fluctuation in trade policy instruments was quite high. Import control measures, such as import licenses, outright ban or import prohibition, import pre-shipment and supervision were used extensively. Between 1983 and 1984, customs and excise tariffs were reformed to provide effective protection for local industries, to reduce the level of unemployment and to generate more revenues from the non-oil sector. In 1984, the range of import duties was reduced from between 0 and 500 percent to between 5 and 200 percent. Further, the general concessionary rates of duty under which zero duty was granted to some manufacturers were abolished.

Trade policy in Nigeria from 1986: The period was a radical shift in Nigeria's trade policy from restrictive control to a more liberal stance. This was mainly as a result of the failure of the restrictive regime to achieve its objectives. Measures introduced in these periods include:

- Abolishing of import licensing;
- Introduction of foreign currency domiciliary accounts, in which exporters could retain their export proceeds and use them to finance eligible imports;
- Introduction of Second-tier Foreign Exchange Market (SFEM);
- Abolishing of the commodity boards and exporters become free to market their products directly; and
- Significant reduction in the items on lists of banned imports and exports.

POLICY IN NIGERIA: HISTORICAL PERSPECTIVE

Industrial development in Nigeria has gone through various stages from the colonial era to the present time. The paper, categorizes four broad stages. The first stage began from 1942 to 1962 as Economic Development Plan. The second stage which started from the 1960s and ended in the late 1970s is the import substitution industrialization (ISI) phase. The third stage, which represents the structural adjustment programme (SAP) phase, began in the early 1980s and ended in the late 1990s. The fourth stage, the poverty reduction strategy papers (PRSP) phase, began in 2000. These stages are reviewed a long side with the Nigeria's development plans.

THE COLONIAL DEVELOPMENT AND WELFARE PLAN PHASE, 1946 - 1954

Prior to Nigeria's political independence, few small industries existed which were processing based and aimed at serving domestic and export markets. The colonialists prepare a Ten-Year Plan of Development and welfare for Nigeria in 1946 which covered projects related to export-crop and infrastructure development. But, the plan ended prematurely in 1954 as constitutional arrangements for self-government advanced and a revised plan called the Economic development Plan 1955 – 1960 (later extended to the first independent parliament) replaced it (Akintola-Arikawe, 1990).

The rather, low-level industrialization then was attributed to the institutional obstacles inherent in the British Colonial Economic structures (Egbon, 1995). The Ten-Year Colonial Development and Welfare Plan Act of 1945 neither articulated nor pursued a systematic industrial policy. Rather, plans were geared toward serving the interests of the colonial masters. Thus, no serious industrial planning objectives were enunciated during the colonial period in Nigeria.

THE IMPORT SUBSTITUTION INDUSTRIALIZATION PHASE, 1960S – LATE 1970S

In view of the lack of national objectives and meaningful coordination which characterized colonial economic structure, the successive plans in the post independence in Nigeria are referred to as the national development plans. Thus:

- ∇ First National Development Plan, 1962 – 1968. Efforts were geared towards mobilizing Nigerian capital and encouraging a shift from commerce into processing and manufacturing industries.
- ∇ Second National Development Plan, 1970 – 1974: The Federal Government did not only emphasize during the period, the need to maximize value added to the Gross Domestic Product (GDP), but initiated the establishment of heavy industries in the intermediate and capital goods sector.

To actualize the mentioned plans in Nigeria, the **ISI policy** was created. The intention was motivated in view of the poor base of industrialization in the country and an increase in direct government investments and promotional measures coupled with an ever increasing demand for manufactured goods from abroad. The aim of the strategy was to promote growth and economic diversification as a means of reducing the dependence of the economy on the agricultural sector as the principal earner of foreign exchange.

The ISI phase of industrial development in Nigeria began after political independence in the 1960s up until the late 1970s. The ISI started with the domestic production of consumer goods that were previously imported. The idea was that the domestic markets for these goods already existed and could form the basis for initiating an industrialization programme.

INDIGENIZATION POLICY, 1972 & 1977

The policy was embarked upon to achieve the following (Oyedele, 2009):

- Transfer of ownership and control to Nigerians in respect of those enterprises formally wholly or mainly owned and controlled by foreigners.
- Fostering widespread ownership of enterprises among Nigerian citizens.
- Creation of opportunities for Nigeria indigenous businessmen.
- Encouragement of foreign businessmen and investors to move from the unsophisticated area of economy to the area where large investments were more needed.

NIGERIAN ENTERPRISES PROMOTION, 1977

The 1972 Act that resulted in the indigenization policy was amended, repealed and replaced by the Nigerian Enterprises promotion Act, in 1977. This Act gave birth to the indigenization policy of 1977. The 1972 contained II schedules, while the 1977 act contained III schedules. Schedule I of 1977 contained 40 Enterprises, schedule II contained 57 and schedule III contained 39. In 1981 to be precise, the number of Enterprises in each schedule was revised. By this, schedule I had 36 Enterprises, schedule II, 576 Enterprises and schedule III, 456 Enterprises respectively.

While the initial focus of ISI was on consumer goods, there was the expectation that, as the industrialization process proceeds, there will also be domestic production of intermediate and capital goods needed by the domestic consumer goods industry. There was also the expectation and hope that the replacement of imported goods with domestically produced goods would, over time, enhance self-reliance and help prevent balance-of-payments problems (EDA, 2011).

The implementation of ISI involved substantial government support as well as protection of domestic firms from foreign competition. In particular, domestic infant industries were identified and nurtured through trade protection and other domestic economic policies. This was rationalized on the grounds that domestic firms have the potential to be competitive but require a temporary period of protection before they could withstand international competition.

The policy generally involved the following elements: (a) restriction of imports to intermediate inputs and capital goods required by domestic industries; (b) extensive use of tariff and non-tariff barriers to trade; (c) currency overvaluation to facilitate the import of goods needed by domestic industries; (d) subsidized interest rates to make domestic investment attractive; (e) direct government ownership or participation in industry; and (f) provision of direct loans to firms as well as access to foreign exchange for imported inputs (Mkandawire and Soludo, 2003; Wangwe and Semboja, 2003 in EDA, 2011).

Although the first phase of ISI strategy (which involved the replacement of imported non-durable consumer goods and their inputs with domestic production) was fairly successful, but the second phase (which involved the replacement of imported intermediate inputs and producer and consumer durables) was a failure.

- ∇ Third National Development Plan, 1975 – 1980; Public investments were allocated to large capital and skill intensive projects, particularly heavy and intermediate industries like steel, oil refineries and fertilizer.
- ∇ Fourth National Development Plan, 1980 – 1985: The government's industrial policy emphasized on encouragement of the maximum growth of investment and output (FRN, 1981).

In view of these all, Nigeria witnessed the most sustained and severe economic crisis for more than a decade, spanning the period of 1978 – 1989. The massive inflow of petrodollar especially in the 1970s and early 1980s led the government to take a more direct and participatory role in the industrialization of the country (Adenikinju, 2005). Several policy reactions have been articulated to stem the crisis. The economic policy packages under Obasanjo, Shagari and Buhari regimes were articulated with a view to engendering economic recovery within a dependent state capitalist model of accumulation rather than encouraging growth through a fundamental transformation of the structure.

Key strategies of these policy reactions include:

- Operation Feed the Nation
- Green revolution;
- Austerity measures;
- Operation Back to Farm;
- War Against Indiscipline; and
- Counter-Trade Policy.

These policies were in line with the second industrial policy in Nigeria (ISI). However, they all grappled with one challenge or another. Specifically, the implementation of the counter-trade faced some suspicion and opposition due to its secrecy.

THE STRUCTURAL ADJUSTMENT PROGRAMMES (SAP) PHASE, 1986 - 1994

Nigeria, like most developing nations and Africa in particular, experienced severe balance of payment crisis resulting from the cumulative effects of the oil crisis, the decline in commodity prices, and the growing import needs of domestic industries. In response to the crisis, many countries sought financial assistance from the International Monetary Fund (IMF) and the World Bank. The IMF/World Bank interpretation of the crisis and Africa's industrial development problems were that it had to do with **poor domestic policies** and so the recommendation was that African countries adopt SAPs (Soludo, Ogbu and Chang, 2004). This interpretation and policy prescription was based on the findings of the Berg Report on *Accelerated Development in Sub-Saharan Africa: An Agenda for Action* published by the World Bank in 1981. The report argued that Africa's economic and industrial performance was poor because of **policy inadequacies** in the form of overvalued exchange rates, interest rate controls, overemphasis on industry at the expense of agriculture, and trade protectionism.

In addition, the report was of the view that Africa's comparative advantage lay in agriculture and not industry. Consequently, it did not share the popular view among African policymakers that industry should be promoted through deliberate government intervention.

African countries that adopted SAPs were expected to implement certain policy reforms as a condition for receiving financial assistance from the IMF and the World Bank. The policy conditions included among other things: (a) deregulation of interest rates; (b) trade liberalization; (c) privatization of State-owned enterprises (parastatals); (d) withdrawal of government subsidies; and (e) currency devaluation (EDA, 2011).

One of the key objectives of SAPs was to reduce the role of the State in the industrialization and development process and give market forces more room in the allocation of resources. The assumption was that markets are more efficient than the State in resource allocation and that the appropriate role of the latter should be to provide an enabling environment for the private sector to flourish.

EXPORT ORIENTED STRATEGY OF INDUSTRIALIZATION (EOI)

As part of the objectives of SAP, policies were made toward diversifying the productive and export base of the economy. A lot have done to remove distortions thereby paving way for free flow of exportable goods.

However, it could be argued based on the existing evidence that the EOI as a SAP-based strategy has placed Nigeria on a low-growth path, undermined economic diversification efforts, and led to an erosion of the industrial base particularly in the Northern region (Tsauni, 2009). In particular, the focus on liberalization of markets coupled with the phasing out of various forms of interventionist policies supporting manufacturing drove many domestic firms out of business. Cases of closure of industries and operation in below capacity utilization become apparent.

GUIDED DEREGULATION/VISION 2010, 1994 – 1998

Neo-liberal policies of deregulation, privatization and commercialization as well as withdrawal of government intervention in the economy as enshrined in the SAP were however adopted with certain caveats. Certain government interventions were returned and a well intended vision for the development of the country was articulated in the passion of the lessons from the Newly Industrializing Countries of Asia.

THE POVERTY REDUCTION STRATEGY PAPERS (PRSP) AND ECONOMIC REFORM PHASE, 1999 - 2011

Policy makers in the late 1990s in view of the stiff criticisms and dull performance of the economy become conscious of the need to avoid some of the mistakes made in the colonial economy, ISI and SAP phases. Unfortunately, by the second half of the 1990s, Nigeria had accumulated enormous foreign debt and the burden of debt service became an obstacle to its growth and development. The situation is virtually similar in all SAP compliant countries. In response to the heavy debt, in 1996 donors launched the Heavily Indebted Poor Countries (HIPC) initiative designed to provide relief to severely indebted countries. Dissatisfaction with the slow progress of the HIPC initiative in reducing the debt of poor countries led to the adoption of the enhanced HIPC initiative in 1999 (Booth, 2003). As a precondition for participation in the enhanced HIPC initiative, potential recipients were required to prepare PRSPs detailing how the resources made available through debt relief would be used to reduce poverty in the recipient country. In particular, recipient countries were encouraged to invest the resources from debt relief in the social sectors such as health and education (particularly at the primary and secondary levels).

Consequently, since 2000, most African countries considered eligible for participation in the HIPC programme have prepared PRSPs, giving priority to spending on health as well as primary and secondary education. Therefore, the year 2000 marked the beginning of another phase of policy design and implementation that had implications for industrialization

REFORM (NEEDS), 7-POINT AGENDA AND ECONOMIC TRANSFORMATION

With the emergence of democratic governance in 1999, the policy makers re-embarked on market-led reform policies, i.e. *National Economic Empowerment and Development Strategy (2003 -2007)*, *7-point Agenda (2007 – 2010)* and *Economic Transformation (2011)*. The earlier policies were noted by **the reincarnated SAP driven strategies** to have numerous internal factors which have impaired sustained growth and development in Nigeria over the years. The reincarnated SAP driven strategies are collectively aimed at addressing the following problems that defied earlier policies (Nigeria Vision 20: 2020):

- Poor and decaying infrastructure
- Epileptic power supply
- Weak fiscal and monetary policy coordination
- Fiscal dominance
- Pervasive rent seeking behaviour by private and public agents, including corruption
- Weak institutions and regulatory deficit
- Policy reversals and lack of follow through
- Inordinate dependence on the oil sector for government revenue/expenditure
- Disconnection between financial sector and the real sector
- Exchange rate instability
- Insecurity of lives and property

MAJOR POLICIES IN NIGERIA'S REFORM PROGRAMME - NEEDS

- **Growth Oriented Policies**
 - a) Exchange rate policies
 - b) Energy policies
 - c) Deregulation of prices and the economy
 - d) Abolition of government interference in agricultural production
 - e) Foreign trade policies
 - f) Reform of public sector enterprises
 - g) Incentive for investment and exports
- **Stabilization policies**
 - a) Introduction of income policies
 - b) Tax reform
 - c) CBN's monetary and credit policy
 - d) Cuts in government expenditure
 - e) Achievement of budget surplus
 - f) Establishment of due process in the management and control of public revenue and expenditure
- **Social Policies**

Provision for the needy

The policies of the 7-Point Agenda and Economic Transformation are continuation of the NEEDS. Emphasis by the latter is on transforming Nigerian economy into one of the 20 most industrialized countries before the year 2020 (vision 20:2020).

POLICY STABILITY VS NIGERIA'S INDUSTRIAL PERFORMANCE

The previous sections justified the central place industrialization in Nigeria's development process and have reviewed plethora of policies deployed to enhance the performance of manufacturing sector and the economy at large. However, it is arguable if much has been achieved in reforming and transforming the sector and by extension the Nigerian economy. The long term production structure of Nigeria remains unchanged in the past five decades. Primary production continues to dominate both domestic output and trade.

By Policy Stability in the paper, it means a situation whereby the **appropriate policies** are created and their **implementations sustained** as to the level when the targeted objectives are achieved. Looking at the two dimensions of policy stability as conceptualized here, one can gauge the performance of an economy against those dimensions. Where policy is consistent over a long period of time is likely to yield the desired result, than where new policies created every now and then and old ones replaced.

PERFORMANCE OF INDUSTRIAL SECTOR

The performance of a sector can be gauge by assessing some or all of its basic indicators. On the relative position of manufacturing in the output profile in Nigeria, the data available in the following table shows that from a modest 3.2% in 1960, manufacturing contribution to GDP increased to 7.2% in 1970 and to 5.5% in 1975. In 1990, it was 8.2%, 1995 (6.7%), 1997 (6.3%), 1999 (6.9%), 2000 (7.2%), 2002 (7.8%), 2004 (10.8) and by 2005 the share of manufacturing in GDP stood at (7.48).

TABLE 1: OUTPUT PROFILE OF MANUFACTURING SHARE IN GDP (%)

Sector/year	1960	1970	1975	1990	1995	1997	1999	2000	2002	2004	2005
Manufacturing	3.2	7.2	5.5	8.2	6.7	6.3	6.9	7.2	7.8	10.8	7.48
Agriculture	58.2	47.45	38.04 ⁷³	-	38.69 ⁹⁴			41.1 ⁰¹		53.3	46.5
Mining	4.6	-		13.2				11.0 ⁰¹		13.1	16.3

Source: CBN Annual reports and Statement of account (various years)

Note: ^{73, 94} and ⁰¹ are the year whose data were used instead

This is low compared to agricultural and mining's share of 58.2% and 4.6% in 1960, 53.5% and 13.1% in 2004 and (46.5) % and (16.3) % in 2005 respectively.

It can be seen from table 2 that in 1980, manufacturing share in total export in Nigeria was 0.3%, rising to 0.67% in 1990 and then fell to 0.53% in 1992. This however, rose to 0.60% in 1998 and the same performance in 2001. The above share then rose slightly to 0.68% in 2004 before it fell drastically to 0.51% in 2005.

TABLE 2: SELECTED NIGERIAN MANUFACTURING SECTOR INDICATORS

Indicator/Year	1980	1990	1992	1998	2001	2004	2005
Share in GDP (%)	5.4	8.2	7.9	7.5	6.0	10.5	7.48
Share in total exports (%)	0.30	0.67	0.53	0.60	0.60	0.68	0.51
Share in total imports (%)	60.3	73.3	65.6	88.8	80.7	82.6	84.2
Value of export (in million naira)	39.0	730.8	1095.5	4134.4	1270.7	1306.3	1461.2
Employment ('000)	294.2	340.1	-	328.0	347.1	-	321.0
Value Added MVA per capita (at 1984 constant price)	5194.1	7361.0	7657.2	6587.5	6596.0	6608.2	6517.1
Capacity utilization (%)	75.0	36.92	35.4	30.4	39.6	42.5	52.78

Sources: CBN, i) Statistical Bulletin and annual Reports and Statement of Account (various years) & ii) FOS/NBS, Annual abstract of statistics (various issues)

The above table equally showed that manufacturing share in total imports rose from 60.3 in 1980 to 73.3% in 1990 and then fell slightly to 65.5% in 1992. The share shoots to about 88.8% in 1998 before it oscillates to 80.7% in 2001, 82.6% in 2004 and 84.2% in 2005. The rates of manufactured exports are being used to assess performance. Nigerian manufactured export in million naira rose from 39.0 in 1980 to 730.8, 1095.5, 4134.4 in the years 1990, 1992 and 1998. The value then dropped to 1270.0 in 2001 before it picked to 1306.3 and 1461.2 in 2004 and 2005 respectively. Manufacturing employment as shown in table 2.9 increased from 294.2 in 1980 to 340.1 in 1990. The employment in thousands fell to 328.0 and then oscillates to 347.1 in 2001 and 321.0 in 2005.

Similarly, manufacturing capacity utilization fell from 75% in 1980 to 36.9% in 1990, 35.4% in 1992 and 30.4% in 1998. The Nigerian manufacturing capacity utilization then rose to 42.5% in 2004 and 52.78 on average. In the same vein, manufacturing value added (MVA) which shows the gross output of the industrial sector less its industrial costs is one other important parameter used in gauging the performance of the manufacturing sector. This is given either in monetary terms or in percentage terms (Murtala, 1987). From table 2, manufacturing value added per capita at 1984 constant price indicated that MVA rose from 5194.1 in 1980 to 7361.0 and 7657.2 in 1990 and 1992 respectively. The MVA then oscillates 6587.5 (1998), 6596.0 (2001), 6608.2 (2004) and 6517.1 (2005).

The above explanations could be buttressed by the submissions of the World Bank (2000) that, the figures for Nigeria are rather dramatic, exports of manufactures are less than USD 1 per capita. This is by far among the lowest figure for any of the Asian countries and some even in Africa. Nigerian export history over the years, therefore, is the history of its oil exports and the very large changes in the price of oil on the world market. The rich endowment of oil has important implications for the tradable sector of the economy generally and the manufacturing sector in particular and it is often argued that Africa's resource endowments mean that it will not be able to export manufactures (Wood, 1997). The World Bank (2000) further emphasizes the need for African countries to diversify their exports. This is highly relevant in the case of Nigeria; the failure of exports to grow essentially reflects the failure of Nigeria to reduce its dependence on oil exports. Thus, increasing food insecurity, poverty, income inequality, inflation rate, infrastructural decay and corruption are of the day; hence the policies are not consistent.

CONCLUDING REMARKS

Although certain levels of improvements were recorded in Nigeria from the data presented earlier, the summary of all is that past policies are mere copy and paste strategies. They were not tailored to Nigeria's circumstances and needs rather, they follow universal blueprint approaches. They have not deliberately targeted the country specific economic constraints that are the key obstacles to a sustained industrial growth path. Beside the policies being inappropriate, they don't often stand the test of time as they were frequently modified, revised or completely changed prematurely. Furthermore, corruption and indiscipline contributed immensely in non-implementation of some policies over the years. Others could be due to inadequate institutional capacity, political instability, inadequate energy supply, poor infrastructure and poor leadership.

In a nutshell, the overall marginal performance of the Nigerian economy and the lack of industrial and economic development could be attributed to policy inconsistency. Since Development Policies are top-down in nature, analogy could perfectly be drawn in explaining industrial and economic development of states and local governments. That Policy stability at the state level is a replica of that in the federal government.

Given the importance of policy stability,

- Government policy must go *pari passu* with economic discipline and social conscience.
- Willingness to experiment and adapt policies to changing circumstances is a key element to sustained economic reform thereby leading to industrial and economic development.
- Nigerian policy makers must be aware that no single economic path is applicable to all economies irrespective of their location, and level of development.
- Economic policies must take cognizance of the history, politics and culture of their operators. Such issues require the careful design and implementation of specific economic policies. That is why it is wrong to design World Bank/IMF medium-to long-term economic packages for all of Africa from Cape to Cairo, from Swaziland to Zanzibar, or even from Lagos to Kebbi (Aluko, 2006).
- The problems of poor leadership in all its ramifications, poor infrastructure, and lack of patriotism which contribute significantly to policy inconsistency should be researched and addressed.

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MOTIVATION & PRODUCTIVITY RELATIONSHIP: A STUDY ON THE SUPERSTORES OF DHAKA

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ABSTRACT

The study investigated the relationship between motivation and productivity of employees' working in the superstores located in Dhaka. 213 participants were selected through stratified random sampling from the population of staffs of the superstores. The data were analyzed using frequency distribution, multiple regressions and one sample t-test. The findings revealed that employees believe that motivation increases productivity whereas tight schedule and improper working condition hindering them from performing at their highest level. Employee motivation was dependent on independent variables such as different types of monetary benefits and non-monetary benefits. Monetary benefits proved to be the most influential factor. In case of motivation and productivity relationship both the null hypothesis got rejected implying the two are related and superstore employees are satisfied with the current motivational efforts pursued by those stores. Based on the findings, it was recommended that monetary benefits could be stretched along with the prevalence of a bit flexible and upright working condition to get the desired outcome from the employees.

KEYWORDS

Motivation, Productivity, Superstores.

INTRODUCTION

Employee motivation started as an experimental project in the early 19th century. Ultimately it evolved as a prime factor of today's organizational success. In this fiercely competitive business environment containing talented employee is extremely crucial. Human capital can be a point of differentiation for any organization. According to Harrington (2003), having an outstanding workforce and better utilization of ideas - are the key success factors to any organization. Productivity is highly correlated to employee motivation. It has been proven in many studies that productivity and employee motivation are positively related. When the motivational factors get intensified, then the productivity of employees also increases. There are many academic theories regarding this very issue.

Employee motivation is important for any organization's success and superstores operating in Dhaka are not an exception. This study attempts to explore the motivational impact on productivity regarding employees working in those stores. This attempt begins with the overall market situation of the superstores and the need to define human resource development, motivation, productivity and the impact of motivation on productivity.

The idea of all essential commodities under one roof is the driving force behind the success of supermarket business in Bangladesh, which saw around Tk. 20 million investments in the last five years. Superstores are set to boom in the country as the current market players are planning to open several hundred more outlets in the next few years to cope with the rising demand from the consumers. The annual turnover of the superstores now stands at around Tk 15.0 billion, according to Bangladesh Supermarket Owners Association (BSOA). Hassle-free shopping environment, hygienic commodities, fresh vegetables, meat and fish at the supermarkets are wooing the customers besides, every commodity is available in this supermarket, and the supermarkets offer good services to working people, who really find little time for shopping in the daytime. Researchers are focusing on the employees' productivity level that is influenced by the current motivational efforts made by these stores.

According to Valentino Piana (2001), there are two generic types of productivity. One is physical productivity and the other one is economic productivity. The first type of productivity refers to the quantity of output produced by one unit of production input in a unit of time. Economic productivity, on the other hand measures the value of output in terms of input used to produce that one unit of output. And it is worth mentioning that both technological and market elements play a significant role in determining economic productivity. Furthermore Valentino Piana (2001) identified many factors which can increase the productivity. Those were new technology, investments, innovative efforts, imitations, supply chain management, infrastructure, and involvement of employee motivation. In addition, firms' incentives for the employees also increase the productivity because incentive provision stimulates the work environment.

Motivation plays an illustrious role in increasing the productivity of the employees of any organization that's why the researchers are conducting research on this very issue. The functionality and the performance of any firm depend mostly on the performance of employees who are responsible for the fulfillment of mission and vision.

The motivated employees will try hard for the sake of the firm and they think it as their firm on which not only their food and shelter but also the prosperity depends. Therefore this particular research work will help to assess the motivational efforts pursued in different superstores of Dhaka city in order to raise the level of productivity and to observe the relationship between these two.

RATIONALE OF THE STUDY

The research on this type of issue- motivation and productivity has created interest for many scholars and many of them have found a positive correlation between motivation and productivity. However, it can be noted that the relationship between motivation and productivity are not that much explored in Bangladesh and this reasoning provided the foundation for the research work.

The importance of employees in any business cannot be confined at any respect. It is a widely accepted phenomenon that the businesses which are not nourishing and maintaining motivated workforce place are not recognised as a productive and quality business enterprise. Another aspect is that by motivating employees as far as the firms could lead to the achievement of mission and vision. Along with this factor, productivity is related. All these factors raise the interest level of the researchers to do a thorough research on this topic.

LITERATURE REVIEW

One of the driving forces that energises the employees of any firm both physiologically and psychologically in order to achieve their goals is motivation and for boosting up motivating environment it is required to create and enhance the atmosphere that brings equity and harmony for all and most importantly for the benefit of the involved parties (Lam & Tang: 2003). Tietjen & Myers (1998) indicated that motivated employees are usually satisfied employees and works for the best interest of the organization. Manager is responsible for maintaining motivation which needs to be effective by all means and s/he needs to know the environment as well as the state of mind of the employees for which the initiatives are directed. Nevertheless motivation also come from inside that helps to exert resources without any external stimulus. It is that phenomenon which helps maintaining a harmonious relationship among all the parties associated (Thwala & Monese, 2008).

The primary goal of motivation is to make the employees determined to fulfill the goals and objectives of any firm through increasing the level of productivity and at the same time raising their satisfaction level. Thus Robin DeCenzo (2002) cited that, motivation refers to the actions by which the willingness of the employees to exert high level of effort to reach organizational goals increases more than ever, and most importantly satisfy some form of personal need such as self-esteem. There is evidence that employees are best-motivated when they are pursuing specific "goals". This works best when the goals set are challenging but realistic, and when employees themselves are given the opportunity to participate in deciding upon the goals (Mullins 1996).

On the other hand some scholars like Campbell and Pritchard (1976), defined motivation from a different perspective. They defined motivation as the relationship between independent and dependent variable that tries to explain different behaviors such as amplitude, direction, persistence, ability to understand the nature of the task and the limitations of the environment. So to motivate people to achieve a common goal it is needed to understand the nature of motivation, principles and different theories related to it.

The productivity of workers in developed countries has been extensively explored over the past decades. For instance, as reported by Kaming et al (1997). Borcharding and Oglesby (1975) investigated the effective utilization of manpower and potential factors influencing productivity on large projects; whereas Borcharding and Garner (1981) and Maloney and McFillen (1986, 1987) examined workforce motivation and productivity.

Furthermore Thomas (1981) employed activity sampling to investigate labor productivity, while Horner et al (1987) elaborated on the relationship between management control and labor productivity. Allmon et al (2000) went ahead to study the labor productivity trends, (1970 – 1998). Goodrum and Haas (2001) while closing discussion on the work of Allmon et al (2000) brought up arguments to further establish the fact that projects are rarely similar and identical undertakings are virtually non-existent.

A motivated employee is a loyal employee and this loyalty implies that the employee supports the actions and objectives of the firm. The appearance of the job as a whole has, in fact a bearing on the willingness and quality of an employee's performance (Martin Bruce 1962). According to McClelland (1961) individuals tend to develop certain motivational drives on the cultural environment in which they live and these drives affect the way people view their jobs. McClelland suggests that achievement, affiliation, competence and power are the four types of motivational drives that are found in individuals who are self-motivated and this may be the case for many workers.

Motivation plays a part in enhancing labor productivity (Smithers and Walker, 2000) and forms the basis for identification of the work environment factors. For example, Laufer and Moore (1983) advocated the use of financial incentive programs to improve labor productivity, reinforcing Maloney's (1981) thesis of driving forces that led to productivity improvements. Nearly all employees, regardless of their occupation or their status in an organization's hierarchy, are motivated to some extent by pay (Wiley 1997). For relatively unskilled workers in mundane jobs, money is usually the major motivating factor (although not necessarily the only one), but higher-level employees will also desire less tangible rewards.

Autonomy and comradeship (Edwards and Eckblad, 1984) are also found to be important aspects that inspire the workers to be self-motivated about their work. However, much work in linking motivation and productivity relied on Herzberg's sample involving mainly white-collar professionals (Mullins, 1996). Furthermore, Hofstede (1980) decried such motivational theories as merely point made about the *ad nauseam* emphasis on the managerial perspective in the quest to ameliorate productivity.

According to Frederick Irving Herzberg, Mausner, and Snyderman (1959), employee needs to be empowered in order to increase motivation and he identified some motivators such as achievements, recognition, growth, interest in the job are crucial. There is an old saying that you can take a horse to the water but you cannot force to drink. It will drink only if it is thirsty, same reasoning holds well with some people but others do not follow the same path. People will devote only if they are motivated. So they must be motivated either by themselves or by extreme stimulus. Lastly whatever the causatives are what matters is motivation increases productivity and to prove that fact researchers will conduct a study on superstores located in Dhaka city. The views of scholars of management will prove to be vital in preparing the questionnaire, analysis and validate the inferences.

OBJECTIVE OF THE STUDY

The objectives of this study are as follows:

1. To observe whether there is a relationship between motivation and productivity at the superstores of Dhaka.
2. To identify that the employees of superstores are satisfied or not with the current motivational effort made by those stores.

METHODOLOGY

Methodology is not only concerned with data collection but also provides the logic behind choosing methods in order to describe and analyze the data. As a result, it is very important to mention that what methods and why those will be used in this study paper and because of this reason, research idea, objectives and questions have an impact on the methods. This part focuses on the tools for collecting and analyzing the data in addition to research approach, process, data collection and sample size etc. along with the logic for choosing any specific method.

RESEARCH IDEA

The idea of the research is, '*Motivation & Productivity Relationship: A Closer Look at the Superstores of Dhaka*'. The entire research will be roaming around this particular topic and analysis will be done to authenticate the conclusion.

RESEARCH QUESTIONS

To achieve these research objectives following research questions are identified-

1. Is there any relationship between motivation and productivity?
2. Whether the employees of the superstores are satisfied with the current motivational effort?

RESEARCH APPROACHES

According to Saunders, Lewis and Thornhill (2007), inductive research approach and deductive research approach are the two research approaches usually used. *Inductive Approach* is nothing but followed to collect data to develop new theories by joining the relevant literature and on the contrary *Deductive Approach* is

used in order to improve any earlier theory and analyze the pragmatic observations. In this research paper inductive approach is followed as researchers want to establish relationship between motivation and productivity.

RESEARCH PROCESS

The qualitative data are contained with visual information while the quantitative data explains the information based on statistics. For this particular study, exploratory research is followed to get the statistics of the motivation and productivity at superstores of Dhaka.

SAMPLING FRAME, SAMPLE SIZE & SAMPLING TECHNIQUE

A total of 21 superstores are located in Dhaka and employees of all these are taken under consideration for the survey. A total of 213 questionnaires are delivered to respondents. Stratified random sampling is used to collect the data because respondents are drawn from different designations.

DATA COLLECTION

The information and data are collected mainly from primary sources. To gather information regarding the employee motivation and production, employees and managers are surveyed using a closed-end questionnaire.

DATA ANALYSIS

The data is analysed by using different statistical tools such as frequency distribution, multiple regression, and one-sample t-test. Statistical Package for Social Sciences version 17 is the most preferable tool used for analysing primary data.

RESULTS AND DISCUSSION

In this portion of the research paper the researchers will use different quantitative research mechanism to present an in-depth idea regarding the impact of motivation over the productivity of the Bangladeshi Superstore employees. Descriptive statistics, frequency tables, one-sample T- tests and multiple regression analysis– all these are the major statistical tools generally used in social sciences and this business research is not going to be an exception.

FINDINGS FROM DESCRIPTIVE STATISTICS AND FREQUENCY TABLES

At first the researchers want to pinpoint the generic features of the respondents. Majority of the respondents were male and their age was within 26 years. Most of the employees who were interviewed were sales people and their earning was Tk. 15,000 or less than that. Majority of the employees interviewed were permanent in those superstores and their educational qualification is satisfactory – Bachelor degree. Majority of the sample surveyed employees were working in respective superstores for 4 years or less. Let’s talk about the motivational issues. A wide majority (86%) of the respondents believed that they were motivated and around 75% of the respondents were motivated by monetary benefits. Among the monetary benefits, respondents preferred pay increase as the preferred medium of monetary benefit, instead of bonus, commission and profit share. Among the non-monetary benefits, sample surveyed respondents, majority preferred holiday packages instead of medical services, day-care facilities and parking facilities. Getting aligned with the theoretical frameworks, almost 98% of the respondents had found strong relationship between motivation and productivity. Majority of the sample respondents are satisfied with the monetary and non-monetary motivational scheme. Among the on-the-job facilities employees preferred flexibility the most, on the other hand a significant majority of the respondents wanted tight work schedule to get abolished. Around 85% of the respondents believed that they were a part of the organization and they also believed that they were doing their desired job meaning that their job descriptions were perfect. Majority of the respondents believed that they were never forced to do anything that they did not prefer. Around 96% of the respondents believed that they were exerting their best possible service to the respective firm and they believed that improper working condition was the biggest hindrance towards productivity. They had also commented that it was better working condition that generally made the employees more productive. While interpreting the descriptive statistics and frequency table numbers one should be very careful about the extreme values since standard deviation for majority of the research variables are quite high. Among 22 research variables, for 12 variables the measure of skewness was positive meaning that the *tail* on the right side was *longer* than the left side and the bulk of the values lied to the left of the mean. The negative skewness found in case of 10 variables indicated that the *tail* on the left side of the probability density function was *longer* than the right side and the bulk of the values (possibly including the median) lied to the right of the mean. In case of all the research variables, the Kurtosis was less than 3, so the frequency distribution was Platykurtic by nature, flatter than a normal distribution with a wider peak. The probability for extreme values is less than for a normal distribution, and the values are wider spread around the mean.

TABLE- 1: DESCRIPTIVE STATISTICS

	N	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
Gender	213	.70	.457	-.901	.167	-1.199	.332
Age	213	2.21	.873	.477	.167	-.342	.332
Designation	213	3.35	.809	.246	.167	1.274	.332
Monthly Income Level	213	3.35	.809	.246	.167	1.274	.332
Educational Qualification	213	2.72	.893	-.497	.167	-.416	.332
Type of Employment	213	1.92	.468	-.282	.167	1.393	.332
Work Tenure	213	1.86	.911	.851	.167	-.114	.332
Employee Motivation	213	.86	.349	-2.080	.167	2.347	.332
Factors that Keep Employees Motivated	213	1.25	.436	1.141	.167	-.704	.332
Types of Monetary Benefits Preferred by Employees	213	1.76	1.016	1.149	.167	.080	.332
Types of Non-monetary Benefits Preferred by Employees	213	1.93	.680	.633	.167	1.046	.332
Employees Observation on Relationship between Motivation and Productivity	213	.97	.166	-5.744	.167	3.287	.332
Employees Satisfaction Level on Facilities Provided in superstores to Motivate Them	213	2.10	.755	.033	.167	-.795	.332
Facilities that Employees Count	213	2.46	1.062	-.086	.167	-1.235	.332
Facilities Unwanted by Employees	213	2.82	1.094	-.415	.167	-1.155	.332
Organizational Commitment	213	.87	.374	-1.400	.167	2.523	.332
Factors that make Employees more Productive	213	2.45	1.234	.000	.167	-1.612	.332
Employees Preferred Job Description	213	.76	.428	-1.230	.167	-.492	.332
Pressurizing to Do that Employees Do not Like	213	.44	.497	.257	.167	-1.952	.332
Employees Level of Performance	213	.96	.202	-4.583	.167	1.186	.332
Hindrances to Highest Performance	213	2.42	1.046	.058	.167	-1.182	.332
Factors that will Motivate more than Anything	213	2.54	1.199	-.133	.167	-1.524	.332
Valid N (list wise)	213						

A wide majority of the conclusions drawn from the descriptive statistics and frequency table gets aligned with the findings of the academicians. Very much like our findings, Lam and Tang (2003) had found evidence that in case of low-earning jobs, monetary benefits motivated employees to a greater extent than the case with non-monetary benefit. The aforementioned researchers had found opposite findings in case of high-paying employment opportunities. Very much like this case, Lam and Tang (2003) had also found strong evidence that among low-paid employees, pay increase was the most influential motivators and bonus, profit share etc. are the secondary issues. Holiday packages were the optimal non-monetary motivating factor as per their study goes. On the contrary according to Valentino Piana (2001), to get a proper picture in case of any business research where productivity is associated with motivation, the questionnaire based sample survey needed to be disguised by nature, since he believed that majority of the respondents would answer positively to an undisguised questionnaire but this observation does not invalidate the inferences drawn here.

FINDINGS FROM REGRESSION ANALYSIS

There had been two regression equations which were checked. In both the cases the dependent variable was a dummy one – motivational status of the employees (whether they are motivated or not) working at different outlets of superstores. In the first case the independent variable was motivational factor (factors that keep employees motivated) and in the second case the variables were monetary benefit and non-monetary benefit.

Relationship of motivation with motivational factor:

TABLE- 2: RESULTS OF REGRESSION (ONE)

Variable	Regression Coefficient	Standard Error	t value	p> t (one tail)
Motivational factors	0.109	0.055	- 1.99	0.046
Constant	0.996	0.072	13.76	0.00

N = 213, F = 3.996, P > F = 0.047, Adjusted R square = 0.019, R square = 0.136

The theoretical regression equation is like: Motivation= Constant (β_0) + β_1 Motivational factors + error.

In reality after the analysis it is somewhat like: Motivation = 0.996 + 0.109 motivational factors.

Therefore, what should be the motivation level basically depends on motivational factors on a positive tone (meaning if the independent variables increases, then motivational level will also increases and vice versa).

F = 3.996 and Probability > F = 0.047

The computed F –Value (3.96) is used to test the significance of the regression. The large F value and its related small P value indicate that the overall

regression’s ability to predict the motivational status is significant thus we can easily reject the null hypothesis. ($H_0: \beta_1 = 0$).

$r^2 = 0.019$

The regression equation explains only about 2% of the total variation in the dependent variable. So, the explanatory power of the regression equation is at an inadequate level. So, for a much better explanatory equation, more useful independent variables should be included in the equation.

$\beta_1 = 0.109, t = -1.99, p > t = 0.046$

In this case the large t-statistics and very small p value indicates that the regression co-efficient of motivational factors which is indicated by β_1 is significantly different from zero in fact more than zero. Given, the other independent variable in the regression function, motivational factors cannot be dropped from the

regression function. The p value equaling to 0.046, is the probability of obtaining a t-value at least as large as -1.99 even if the hypotheses $H_0: \beta_1 = 0$ is true. Since this probability is extremely small, H_0 is unlikely to be true and it is rejected.

As the regression equation is alluding to a positive gradient consequently it will always ensure that there remains strong positive relationship between motivational status and motivational factors.

Relationship of motivation with monetary and non-monetary benefit:

TABLE- 2: RESULTS OF REGRESSION (TWO)

Variable	Regression Coefficient	Standard Error	t value	p> t (one tail)
Constant	0.863	0.078	11.078	0.000
Monetary benefit	0.068	0.023	2.935	0.004
Non-monetary benefit	- 0.064	0.035	- 1.851	0.006

N = 213, F = 5.452, P > F = 0.005, Adjusted. R square = 0.049, R square = 0.222

The theoretical multiple regression equation is like: Motivation= Constant (β_0) + β_1 monetary benefit + β_2 non-monetary benefit + Error.

In reality after the analysis it is somewhat like: Motivation = 0.863+0.068 monetary benefit - 0.064 non-monetary benefits.

Accordingly, what should be the motivation level basically depends on monetary benefit on a positive tone (meaning if the independent variables increase, then motivational status increases and vice versa) and non-monetary benefit on a negative tone (meaning that if this independent variable decreases, then motivation increases and vice versa).

F = 5.452 and Probability > F = 0.005

The computed F –Value (5.452) is used to test the significance of the regression. The large F value and its related small P value indicate that the overall

regressions’ ability to predict the motivational status is significant. Hence we can easily reject the null hypothesis. ($H_0: \beta_1 = \beta_2 = 0$).

$r^2 = 0.049$

The regression equation explains only 5% of the total variation in the dependent variable. So, the explanatory power of the regression equation is at an inadequate level. Thus, for a much better explanatory equation, more useful independent variables should be included in the equation.

$\beta_1 = 0.068, t = 2.935, p > t = 0.004$

In this case the large t-statistics and very small p value indicates that the regression co-efficient of monetary benefit which is indicated by β_1 is significantly different from zero in fact more than zero. Given, the other independent variable in the regression function, monetary benefit cannot be dropped from the

regression function. The p value equaling to 0.004, is the probability of obtaining a t-value at least as large as 2.935 even if the hypotheses $H_0: \beta_1 = 0$ is true. Since this probability is extremely small, H_0 is unlikely to be true and it is rejected.

$\beta_2 = -0.064, t = -1.851, p > t = 0.006$

In this case relatively large t-statistic and relatively smaller p value indicate the co-efficient of non-monetary benefit is significantly different from zero. So we are accepting $H_0: \beta_2 = 0$. Given, the other independent variable in the regression function, non-monetary benefit cannot be dropped from the regression function.

This regression results goes in conformity with the existing academic results. Robin DeCenzo (1995) conducted similar kind of research regarding the impact exerted by monetary and non-monetary benefit on motivational status. He had found a less explainable regression model depicted by R square, even though both of the factors possessed their expected sign. The rationale behind the inadequate explanation power was the absence of even-more influential factor in the model. Borcharding and Garner (1981) conducted a full-fledged research on the association between motivation and motivational factors across 13 industries. Even-though he had found evidence of inadequate R square, the factors possessed expected signs and the model was statistically significant. Smithers and Walker (2000) had found evidence that monetary benefits exerted more influence over motivational status than the case with non-monetary benefit – the study was conducted over 856 workers who were working in steel and iron manufacturing plant and were relatively ill-paid. On the other hand, Goodrum and Haas (2001) had found evidence of completely opposite scenario where non-monetary benefits exerted more influence over motivational status than the case with monetary benefit – the study was conducted over 123 white collar employees who had been adequately paid.

FINDINGS FROM HYPOTHESIS TESTING

Two hypotheses were formed and tested using the data collected from the sample survey.

Hypothesis One

H_0 : There is no relationship between motivation and productivity.

H_1 : There is a relationship between motivation and productivity.

Hypothesis Two

H_0 : Employees working at different superstores at Dhaka are not satisfied with the motivational scheme.

H_1 : Employees working at different superstores at Dhaka are satisfied with the motivational scheme.

Based on the t-statistics and associated significance level, the researchers had to reject both of the null hypotheses. Therefore, it was evident that motivation and productivity were interlinked. Most importantly it was also evident that employees working at different superstores of Bangladesh are satisfied with the motivational scheme. Both of these findings get aligned with the existing academic literature. Edwards and Eckblad (1984) had found strong evidence that motivation and productivity were strongly correlated – based on a rigorous survey conducted on 1765 sample respondents representing more than 23 industries. The aforementioned researchers found that to keep employees motivated to their works, at first the employees needed to be self-motivated. They had found evidence that almost 78% of the respondents were satisfied with the motivational program of the respective firms. Mullins (1996) replicating Herzberg's sample involving mainly white-collar professionals had found strong evidence that motivation was the driving force behind productivity. According to Mullins (1996), majority of the sample respondents seemed to be satisfied with the motivational packages at work. Hence, it is established that motivation and productivity are related and motivation increases productivity.

RECOMMENDATIONS

As the researchers have concluded all the necessary analysis to show the relationship between motivation and productivity now it is time to make necessary recommendations regarding the topic of analysis.

- The young people are more motivated and enthusiastic to work more and be productive they prefer monetary benefits and dislike tight work schedule, improper working environment with the prevalence of nepotism and autocratic leadership so in order to motivate them superstores can establish and promote a bit more flexibility, democratic leadership as well as participative management style so that this group of employees remain motivated and become more productive.
- Usually low earners strive to earn more and for that reason they perform their designated responsibility more cautiously than others and prefer monetary benefits. They believe in motivation productivity relationship so to keep them motivated superstores can increase their pay as well as tie up their performance with that of the compensation which will ensure achievement of organizational goal.
- Those who have worked for the superstores for longer years are more relaxed and support facilities that will make them and their work more enjoyable. But the employee who has a less work tenure prefers ways to increase their financial benefits. That's why superstores need to tailor their scheme accordingly.
- Employees who are not motivated at all need special attention because if they are not motivated they will not be productive. Authorities can talk to them; listen to the grapevine to get idea about their liking and way of thinking about the job which help to find out the ways to make them motivated.
- Some employees are not performing at their highest level and they think that lack of motivation is clogging them from doing so. That's why motivation from both monetary and non-monetary sides will make them more productive than ever.

So, after considering all the recommendations superstores of Dhaka city can surely enrich the morale of their employees to make them more motivated and productive which will in turn help them to become more profitable.

CONCLUSION

Motivation and productivity are very interlinked as indicated by the scholars of management. They have found very high relationship between these two variables. And the analysis of the researchers also found that there is a very high positive relationship between these two. As there is a relationship so the superstores want to find out the ways to motivate its employees and thus make them productive.

This researcher work is done basically to identify whether the motivated employees increase productivity and the factors that motivate most. In superstores of Dhaka most of the employees are motivated and satisfied with the facilities provided even though different demographic component influences motivation differently. The type of benefit- monetary and non-monetary, working environment, work schedule and age proved to be vital in determining motivation and increasing productivity.

Therefore the research work identified rightly that motivation increases productivity as it has been proved that motivation and productivity are related.

LIMITATIONS OF THE STUDY

Every study of work and effort that has been made so far always has some sort of limitations and this study will not be an exception.

- Employees working at different divisions and part of the superstores are interviewed at the time of the analysis. According to their comments, the researchers could perceive the actual scenario. But since all the analysis is concentrated on the Dhaka based stores– the interpretations may be truer for this particular region.
- For the sake time and budget constraints, researchers visited only Agora, PQS, Meena Bazar, Nandan Mega Shop, Pacific, Pick and Pay, Etc, Shop & Save, Family World, Shwapno, G-Mart, Pacific, Shoppers World, A to Z out of the many superstores of the country. So the research could easily be constrained to the sampling and non-sampling error.
- Since every respondent will be prone to overestimation bias and other irrational decision making process, the responses could easily be inaccurate and vague. So these will certainly affect the level of the researcher's recommendations.
- Since those in chairs at times did not provide researchers with adequate information, some issues had to be estimated and assumed from the experience and exposure.

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ANALYSIS OF MACROECONOMIC FACTORS AFFECTING THE INFLOW OF FOREIGN DIRECT INVESTMENT IN MALAYSIA

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ABSTRACT

This study examines the impact of macroeconomic factors of source countries (US, UK and Japan) and host country (Malaysia) on the inflow of foreign direct investment (FDI) into Malaysia based on annual data for the period 1984 to 2006. In this empirical analysis, the independent variables namely Malaysian exchange rate to the source countries [U.S (dollar), UK (pound), and Japan (yen)]; Malaysian lending rate, change in Malaysian, change in U.S, Europe, and Japan Gross Domestic Product (GDP); change in Malaysian, U.S, Europe, and Japan inflation; change in U.S, Europe, and Japan export; and change in U.S, Europe, and Japan import were regressed against FDI inflow to Malaysia as the dependent variable. The findings from this study show that FDI inflow to Malaysia is positively and significantly correlated with Malaysian exchange rate to US dollar and change in Malaysian GDP. FDI is negatively and significantly correlated with change in Malaysian inflation rate, change in US inflation rate and change in Japan GDP. In addition, FDI inflow to Malaysia is correlated positively and insignificantly with Malaysian lending rate, change in US import, change in US export, Malaysian exchange rate to pound, change in UK export, and change in Japan inflation rate, change in UK GDP and change in Japan import. FDI is also negatively and insignificantly correlated with change in US GDP, change in UK inflation rate and change in UK import, Malaysian exchange rate to yen and change in Japan export.

KEYWORDS

Export, Foreign Direct Investment (FDI), Growth Domestic Product (GDP), Import, Inflation rate.

INTRODUCTION

Private foreign investment flows have emerged as the single largest source of external finance for developing countries in recent decades. These flows broadly take two forms. First are foreign direct investments (FDI) that multinational corporations (MNCs) bring in to establish production units or undertake specific projects in the host country independently or in collaboration with the local entrepreneurs. FDI entails not only a transfer of resources but also the acquiring of control. The investor aims at securing a lasting interest and an active role in the company of the host country (IMF, 1993). The second form of flows is the foreign portfolio investments. For example, in stocks, bonds and notes in credit and stock markets of a country by private foreign institutions such as banks, mutual funds and corporations or individuals. These investments, being liquid, are highly volatile, and move freely across national boundaries to enlarge profits and diversify investment packages (Lewis, 1999).

Conventionally, FDI is defined as a form of international inter-firm cooperation that involves a significant equity stake in or effective management control of host country enterprises (Sun, Tong & Yu, 2002). FDI has been one of the most fascinating and intriguing topics among researchers in international business, because it is one significant form of rapid international expansion to increase ownership of assets, derive location-specific advantages and acquire additional knowledge. There is a sizeable body of knowledge regarding the inflow of FDI into the United States (Grosse & Trevino, 1996; Tallman, 1988). By comparison, less is understood about what drives FDI in transitional economies (Batra, 1997; Child & Tse, 2001).

FDI plays a major role as a key factor in transferring new technology and promoting economic growth. Conceptually, FDI can influence a recipient country at both macro and micro-levels. At the micro-level, FDI for MNCs can affect the management and technical efficiency of domestic firms through technological transfer, labor training and produce positive spillover efficiency. At the macro level, FDI may influence both variables such as domestic investments, economic growth, employment, exports and imports (Dunning, 1988, 1995; Kholdy, 1995; Levine, 1997; Borensztein & Lee, 1998) and financial variables such as interest rates, foreign exchange rate, inflation and balance of payment (Limand & Pang, 1991).

Malaysia is the second fastest growing economy in the South East Asian region with an average Gross National Product (GNP) growth of 8% year in the last decade. Since independence in 1957 Malaysia has moved from an agricultural based economy to a more diversified and export oriented one. This transition has been made possible among other things by a steady and increasing inflow of FDI to this country especially to cater for saving investment domestically. Malaysian investment regime is designed to serve the changing needs and directions of the country's industrial policy, in which the government has always played an active role.

This paper is organized as follows. In the next section, a brief literature review considers the factors that affect the foreign direct investment. In the following section, the methodology and hypotheses of the study are presented. Consequently, the theoretical framework that depicts the linkages between the variables of interest is then presented. Subsequently, the data collection procedures and variable measures are discussed. Finally, we discuss the results of regression analysis and some suggestions for future research are given.

LITERATURE REVIEW

Literature on FDI, both empirical and theoretical, mostly focuses either on studying the benefit of FDI to host country, at country level or firm level, or on the determinants of FDI flows. Consistent with the issue understudied, the focus in the section is on the second group of literature.

Several studies have been carried out previously on FDI in different countries. Tharumarajah (2001) investigated the determinants that led to the expansion of inward capitals inflows to Malaysia over the period of 1970 to 1998 using a sample model of linear regression. He found that the most significant factors are import of home country in to Malaysia and the GDP growth of Malaysia. Faster growth of GDP, import levels and domestic investment in Malaysia will result in greater amounts of FDI inflows. He also found that interest rates affect demand for loans and exchange rate of Malaysian ringgit against the U.S dollar. As expected both these variables coefficients carries a negative sign indicating lower interest rates which reduces the cost of borrowing and increases the level of

inward capital flow. The lower cost of financing in a host country relative to that in the home country results in a lower valuation of currency. This attracts foreign entities to begin operations in a country. Both of these coefficients are negatively correlated and significant at 5% significant level.

Pan (2002) conducted a study in China to examine the impact of source and host country on FDI between 1984 and 1996. Using data from 30 countries, he found that exchange rate is not a significant determinant for FDI, the cost of borrowing in the source country has negative association with its inflow of FDI, and source country GDP has a significant impact on FDI in China.

Lopez (2002) analyzed the relationship between FDI inflows and exports, and FDI inflows and imports in Mexico, during the period from 1970 to 2000. He used annual World Development Indicators as data source and found that there is a causality relationship between FDI and imports, meaning that FDI has a close relationship with imports. Simultaneously as FDI increased, the import content also intensified. There exists a causality relationship between exports and FDI.

Furthermore, Wan (2003) conducted a study in Japan to examine the impact of exchange rate on FDI. They used data of Japanese FDI in nine Asian manufacturing sectors from 1981 to 2002 to examine the hypotheses in the context of the competition between China and ASEAN-4 (Indonesia, Malaysia, the Philippines and Thailand). They find that exchange rate plays a significant role in competition between FDI recipient countries. They also show that relative exchange rate is a significant factor that determines the relative inflows of Japanese FDI for manufacturing as a whole, and for such sub-sectors as textiles, food, electronics, transportation equipment, and others.

Bouoiyour (2003) investigated the determining factors of FDI in Morocco from 1960 to 2000. During this period Morocco was one of the most important recipients of FDI inflows in the Middle East and North African. He used an empirical model using some macro-economic variables. His results found that GDP has a positive impact on the FDI inflows and that this variable can also reflect the dynamism of Moroccan economy. He also found that the inflation rate is significant with expected sign. This result suggests that macroeconomic stability is an important determinant of investments influx. On other hand the results of the second regression found that coefficient GDP is a negative sign and is not significant, meaning that the instability of Moroccan economy growth can be a handicap for FDI inflows. According to the results of the third regression, an increase of FDI is equivalent to an increase of exports and imports and a depreciation of real exchange rate against the investing country increases FDI inflows. Exchange rate can reflect the influence of favorable prospects on the evolution of the Moroccan economy.

Venkatarany (2004) conducted a study in India, covering an eight-year period (1992 to 1999) to explore the factors that contribute to the independent of FDI and tests whether the variables really have a significant influence on the inflow of FDI into India. Theories of FDI suggest that firm size, profitability, trade, interest rates, economy and inflation would be significant influences in attracting FDI.

Hasan (2004), on the other hand, conducted a study to see factors that attract foreign capital to the developing economies, and which of these or other factors have been relevant in the Malaysian case and what policy lessons the experience has for Malaysia or others using annual data over a thirty one year from 1970 to 2000. He found that the positive sign for the Malaysia Ringgit (RM) to dollar exchange rate is in line with the empirical evidence that a weak currency is likely to increase foreign investment flows to a country over time (Toro, 1999). Indeed, the exchange rate has been the most dominant determinant of the FDI flow into Malaysia. He also found that a 1 percent rise in exports to GDP ratio is likely to increase FDI inflow by RM120 million, indicating that exports play a crucial role in attracting foreign capital to Malaysia.

Herrero and Santabárbara (2004) analyzed empirically whether the emergence of China as a large recipient of FDI has affected the amount of FDI received by Latin American countries, during the period 1984 to 2001. They used data from the international financial statistics. Results show that coefficient of bilateral exports is significant and positively correlated with FDI. In addition, there are a number of significant variables in the first specification with all regresses, which become not significant in the restricted ones. These are the bilateral exchange rate and GDP growth in the host country. On the other hand, the bilateral exchange depreciation is clearly significant in increasing FDI to Latin American countries, suggesting a lower investment cost due to the exchange rate depreciation which weighs more than a reduction in repatriated benefits. In addition, larger bilateral imports seem to imply less Latin American inward FDI.

Abd Ghani (2007) examined the relationship between FDI and financial sector performance in Malaysia and its neighboring countries, Indonesia and Thailand based on quarterly data for the period 1999 to 2006. The results of panel data analysis using no lag valves for independent variables found that GDP and inflation rates significantly and positively influence total FDI to the three countries. Lower interest rate was also found to have attracted higher FDI. As such, The results of panel data analysis using lag one quarter valves for independent variables showed that total FDI for a particular period is significantly related to changes in last quarter inflation rate at 95% confidence level and is significantly related to last quarter interest rate. Change in inflation in the last quarter is found to be positively related to FDI while interest rate last quarter is found to be negatively related with FDI. In addition, the results of panel data analysis using lag two quarter valves for independent variables indicate that commercial bank asset interest rate and inflation rate is positively and significantly related to overall FDI at 95% confidence level.

RESEARCH METHODOLOGY

The theoretical framework of this study uses factors related to both the host country (Malaysia) and the source countries (U.S, UK, and Japan) which are used to explain the inflow of FDI in Malaysia. For the first independent variable, we use Malaysian exchange rate to dollar, pound, and yen. The second independent variable is Malaysia lending rate. The third independent variable is change in Malaysian, U.S, UK, and Japan GDP. The fourth independent variable is change in Malaysian, U.S, UK, and Japan inflation rates. The next independent variable is change in U.S, UK, and Japan import. The last independent variable is change in U.S, UK, and Japan export to Malaysia that may influence FDI in Malaysia. Figure 3 presents the theoretical framework of this study. In the next section, we set our hypothesis for this study.

HYPOTHESIS

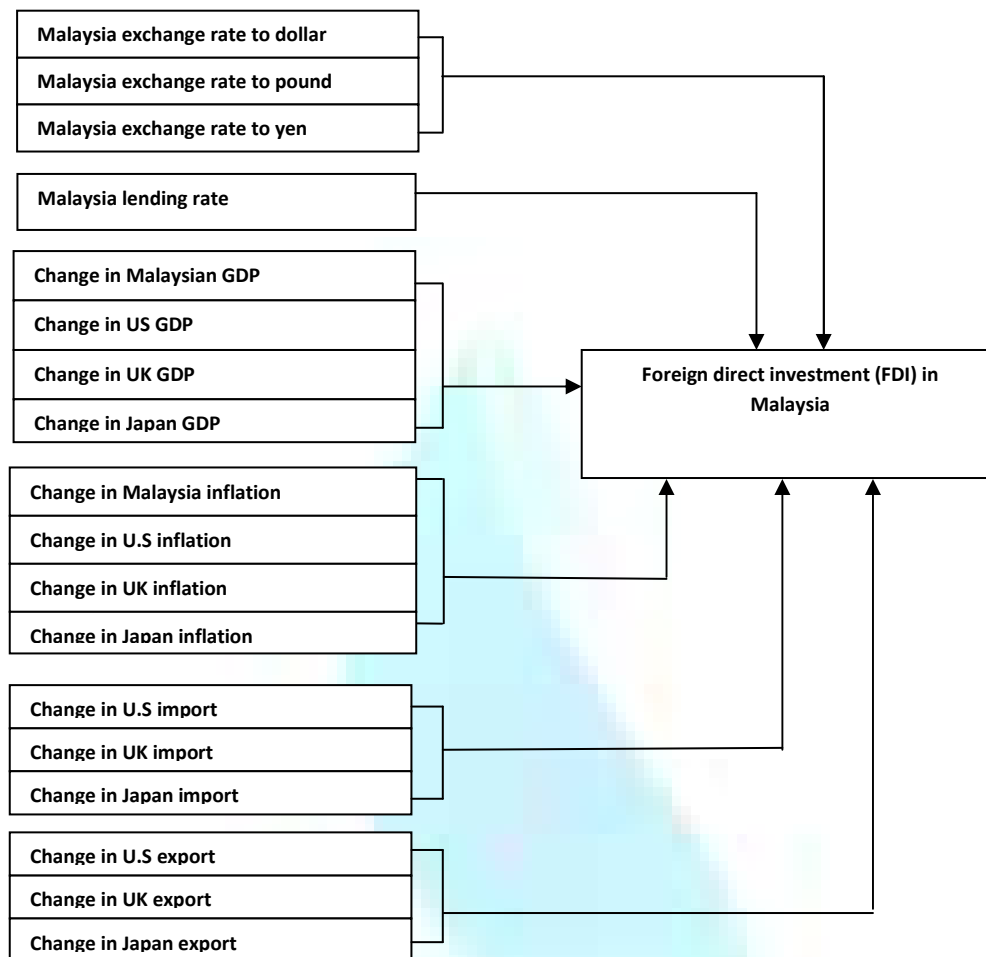
Country specific factors are macroeconomic level environmental characteristics of source and host countries that are presumed to affect firm's investment activities (Kogut & Singh, 1988; Tallman, 1988). This empirical analysis seeks to extend the understanding on macroeconomic factors that affect FDI in Malaysia based on the incorporation of key factors drawn from the literature review into the modeling process.

Pan (2003) noted that exchange rate is not a significant determinant for FDI in China. Similarly, Moshirian (1997) showed that exchange rate is positively correlated with FDI in U.S. Herrero and Santabárbara (2004) noted that bilateral exchange depreciation is significant in increasing FDI to Latin American countries. Lewis (1999) concluded that the exchange rate highly and significantly affects FDI in LDCs.

Tharumarajah (2001) found that the exchange rate of Malaysian ringgit against the U.S dollar is negatively correlated and significant suggesting a lower valuation of currency will attract foreign entities to begin operations in a country. Goldberg and Klien (1997) noted that a significant linkage between real exchange rates to FDI. Hasan (2004) found that a positive sign for the Malaysia ringgit to U.S dollar exchange rate is in line with the empirical evidence that a weak currency is likely to increase the foreign investment flows to a country over time. Therefore, I hypothesize the following:

H1: There is a significant relationship between Malaysian exchange rate to dollar, pound, and yen with FDI in Malaysia.

FIGURE1: THEORETICAL FRAMEWORK



Previous studies have shown that the cost of raising capital in a country affects its FDI outflow (Froot & Stein, 1991; Pan, 2002). Higher lending rates increase such costs, causing firms to earn higher profits to meet their expectations net of debt repayments. Domestically, it can be argued that firms compete on roughly equal footing, because they are faced with similar interest rates. Internationally, however, firms from source countries with high lending rates are at a cost disadvantage in raising capital, compared with those from countries with low lending rates (Grosse & Trevino, 1996). One might expect that, since in a world with mobile capital, risk adjusted expected returns on all international assets would be equalized, interest rate differences should have no bearing on FDI. In reality, capital mobility is not perfect. Only very large multinational corporations can raise capital internationally. In addition, complications such as hidden costs and exchange rate fluctuations work against raising capital in a third country.

Grosse and Trevino (1996) found that cost of borrowing at source country affects outward FDI into the United States. Firms from countries with low interest rates enjoy a cost advantage that enables them to raise more capital with a lower burden of interest payment. Pan (2003) emphasized that cost of borrowing in source country has negative association with its inflow of FDI. Tharumarajah (2001) revealed that a negative relationship exists between interest rates and demand for loans. Lower interest rates reduce cost of borrowing and increase the level of inward capital flow. On the other hand, Abd Ghani (2007) argued that interest rate is negatively related with FDI in last quarter of the period 1999 to 2006 in Malaysia. Venkataramany (2004) finds that deposit and commercial interest rates are highly significant with FDI. Thus, it can be hypothesized as following:

H2: There is a significant relationship between Malaysian base lending rate and FDI in Malaysia

Existing literature suggests a positive impact of GDP on the outflow of FDI (Ajami & Barniv, 1984; Tallman, 1988; Grosse & Trevino, 1996). It is easier for firms from a large home country to raise the capital needed to invest overseas, because larger countries tend to have more firms that can expand into international markets aggressively and on a larger scale. Tharumarajah (2004) noted that GDP is the most significant factor in Malaysia, this means that faster growth of GDP level and domestic investment in Malaysia will result in greater amounts of FDI inflows. Bouoiyour (2003) found the coefficient GDP is a negative sign and is not significant; meaning that the instability of Moroccan economy growth can be a handicap for FDI inflows. Goldberg and Klien (1997) showed that there is a significant linkage between GDP to FDI. Lewis (1999) noted that the average GDP growth is highly significant in LDCs. Similarly, Abd Ghani (2007) revealed that GDP is significant in influencing total FDI to Malaysia, Indonesia and Thailand. Gross and Golderg (1995) investigated location determinant of FDI in the U.S and found a strong relationship between FDI and GDP growth which it means that Foreign firms or countries of origin are attracted to host countries having strong, stable economic growth. Hermsey and Cliff (1984) found a strong GDP growth of host country is positively correlated with inward capital flow. A source country GDP has a significant impact on FDI in China (Pan, 2003). The growth rate of GDP has a positive coefficient, but is insignificant in India (Maniam, 1998). Therefore, it can be hypothesized as following:

H3: There is a significant relationship between change in Malaysian, U.S, UK and Japan GDP with FDI in Malaysia.

Previous research has shown that inflation rate is significant in influencing total FDI in three countries, Malaysia, Indonesia and Thailand (Abd Ghani, 2007). Venkataramany (2004) showed that there is a high significance and negative sign in the change in inflation indicating the adverse effect inflation can have on the inflow of FDI in India. Lewis (1999) said that inflation rate is highly significant at the 0.5 level. Bouoiyour (2003) revealed that inflation rate significantly influences FDI. Thus, it can be hypothesized as following:

H4: There is a significant relationship between change in Malaysian, U.S, UK, and Japan inflation rates with FDI in Malaysia.

Tharumarajah (2004) discovered that the import of source country is significant with FDI into Malaysia. This means that faster growth of import level and domestic investment in Malaysia will result in greater amounts of FDI inflows. Bouoiyour (2003) noted that an increase of FDI is equivalent to an increase of imports against the investing country. Lopez (2002) determined that there is causality relationship between FDI and imports, which means FDI has a close relationship with imports. Simultaneously as FDI has increased, the import content has intensified. Venkataramany (2004) emphasized that change in imports proved to be highly significant to FDI in India. Therefore, it can be hypothesized as following:

H5: There is a significant relationship between change in U.S, UK, and Japan import with FDI in Malaysia

Hasan (2004) showed that the crucial role of exports in attracting foreign capital to Malaysia, where a 1 percent rise in exports to GDP is likely to increase FDI inflow by RM120 million. Bouoiyour (2003) revealed that an increase of exports against the investing country increases FDI inflows in Morocco. Venkataramany (2004) found that change in exports is not significant in both analyses of FDI inflows in India. Lopez (2002) found an evidence of bi-directional Granger causality between exports and FDI. Herrero and Santabárbara (2004) discovered that the coefficient of bilateral exports is significantly positive with FDI. Therefore, it can be hypothesized as following:

H6: There is a significant relationship between change in U.S, UK, and Japan export with FDI in Malaysia.

DATA COLLECTION AND MODELS

The sampling frame will be used in the sample selection consists of six factors: the Malaysian exchange rate to three currencies (dollar, pound, and yen); Malaysian base lending rate; change in Malaysian, U.S, UK and Japan total GDP; change in Malaysian, U.S, UK and Japan inflation rates; change in U.S, UK and Japan total export of goods and services, and change in U.S, UK and Japan total import of goods and services and total amount of FDI in Malaysia. The period of study is from 1984 to 2006 data collected, is based on annual basis and is obtained from the global market information DataStream, and also from University Utara Malaysia (UUM) DataStream.

This study uses annual data from 1984 to 2006, covering a period of 23 years. Following to Venkataramany (2004), a simple Ordinary Least Squares (OLS) will be used to run regression tests for complete sample, target industry FDI inflows and source country FDI. The data will be analyzed using OLS regression model in order to estimate the factors of macroeconomic that are significantly related to FDI in Malaysia. All of the six macroeconomic factors indicator variables are included in the analysis. The model takes the form of:

Ordinary Least Squares (OLS)

$$Y_{ijt} = B_0 + B_1X_{ijt} + \mathcal{E}_{ijt}$$

Where:

Y_{ijt} : Dependent variable

B_0 : Parameter

B_1X_{ijt} : Independent variables

\mathcal{E}_{ijt} : Error term

There are three general linear regression models will be used in this study. The first model uses total FDI in Malaysia as the dependent variable and Malaysian exchange rate to dollar; Malaysian base lending rate; change in Malaysian and U.S total GDP; change in Malaysian and U.S inflation rates; change in U.S import of goods and services and change in U.S export of goods and services as independent variables. The second model also uses the total of FDI in Malaysia as the dependent variable and Malaysian exchange rate to pound; Malaysian base lending rate; change in Malaysian and UK total GDP; change in Malaysian and UK inflation rates; change in UK import of goods and services and change in UK export of goods and services as independent variables. The last model uses the total of FDI in Malaysia as the dependent variable and Malaysian exchange rate to yen; Malaysian base lending rate; change in Malaysian and Japan total GDP; change in Malaysian and Japan inflation rates; change in Japan import of goods and services and change in Japan export of goods and services as independent variables.

Model 1

$$FDI_m = B_0 + B_1MUSER + B_2MLR + B_3CHMGDP + B_4CHUSGDP + B_5CHMF + B_6CHUSF + B_7CHUSIM + B_8CHUSEXP + \mathcal{E}$$

Dependent variable:

FDI_m : Total Foreign Direct Investment (FDI) in Malaysia (1984-2006)

Independent variables:

B_0 : Constant

$MUSER$: Malaysian exchange rate to dollar (1984-2006)

MLR : Malaysia base lending rate (1984-2006)

$CHMGDP$: Change in Malaysia total GDP (1984-2006)

$CHUSGDP$: Change in U.S total GDP (1984-2006)

$CHMF$: Change in Malaysia inflation rate (1984-2006)

$CHUSF$: Change in U.S inflation rate (1984-2006)

$CHUSIM$: Changing in U.S total import of goods and services (1984-2006)

$CHUSEXP$: Change in U.S total export of goods and services (1984-2006)

\mathcal{E} : Error term

Model 2

$$FDI_m = B_0 + B_1MUKER + B_2MLR + B_3CHMGDP + B_4CHUKGDP + B_5CHMF + B_6CHUKF + B_7CHUKIM + B_8CHUKEXP + \mathcal{E}$$

Dependent Variables:

FDI_m : Total Foreign Direct Investment (FDI) in Malaysia (1984-2006)

Independent variables:

B_0 : Constant

$MUKER$: Malaysian exchange rate to pound (1984-2006)

MLR : Malaysia base lending rate (1984-2006)

$CHMGDP$: Change in Malaysia total GDP (1984-2006)

$CHUKGDP$: Change in UK total GDP (1984-2006)

$CHMF$: Change in Malaysia inflation rate (1984-2006)

$CHUKF$: Change in UK inflation rate (1984-2006)

$CHUKIM$: Change in UK total import of goods and services (1984-2006)

$CHUKEXP$: Change in UK total export of goods and services (1984-2006)

\mathcal{E} : Error term

Model 3

$$FDI_m = B_0 + B_1MJPER + B_2MLR + B_3CHMGDP + B_4CHJGDP + B_5CHMF + B_6CHJPF + B_7CHJPI + B_8CHJPEXP + \mathcal{E}$$

Dependent variable:

FDI_m : Total Foreign Direct Investment (FDI) in Malaysia (1984-2006)

Independent variables:

B_0 : Constant

$MJPER$: Malaysian exchange rate to yen (1984-2006)

MLR : Malaysia base lending rate (1984-2006)

- CHMGDP:** Change in Malaysia total GDP (1984-2006)
- CHJPGDP:** Change in Japan total GDP (1984-2006)
- CHMF:** Change in Malaysia inflation rate (1984-2006)
- CHJPF:** Change in Japan inflation rate (1984-2006)
- CHJPIIM:** Changing in Japan total import of goods and services (1984-2006)
- CHJPEXP:** Change in Japan total export of goods and services (1984-2006)

ϵ : Error term

DESCRIPTIVE ANALYSIS

Results of the descriptive analysis of the variables included in the models of this study are provided in Table 1 (for US). The variables are foreign direct investment in Malaysia (FDIM), Malaysia exchange rate to US dollar (MUSEX), Malaysia lending rate (MLR), change in Malaysia gross domestic product (CHMGDP), change in US gross domestic product (CHUSGDP), change in Malaysia inflation rate (CHMF), change in US inflation rate (CHUSF), change in US import (CHUSIM) and change in US export (CHUSEX). In Table 2(for UK) the variables are foreign direct investment in Malaysia (FDIM), Malaysia exchange rate to UK pound (MUKEX), Malaysia lending rate (MLR), change in Malaysia gross domestic product (CHMGDP), change in UK gross domestic product (CHUKGDP), change in Malaysia inflation rate (CHMF), change in UK inflation rate (CHUKF), change in UK import (CHUKIM) and change in UK export (CHUKEX) In Table 3 (for Japan), the variables are foreign direct investment in Malaysia (FDIM), Malaysia exchange rate to Japan yen (MJAPEX), Malaysia lending rate (MLR), change in Malaysia gross domestic product (CHMGDP), change in Japan gross domestic product (CHJAPGDP), change in Malaysia inflation rate (CHMF), change in Japan inflation rate (CHJAPF), change in Japan import (CHJAPIM) and change in Japan export (CHJAPEX). The data for the variables are annual data from 1984 to 2006 (a twenty three-year period).The descriptive analysis for the three countries is discussed below.

DESCRIPTIVE ANALYSIS FOR U.S

Table 1 summarizes the descriptive analysis of a total of 23 time series data for FDIM, MUSEX, MLR, CHMGDP, CHUSGDP, CHMF, CHUSF, CHUSIM and CHUSEX for the twenty three year period (1984-2006).

TABLE 1: DESCRIPTIVE STATISTICS FOR US (1984-2006)

Variables	N	Minimum	Maximum	Mean	Std. Deviation
FDIM	23	1844.2900	23374.0400	12732.3417	7137.8412
MUSEX	23	2.3400	3.9880	3.0986	.6101
MLR	23	6.0000	10.5000	7.7478	1.4975
CHMGDP	23	-.0900	.1384	.0667	.0607
CHUSGDP	23	-.0087	.0661	.0272	.0151
CHMF	23	-.9103	7.8276	.4016	1.6990
CHUSF	23	-.4775	1.0108	.0529	.3485
CHUSIM	23	-.0775	.1816	.0547	.0585
CHUSEX	23	-.0838	.1733	.0441	.0560

The mean of annual FDI inflow to Malaysia during the period understudied is RM 12,732.3417 million. The highest annually FDI inflow is RM1844.29 million while the lowest annually inflow is RM1844.2900 million. In addition there is a big difference between the highest and lowest of FDI inflow as indicated by the high value of standard deviation of about RM7137.8412 million.

The annual mean of Malaysian exchange rate to US in the sample is 3.0986%. The highest annual Malaysia exchange rate to US is 3.9880%, while the lowest is 2.340%. The standard deviation is 0.6101%.

Based on the annual data, it is found that average Malaysia lending rate during the period is 7.7478% with a maximum value of 10.5000% and a minimum value of 6.0000%. The standard deviation is 1.4975%.

Change in Malaysia GDP records a mean of 0.0667% with the highest value of 0.1384% and the lowest value of -0.0900%. Its standard deviation is 0.0607%.

Change in US GDP averages 0.0272%. The maximum value is 0.0661%, while the minimum value is -0.0087%. The standard deviation of change in US GDP is 0.0151%.

Change in Malaysian inflation rate records a mean of 1.6990%, with the highest change recorded at 7.8276%, and the lowest at -0.9103%. The standard deviation is 1.6990%.

Change in US inflation rate records a mean of 0.0529%. The highest change in US inflation rate is 1.0108%, while the lowest is -0.4775%, and the standard deviation is 0.3485%.

For the change in US import, the mean reported is 0.0529%, and the range is from a lower value -0.0775% to higher value 0.1816%. The standard deviation for change in US import is 0.0585%.

For the change in US export, the mean reported is 0.0441%, and the range is from a lower value -0.0838% to higher value 0.1733%. The standard deviation for change in US import is 0.0560%.

DESCRIPTIVE ANALYSIS FOR UK

Table 2 summarizes the descriptive analysis of a total of 23 time series data for FDIM, MUKEX, MLR, CHMGDP, CHUKGDP, CHMF, CHUKF, CHUKIM and CHUKEX from 1984 to 2006.

TABLE 2: DESCRIPTIVE STATISTICS FOR UK (1984-2006)

Variables	N	Minimum	Maximum	Mean	Std. Deviation
FDIM	23	1844.29	23374.04	12732.3417	7137.84125
MUKEX	23	3.12	6.96	4.9635	1.19179
MLR	23	6	11	7.75	1.497
CHMGDP	23	-.0899	.1384	.0666	.0606
CHUKGDP	23	-.0098	.0639	.0266	.0167
CHMF	23	-.9102	7.8275	.4015	1.6990
CHUKF	23	-.5817	.8782	.0663	.4123
CHUKIM	23	-.0417	.1956	.0780	.0541
CHUKEX	23	-.0430	.1473	.0702	.0546

The mean of annual FDI inflow to Malaysia during the period studied is RM 12732.3417 million. The highest annual FDI inflow is RM23374.04 million while the lowest annual inflow is RM1844.29 million. Standard deviation is RM 7137.84125 million.

Average annual Malaysian exchange rate to UK in the sample is 4.9635%. The highest annual Malaysian exchange rate to UK is 6.96%, while the lowest is 3.12%. Standard deviation is 1.19179%.

Based on the annual data, it is found that average Malaysia lending rate during the period was 7.75%, where the maximum value is 11% and the minimum value is 6%. Standard deviation is 1.497%.

Change in Malaysia GDP records a mean of 0.0666% with the highest value of 0.1384% and the lowest value of -0.0899%. Its standard deviation is 0.0606%.

Change in UK GDP mean in the sample period is 0.0266%. The maximum value is 0.0639%, while the minimum value is -0.0098%. Standard deviation of change in UK GDP is 0.0167%.

Change in Malaysian inflation rate records a mean of 0.4015%. The highest change in Malaysia inflation rate is 7.8275%, while the lowest is -0.9102%, and standard deviation is 1.6990%.

Change in UK inflation rate records a mean of 0.4123%. The highest change in UK inflation rate is 0.8782%, while the lowest is -0.5817%, and standard deviation is 0.4123%. For the change in UK import, the mean reported is 0.0780%; the range is from the lowest value of -0.0417% to the highest value of 0.1956%. Standard deviation for the change in UK import is 0.0541%.

For the change in UK export, the mean reported was 0.0702%, and the range is from a lowest of -0.0430% to a highest value of 0.1473%. Standard deviation for the change in UK import is 0.0546%.

DESCRIPTIVE ANALYSIS FOR JAPAN

Table 3 summarizes the descriptive analysis of a total of 23 time series data for FDIM, MJAPEX, MLR, CHMGDP, CHJAPGDP, CHMF, CHJAPF, CHJAPIM and CHJAPEX for the period 1984 to 2006.

TABLE3: DESCRIPTIVE STATISTICS FOR JAPAN (1984-2006)

Variables	N	Minimum	Maximum	Mean	Std. Deviation
FDIM	23	1844.29	23374.04	12732.3417	7137.84125
MJAPEX	23	.01	.04	.0248	.00790
MLR	23	6	11	7.75	1.497
CHMGDP	23	-.0899	.1384	.0666	.0606
CHJAPGDP	23	-.0246	.0654	.01795	.02322
CHMF	23	-.91025	7.8275	.4015	1.6990
CHJAPF	23	-2.083	26.000	1.5578	6.1115
CHJAPIM	23	-.2991	.2269	.0235	.1234
CHJAPEX	23	-.1808	.1258	.02493	.0767

The mean annual FDI inflow to Malaysia during the period is RM12732.3417 million, with the highest inflow of RM23374.04 million and the lowest annual inflow of RM 1844.29 million. Standard deviation is about RM 7137.84125 million.

The average annual Malaysia exchange rate to Japan in a sample is 0.0248%. The highest annually Malaysia exchange rate to Japan 0.04%, while the lowest annual 0.01%. The standard deviation was 0.00790%.

Based on the annual data, it is found that the average Malaysia lending rate during the period was 7.75%, where the maximum value was 11% and the minimum value was 6%. The standard deviation was 1.497%.

Change in Malaysian GDP records a mean of 0.0666% with the highest value of 0.1384% and the lowest value of -0.0899%. Its standard deviation is 0.0606%.

Change in Japan GDP average 0.01795%. The maximum value was 0.0654%, while the minimum value is -0.0246%. Standard deviation of change in UK GDP is 0.02322%.

Change in Malaysian inflation rate recorded a mean of 0.4015%. The highest change in Malaysia inflation rate is 7.8275%, while the lowest is -0.9102%, and the standard deviation is 1.6990%. Change in Japan inflation rate records a mean of 1.5578%. The highest change in Japan inflation rate is 26.000%, while the lowest was -2.083%, and the standard deviation is 6.1115%. For the change in Japan import, the mean reported is 0.0235%, and the range was from a lower value - 0.2991% to higher value 0.2269%. Standard deviation for the change in Japan import was 0.1234%. For the change in Japan export, the mean reported is 0.02493%. The range is from a lowest value -0.1808% to highest value 0.1258%. Standard deviation for the change in Japan import is 0.0767%.

REGRESSION ANALYSIS

REGRESSION ANALYSIS FOR US

The results of the regression analysis performed on US are summarized in Table 4 which represents model 1.

TABLE 4: COEFFICIENTS OF REGRESSION ANALYSIS FOR US

Variables	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Co linearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	-30922.165	20266.763		-1.526	.149		
MUSEX	7163.509	3015.717	.612	2.375	.032	.357	2.797
MLR	1845.469	1507.491	.387	1.224	.241	.238	4.211
CHMGDP	118502.501	36137.177	1.007	3.279	.005	.252	3.973
CHUSGDP	-71149.750	108226.335	-.151	-.657	.522	.452	2.212
CHMF	-2138.424	849.105	-.509	-2.518	.025	.582	1.720
CHUSF	-18951.032	4862.509	-.925	-3.897	.002	.421	2.373
CHUSIM	16143.968	21507.814	.132	.751	.465	.766	1.306
CHUSEX	16143.968	36577.322	.386	1.346	.200	.288	3.471

Dependent Variable: FDIM

*** Significant at 0.05**

The values for the weights can be found by observing the "B" column under "Unstandardized Coefficients." They are:

$B_0 = -30922.165, B_1 = 7163.509, B_2 = 1845.469, B_3 = 118502.501, B_4 = -71149.750, B_5 = -2138.424, B_6 = -18951.032, B_7 = 16143.968$ and $B_8 = 49215.148$.

The regression equation (model 1) appears as: $FDI_m = -30922.165 + 7163.509 MUSER + 1845.469 MLR + 118502.501CHMGDP - 71149.750 CHUSGDP - 2138.424 CHMF - 18951.032 CHUSF + 16143.968 CHUSIM + 16143.968 CHUSEXP$

$FDI_m = -30922.165 + 7163.509 * 1 + 1845.469 * 1 + 118502.501 * 1 - 71149.750 * 1 - 2138.424 * 1 - 18951.032 * 1 + 16143.968 * 1 + 16143.968 * 1$

$t: (-1.526) (2.375) (1.224) (3.279) (-0.657) (-2.518) (-3.897) (0.751) (1.346)$

Interestingly, the results show that one unit increase of Malaysian exchange rate to US will increase FDI inflow to Malaysia by RM7163.509 million. When Malaysian lending rate increases by one unit, the FDI inflow to Malaysia will increase by RM1845.469 million. Additionally, if a change in Malaysian GDP increases by one unit, inflow of FDI will increase by RM118502.501 million. When change in US GDP decreases by one unit, FDI will decrease by RM 71149.750 million. Hence, if change in Malaysian inflation rate decreases by one unit that will decrease FDI by RM2138.424 million. If a change in US inflation rate decreases by one unit FDI will decrease by RM18951.032 million. When change in US import increases by one unit, FDI inflow will increase by RM16143.968 million. Finally, an increase of one unit change in US export will increase FDI by RM 16143.968 million.

FDI inflow to Malaysia is correlated positively and significantly at 5% level with Malaysian exchange rate to US dollar. Hasan (2004) and Goldberg and Klien (1997) found that a significant linkage exists between real exchange rates to FDI and change in Malaysian GDP. Increasingly, Venkataramany (2004) argued that a significant relationship for a change in GDP with FDI. An encouraging effect of FDI exists for both the host and the source economies. According to Hermsey and Cliff (1984) a strong GDP growth of host country is positively correlated with inward capital flow, and negatively correlated and significant with change in Malaysian inflation rate and change in US inflation rate. Venkataramany (2004) concluded that a high significance and negative sign of the change in inflation. It shows the adverse effect inflation can have on the inflow of direct investment. The present study also accept the hypotheses that there is a significant relationship between Malaysian exchange rate to dollar, change in Malaysian and U.S inflation rates and change in Malaysian GDP with FDI in Malaysia. In addition, FDI inflow to Malaysia has a positive insignificant and weak correlation with Malaysian lending rate, change in US import and change in US export. It is also correlated negatively weak with change in US GDP. The hypotheses that there is a significant relationship between Malaysia lending rate, change in US GDP, change in US import and change in US export with FDI in Malaysia are therefore rejected.

REGRESSION ANALYSIS FOR UK

The results of the regression analysis performed on US are summarized in Table 5 which represents model 2.

TABLE 5: COEFFICIENTS OF REGRESSION ANALYSIS FOR UK

Variables	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	-4763.611	19380.070		-.246	.809		
MUKEX	2338.232	1757.111	.390	1.331	.205	.447	2.235
MLR	417.774	1423.283	.088	.294	.773	.432	2.315
CHMGDP	54817.704	33481.801	.466	1.637	.124	.475	2.103
CHUKGDP	-8607.656	114911.890	-.020	-.075	.941	.530	1.887
CHMF	-229.259	1292.500	-.055	-.177	.862	.407	2.458
CHUKF	-5930.611	3801.576	-.343	-1.560	.141	.798	1.253
CHUKIM	-66338.727	63779.336	-.503	-1.040	.316	.164	6.083
CHUKEX	69586.135	80650.389	.532	.863	.403	.101	9.886

Dependent Variable: FDI_m

* Significant at 0.05

The values for the weights can be found by observing the "B" column under "Unstandardized Coefficients." They are: B₀ = -4763.611, B₁ = 2338.232, B₂ = 417.774, B₃ = 54817.704, B₄ = -8607.656, B₅ = -229.259, B₆ = -5930.611, B₇ = -66338.727 and B₈ = 69586.135.

The regression equation (model 2) appears as:

$$FDI_m = -4763.611 + 2338.232 MUKER + 417.774 MLR + 54817.704 CHMGDP - 8607.656 CHUKGDP - 229.259 CHMF - 5930.611 CHUKF - 66338.727 CHUKIM + 69586.135 CHUKEX$$

$$FDI_m = -4763.611 + 2338.232 * 1 + 417.774 * 1 + 54817.704 * 1 - 8607.656 * 1 - 229.259 * -5930.611 * - 66338.727 * 1 + 69586.135 * 1$$

$$t : (-.246) (1.331) (0.294) (1.637) (-0.075) (-0.177) (-1.560) (-1.040) (0.863)$$

Based on the above results we find that an increase of 1 unit of Malaysian exchange rate to UK pound will increase FDI inflow to Malaysia by RM2338.232 million. When Malaysian lending rate increases one unit then the FDI inflow to Malaysia will increase by RM417.774 million. In an addition, if change in Malaysian GDP increases by one unit FDI inflow will increase by RM54817.704 million. When change in UK GDP decreases by one unit then FDI will decrease by RM8607.656 million. When change in Malaysian inflation rate decrease by one unit FDI will decrease by RM229.259 million, if change in UK inflation rate decreases by one unit, FDI will decrease by RM5930.611million. When change in UK import decreases by one unit FDI inflow will decrease by RM66338.727 million; When change in US export increases by one unit FDI inflow will increase by RM69586.135 million.

FDI inflow to Malaysia is found to be correlated positively weak and insignificant with Malaysian exchange rate to pound. Pan (2003) asserted the exchange rate is not a significant determinant for FDI in China; we find that a change in Malaysian GDP and change in UK export to be also correlated positively weak and insignificant, and correlated negatively weak and insignificant with change in UK inflation rate and change in UK import. In addition, it is correlated positively with Malaysian lending rate and correlated negatively strong with change in UK GDP. Bouoiyour (2003) found a negative sign for GDP and is not significant in Morocco. The same finding applies for change in Malaysian inflation rate. Because all of those factors are not significant with FDI inflow to Malaysia, the hypotheses that there is a significant relationship between Malaysian exchange rate to pound, Malaysia lending rate, change in Malaysian and UK GDP, change in Malaysian, UK inflation rates, change in UK import and change in UK export with FDI in Malaysia is rejected.

REGRESSION ANALYSIS FOR JAPAN

The results of the regression analysis are executed on Japan that summarizes in Table 6 which is represented in model 3.

TABLE 6: COEFFICIENTS OF REGRESSION ANALYSIS FOR JAPAN

Variables	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	7246.163	16072.430		.451	.659		
MJAPEX	-38347.796	243889.366	-.042	-.157	.877	.289	3.464
MLR	593.996	1263.041	.125	.470	.645	.300	3.336
CHMGDP	86530.643	26574.295	.736	3.256	.006	.412	2.424
CHJAPGDP	-218347.986	67314.662	-.711	-3.244	.006	.439	2.280
CHMF	-243.458	705.575	-.058	-.345	.735	.746	1.340
CHJAPF	6.757	189.688	.006	.036	.972	.798	1.253
CHJAPIM	26464.765	12987.678	.458	2.038	.061	.417	2.397
CHJAPEX	-22199.142	21726.815	-.239	-1.022	.324	.386	2.594

Dependent Variable: FDI_m

* Significant at 0.05

The values for the weights can be found by observing the "B" column under "Unstandardized Coefficients." They are: B₀ = 7246.163, B₁ = -38347.796, B₂ = 593.996, B₃ = 86530.643, B₄ = -218347.986, B₅ = -243.458, B₆ = 6.757, B₇ = 26464.765 and B₈ = -22199.142 and the regression equation (model 3) appears as:

$$FDI_m = B_0 + 7246.163 MJPER - 38347.796 MLR + 86530.643 CHMGDP - 218347.986 CHJPGDP - 243.458 CHMF + 6.757 CHJPF + 26464.765 CHJPI - 22199.142 CHJPEX$$

$$FDI_m = B_0 + 7246.163 * 1 - 38347.796 * 1 + 86530.643 * 1 - 218347.986 * 1 - 243.458 * 1 + 6.757 * 1 + 26464.765 * 1 - 22199.142 * 1$$

$$t: (0.451) (-0.157) (0.470) (3.256) * (-3.244) * (-0.345) (0.036) (2.038) (-1.022)$$

According to above results show an increase of one unit of Malaysian exchange rate to yen FDI inflow to Malaysia will decrease by RM7246.163 million. When Malaysian lending rate increases one unit, FDI inflow to Malaysia will increase by RM38347.796 million. In an addition, if change in Malaysian GDP increases by one unit FDI will increase by RM86530.643 million. When change in Japan GDP decreases by one unit FDI will decrease by RM218347.986 million. When change in Malaysian inflation rate decreases by one unit FDI will decrease by RM243.458 million. In an addition, when change in US inflation rate increases by one unit,

FDI will increase by RM6.757 million. Moreover, when change in US import increases by one unit, FDI inflow will increase by RM26464.765 million. If change in US export decreases by one unit, FDI will decrease by RM22199.142 million

FDI inflow to Malaysia is correlated positively and significant at 5% level with change in Malaysian GDP and correlated negatively but significantly at 5% with change in Japan GDP. Abd Ghani (2007) asserted that GDP is significant in influencing FDI to Malaysia, Indonesia and Thailand. The hypotheses that there is a significant relationship between change in Malaysian and Japan GDP with FDI in Malaysia is accepted. In addition, FDI inflow to Malaysia is correlated negatively strong and insignificantly with Malaysian exchange to yen, and positively strong and insignificantly with change in Japan inflation rate. Moreover, the relationship is found to be positively moderate with Malaysia lending rate and more than negatively moderate and insignificant with change in Malaysian inflation rate. It also is correlated positively weak and insignificantly with change in Japan import and correlated negatively weak with change in Japan export. The hypotheses that there is a significant relationship between Malaysian exchange rate to yen, Malaysian lending rate, change in Malaysian and Japan inflation rates, change in Japan import and change in Japan export with FDI in Malaysia is rejected.

CONCLUSION

The first regression analysis found that FDI inflow to Malaysia is correlated positively and significantly at 5% level with Malaysian exchange rate to US dollar and, change in Malaysian GDP, but negatively correlated and significantly at 5% level with change in Malaysian inflation rate and change in US inflation rate. In addition, FDI inflow to Malaysia is correlated positively weak and insignificantly with Malaysian lending rate, change in US import and change in US export; and negatively weak and insignificantly with change in US GDP.

The next regression analysis showed that FDI inflow to Malaysia is found to be positively weak and insignificantly correlated with Malaysian exchange rate to pound, change in Malaysian GDP and change in UK export, and very negatively weak and insignificantly with change in UK inflation rate and change in UK import. In addition, the relationship is positively strong with Malaysian lending rate and very negatively strong with change in UK GDP and change in Malaysian inflation rate.

The last regression analysis showed that FDI inflow to Malaysia is correlated positively and significantly at 5% level with change in Malaysian GDP and correlated negatively and also significantly at 5% with change in Japan GDP. In addition, FDI inflow to Malaysia is correlated negatively strong and insignificantly with Malaysian exchange rate to yen, and correlated positively strong and insignificantly with change in Japan inflation rate. Moreover, the relationship is found to be positively moderate with Malaysian lending rate and more than moderately negative and insignificantly with change in Malaysian inflation rate. The correlation between FDI with change in Japan import is insignificant and positively weak and is negative and weak with change in Japan export.

FUTURE RESEARCH

Like any other research, this research has its own limitation. It has covered only the total FDI, we advise the future researchers to analyze these variables with different types of FDI, such as: Market orientation, resource orientation, the efficiency orientation, and strategic assets seeking orientation.

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CONSUMER ATTITUDE TOWARDS GREEN PRODUCTS OF FMCG SECTOR: AN EMPIRICAL STUDY

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ABSTRACT

The current rapid growth in the economy and the patterns of consumer's consumption and behavior worldwide are the main cause of environmental deterioration. The shortage of natural resource, which seriously affects human beings existence and development, environment protection has become the world wide focus. The growing social and regulatory concerns for the environment lead an increasing number of customers to consider green issues as a major source of strategic change. Rising awareness of global environment and social problems has forced companies to recognize these demands in their activities. Now, industries are increasingly being required to meet social and environmental specifications in the market because of rising customer pressures. Even though it is increased eco-awareness of customers during past few decades, there are some barriers to the diffusions of more ecologically oriented consumption and production styles. Therefore companies are increasingly recognizing the importance of green marketing concepts. Green marketing is the need of the hour when we are seeing environmental degradation every single day.

KEYWORDS

Environment protection, green marketing, eco-friendly products.

INTRODUCTION

Companies are professionalizing their approach their approach to environmental management, in pursuit of quality management and cost effective products. A number of companies fear that unless they meet these necessary requirements, they will loose their competitive edge in the markets. It asks if the company that serves and satisfies individual wants is always doing what is the best for consumers and society in the long run.

Consumers are ever greener, and their support for sustainable products and practices is growing worldwide. Whole world is identifying the need of green marketing. Green marketing can be defined as the marketing of products that are regarded to be safe for the environment. It is also known as environmental marketing or ecological marketing. Green marketing can serve as an effective tool for encouraging sale of a product by using its ecological credentials. In the long run, green marketing benefits one and all- the environment, business and human beings.

FMCG sector is a considerably large sector in the economy which has to open their eyes on eco – friendliness. The FMCG sector is one of the growing industries that concern about the green marketing issues. Green marketing incorporates a wide range of activities like product modification, changes in the production process, packaging changes, alterations in advertising, etc. Most of the marketing professionals are using green elements as powerful marketing tools. In this context, this study focuses on the consumer's attitude and attractiveness towards green products and FMCG sector.

REVIEW OF LITERATURE**GREEN MARKETING**

Green marketing came into prominence in the late 1980s and early 1990s; it was first discussed much earlier. The American Marketing Association (AMA) held the first workshop on "Ecological Marketing" in 1975. The proceedings of this workshop resulted in one of the first books on green marketing entitled "Ecological Marketing" (*Henion and Kinnear 1976*). Since that time a number of other books on the topic have been published (*Coddington 1993, and Ottman 1993*).

Green marketing incorporates a broad range of activities, including product modification, changes to the production process, packaging changes, as well as modifying advertising. (Polonsky, 1994) World-wide evidence indicates people are concerned about the environment and are changing their behavior accordingly. *Soonthonsmai (2007)* defined green marketing as the activities taken by firms that are concern about the environment or green problems by delivering the environmentally sound goods or services to create consumers and society's satisfaction. Other definitions of green marketing as proposed by marketing scholars include social marketing, ecological marketing or environmental marketing. *Harrison (1993)* proposed green marketing strategy by firms through positioning the environmental benefits of green products to consumers' mindset to influence their purchasing decision. *Peattie (1995)* and *Welford (2000)* defined green marketing as the management process responsible for identifying, anticipating and satisfying the requirements of customers and society in a profitable and sustainable way.

Hopes for green products also have been hurt by the perception that such products are of lower quality or don't really deliver on their environmental promises. And yet the news isn't all bad, as the growing number of people willing to pay a premium for green products — from organic foods to energy-efficient appliances — attests. Green marketing has not lived up to the hopes and dreams of many managers and activists. Although public opinion polls consistently show that consumers would prefer to choose a green product over one that is less friendly to the environment when all other things are equal, those "other things" are rarely equal in the minds of consumers. (*Hackett, 2000*)

It's even more important to realize, however, that there is no single green-marketing strategy that is right for every company. (*Prothero, and McDonagh, 1992*) Despite the increasing eco-awareness in contemporary market economies, it is generally recognized that there are still considerable barriers to the diffusion of more ecologically oriented consumption styles. In lay discourse as well as in much of consumer research, these barriers are usually attributed to the motivational and practical complexity of green consumption (*Hackett, 2000*). Increased use of Green Marketing is depending on five possible reasons. (*Polonsky 1994b*)

- Organizations perceive environmental marketing to be an opportunity that can be used to achieve its objectives [Keller 1987, Shearer 1990]
- Organizations believe they have a moral obligation to be more socially responsible [Davis 1992, Keller 1987]
- Governmental bodies are forcing firms to become more responsible [Davis 1992]
- Competitors environmental activities pressure firms to change their environmental marketing activities [Davis 1992]
- Cost factors associated with waste disposal, or reductions in material usage forces firms to modify their behavior [Keller, K.L. (1993)]

Owing to the conceptual and moral complexity of 'ecologically responsible consumer behavior' and to the perplexity of ecological information, different consumers have different conceptions of ecologically oriented consumer behavior and, thus, myriad ways of acting out their primary motivation for being green consumers (Antil, 1984). These innovations aren't being pursued simply to reduce package waste. (Prothero, 1990) Food manufacturers also want to improve food preservation to enhance the taste and freshness of their products. The cost of the foods would be lower; consumers could enjoy the convenience of pre-sliced ingredients, and waste peelings (Prothero, 1990). It can be assumed that firms marketing goods with environmental characteristics will have a competitive advantage over firms marketing non-environmentally responsible alternatives. There are numerous examples of firms who have strived to become more environmentally responsible, in an attempt to better satisfy their consumer needs. (Schwepker, and Cornwell, 1991) While governmental regulation is designed to give consumers the opportunity to make better decisions or to motivate them to be more environmentally responsible, there is difficulty in establishing policies that will address all environmental issues. (Schwepker, and Cornwell, 1991). Hence, environment-friendly consumption may be characterized as highly a complex form of consumer behavior, both intellectually and morally as well as in practice.

In reality, companies that pursue green marketing encounter numerous challenges mainly from the variability of demand, un-favorable consumer perception and high cost (Gurau and Ranchhod, 2005). The key concern lies in an understanding of green consumers and their characteristics to enable firms to develop a new target and segmentation strategies (D'Souza et al., 2007).

GREEN CONSUMERS AND GREEN PRODUCTS

In general, green product is known as an ecological product or environmental friendly product. Shamdassami et al., (1993) defined green product as the product that will not pollute the earth or deplete natural resources, and can be recycled or conserved. It is a product that has more environmentally sound content or packaging in reducing the environmental impact (Elkington and Makower, 1988; Wasik, 1996). In other words, green product refers to product that incorporates the strategies in recycling or with recycled content, reduced packaging or using less toxic materials to reduce the impact on the natural environment. Krause (1993), in his research found that consumers were becoming more concerned about their everyday habits and the impact on the environment. The outcome of this is that some of the consumers translated their environmental concern into actively purchasing green products commitment (Martin and Simintiras, 1995).

Consumers who are aware of and interested in environmental issues are called green consumers (Soonthonsmai, 2007). These green consumers usually organized petitions, boycotted manufacturers and retailers and actively promote the preservation of the planet (Fergus, 1991). Ottman (1992) reported that consumers accepted green products when their primary need for performance, quality, convenience, and affordability were met, and when they understood how a green product could help to solve environmental problems. The knowledge gap on the uses and values of green products prevents consumers in committing themselves to any purchase decisions.

ENVIRONMENTAL ATTITUDES

Allport (1935) defined attitude as: "A mental and neural state of readiness, which exerts a directing, influence upon the individual's response to all objects and situations with which it is related". According to Schultz and Zelezny (2000), attitudes of environmental concern are rooted in a person's concept of self and the degree to which an individual perceives him or herself to be an integral part of the natural environment". In conclusion, attitude represents what consumers like and dislike (Blackwell et al., 2006) and consumers' product purchasing decisions are often based on their environmental attitudes (Ireland, 1993; Schwepker and Cornwell, 1991).

There is a general belief among researchers and environmental activists that through purchasing environmentally friendly products or green products, products with recyclable packaging or properly disposing of non-biodegradable garbage, consumers can contribute significantly to improve the quality of the environment (Abdul-Muhmim, 2007). The quality of the environment depends critically on the level of knowledge, attitudes, values and practices of consumers (Mansaray and Abijoye, 1998). Attitudes are the most consistent explanatory factor in predicting consumers' willingness to pay for green products (Chyong et al., 2006). This means that price is not the main factor in preventing consumers from purchasing green products if they are pro-environment.

Consumers' perceived level of self-involvement towards the protection of the environment may prevent them from engaging in environmentally friendly activities such as recycling (Wiener and Sukhdial, 1990). According to Tanner and Kast (2003), green food purchases strongly facilitated by positive attitude of consumers towards environmental protection. Personal norm is the feeling of moral obligation of consumers. It is a powerful motivator of environmental behavior (Hopper and Nielson, 1991; Stern and Dietz, 1994; Vining and Ebreo, 1992). The extent to which people feel obliged to recycle is related to conservation-related product attributes (Ebreo et al., 1999). These investigations suggested that environmentally friendly behavior may be characterized as morally demanding. Consumers feel morally obligated to protect the environment and to save the limited natural resources on the earth. However, Tanner and Kast (2003) found that consumers' green food purchases were not significantly related to moral thinking.

DEMOGRAPHIC CHARACTERISTICS

Straughan and Roberts (1999) segmented college students based upon ecologically conscious consumer behavior and stated that the younger individuals were likely to be more sensitive to environmental issues. The results of their study indicated that the demographic variables such as age and sex were significantly correlated with ecologically conscious consumer behavior when considered individually; and that income lacks significance. Green purchase intention correlates positively with every age and income except for education (Soonthonsmai, 2001). Many studies have shown significant differences between men and women in environmental attitudes (Brown and Harris, 1992; Tikka et al., 2000) with men having more negative attitudes towards the environment compared to women (Eagly, 1987; Tikka et al., 2000). Women were more likely to buy green product because they believe the product was better for the environment (Mainieri et al., 1997).

RESEARCH PROBLEM AND OBJECTIVES

Creating customer satisfaction and building long term customer relationship are some of the primary objectives firms try to achieve to sustain their business in the competitive business world. Environmental sustainability is a matter which cannot be ignored, so business organizations have to recognize the competitive advantages and business opportunities to be gained from green marketing. With an increase in the social and political pressures, many firms embraced green marketing strategies and exploited these environmental issues as a source of competitive advantage. Hence many companies started to be more socially responsive towards developing environmentally friendly activities and putting in numerous efforts to keep in-step with the environmental movement. As a result, it is vital to explore their attitude towards green products.

THE MAIN OBJECTIVES OF THE STUDY ARE:-

- To compare gender with attitude towards environment and green products.
- To study consumer attitude towards green marketing.
- To investigate the consumers attractiveness towards green products in FMCG sector and their impact on purchasing decision.
- To evaluate consumer attitudes and perception regarding green products in FMCG sector under five value added areas such as product, price, place, promotion and package that lead towards the motivation of consumption.

HYPOTHESES

Based on the theoretical and empirical literatures, the following hypotheses were proposed.

Hypothesis 1: There is significant difference between male and female in their environmental attitudes.

Hypothesis 2: There is significant difference between male and female in their attitude towards green products.

Hypothesis 3: There is relative importance of the items considered desirable while buying green products.

Hypothesis 4: The correlation of each of the concepts namely product, price, place, promotion and package and these variables have significant impact on the consumers buying decisions.

METHODOLOGY

DATA COLLECTION

The study is an Empirical one. In order to obtain reliable information from the respondents, attempt has been made to obtain primary data. For that purpose, a detailed questionnaire was administered. Personal interviews and observations were also made. Convenience sampling was used. The questionnaire comprises of 21 questions including both closed and open ended questions. The respondents were asked to rate each item on a 5point Likert scale from 1 = strongly disagree to 5 = strongly agree.

The sample was employed 150 respondents from Trivandrum, Kollam and Alleppey districts of South Kerala. Respondent's category comprised with students, academic staffs, office workers, housewives, business people and managers of several companies those who have much exposure to the FMCG category.

SAMPLE PROFILE

District	Number of Respondents
Trivandrum	66
Kollam	47
Alleppey	37
Total	150

ANALYSIS AND DISCUSSIONS

ANALYSIS PROCEDURE

Descriptive statistical techniques were utilized to analyze data with the help of SPSS package. The major statistical tools which were used in this study are central tendency (mean), percentage analysis, hypothesis testing and correlation analysis. Percentage values were used to identify the contribution of various categories of each variable. The central tendency values used to identify the nature of attractiveness towards each variable of eco-friendliness.

HYPOTHESIS 1 & 2: INDEPENDENT SAMPLE TEST

This part of the analysis used the independent sample t-test for the measurement of differences in consumer's attitude on environment and green products between genders.

TABLE 6.1: T-TEST RESULTS ON ATTITUDE ON ENVIRONMENT AND GREEN PRODUCTS BY GENDER

Variable	Gender (Mean)		t-value	Remarks at 5% level
	Male	Female		
Attitudes on environment	24.67	25.33	0.11	Not significant
Attitude on green product	27	23	0.58	Not significant

Table provides the results of t-test and it shows that there were no significant differences between gender (male and female) in their attitude towards environment and green products.

HYPOTHESIS 3: WEIGHTED AVERAGE

At the initial stage, important factors are identified which are considered desirable while buying green products. Sometimes the items in a series may not have equal importance. The weighted average mean is used whenever the relative importance of the items in a series differs. While calculating the weighted average, each item is given a weight judged by its relative importance.

TABLE 6.2: WEIGHTED AVERAGE

Particulars	Highly satisfied	Satisfied	Neutral	Dissatisfied	Highly dissatisfied
Efficiency and cost effectiveness	19	35	60	22	14
Health and safety	24	68	29	22	7
Performance	14	69	30	30	7
Promotion	18	26	58	38	10
Brand and quality	28	61	32	18	11
Convenience	16	31	72	70	11

The table indicates that the health and safety, brand and quality are the factors that the consumers consider while buying green products. Performance, efficiency and cost effectiveness are the next important items that are considered.

HYPOTHESIS 4: χ^2 TEST OF GOODNESS OF FIT AND CORRELATION ANALYSIS

χ^2 test is used to know whether the observed values are consistent which may be obtained under some hypothesis. If the observed values are close to the expected values under a hypothesis the fit is said to be good.

χ^2 test is used to analyze the goodness of fit between the five value added P's (ie product, Price, Place, Promotion and Package).

TABLE 6.3: OBSERVED FREQUENCY AND EXPECTED FREQUENCY

Observed Frequency O	Expected Frequency E	(O-E) ²	(O-E) ² /E
52	56.25	18.06	0.321
21	18.75	5.06	0.27
19	18.75	0.06	0.003
38	37.5	0.25	0.007
20	18.75	1.56	0.08

$\sum (O-E)^2/E = 0.681$

(Expected frequencies are obtained by dividing the total frequency in the ratio 3:1:1:2:1)

TABLE 6.4: χ^2 TEST OF GOODNESS OF FIT

Variable	Calculated χ^2 value	Remark at 5% level
5 P's (Product, Price, Place, Promotion and Package)	0.681	Fit

The results show that there is goodness of fit between the 5 P's.

Relationship between key variables of green marketing (ie Product, Price, Place, Promotion and Package are independent variables and customer's purchase decision (dependent variable). The relationship can be varied according to the demographic variables like age, gender, education; etc. Correlation analysis helps in determining the degree of relationship between two or more variables. The analysis is used to measure the degree of relationship between the independent variables and the dependant variable. Mean variances are taken between each of the independent variables and the purchase decision of the consumers.

TABLE 6.5: DEGREE OF RELATIONSHIP BETWEEN TESTABLE VARIABLES

Independent Variable	Dependant Variable	Pearson's Correlation co-efficient
Product	Purchase decision	0.807
Price	"	0.482
Place	"	0.333
Promotion	"	0.603
Package	"	0.775

The above analysis clearly shows that environment friendly products and packages make significant impact on customers buying decision. The marketing information with the environment friendly product information will also have significant impact on customers buying decision. Customers will not consider much about the price and place/distribution of the environment friendly product.

CONSUMER BUYING INTENTION

Consumer buying intention was measured on two broad dimensions i.e. price sensitivity and brand consciousness in a 3-point scale and the results obtained from are as follows:

1-PURCHASE OF COSTLY PRODUCTS - A overwhelming majority (81%) of the respondents agree to the statement that 'I would like to purchase those products which are costlier but causing less environmental pollution', with 9 % as undecided and 8 % disagreed.

2-PURCHASE OF CHEAP PRODUCTS -A great majority (71%) of the respondents agree that 'I would not like to purchase those products which are cheap but causing environmental pollution' 15% undecided and 14 % disagreed.

3- PURCHASE OF INFERIOR QUALITY PRODUCTS - A great majority (72%) of the respondents are agree that 'I would like to purchase those products which are inferior in quality but causing less environmental pollution', with 19% as undecided and 9% disagreed.

4- PURCHASE OF QUALITY PRODUCTS - More than half (61%) of the respondents agree with the statement that 'I would not like to purchase those products which are good in quality but causing environmental pollution', 10% said its undecided and 29% disagreed.

CONCLUSION

Consumers select products and new innovations that offer benefits they desire. Green Marketing must satisfy two objectives: improved environmental quality and customer satisfaction. The marketer need to know what is the relevance of Social Marketing in order to protect the environment and to improve the quality of life and are concerned with issues that include conservation of natural resources.

The result indicated that there is no difference between gender in their environmental attitudes and their attitudes on Green Products and also there is no significant difference between men and women in environmental attitudes. The study shows that consumers are ready to pay more prices for the products which are causing less environmental pollution. Green Marketing requires applying good marketing principles to make green products desirable for consumers. Business organizations have to follow strategies in order to get benefits from the environmentally friendly approach. Therefore, in the product strategy, marketers can identify customers environmental needs and developed products this issue, produce more environmentally responsible packages.

As the current study is not based on any specific green product , further investigation is required to study consumers attitude on the types of green products in the market. The perceived behavioral barriers are additional significant predictors of environmental behavior (Kalafatis et al .,1999).The future success of the product and services will depend on credibly communicating and delivering consumer's desired value in the market place, then only business will go onto a more sustainable path.

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CELEBRITIES AS BRAND ENDORSERS - AN ANALYTICAL STUDY

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ABSTRACT

Our society is very much influenced with celebrities. And the advantage of this is taken upon by the advertising companies because for them it becomes really very easy to market and increase the sale of their product. This is because most of the Indian consumers are desperate followers of one or other celebrities. The study is aimed at comparing the popularity of celebrities as brand endorsers. It gives conceptual guidelines to companies in selecting celebrity as brand endorser. To determine the level of awareness about celebrities among the respondents. To get an insight in to the concept of celebrity endorsement in India. To study the impact of celebrities on sales of a brand in Nagpur. All the respondents are 100 % aware of the Indian Cricket & Bollywood Celebrities. The companies most of the time get good results of the TV commercials by the celebrities but sometimes it proves out to be negative publicity for them as it often happens to the companies which hire the celebrities from the world of cricket.

KEYWORDS

Awareness, Brand value, Celebrity, Endorsement.

INTRODUCTION

With no doubts, our society is very much influenced with celebrities. And the advantage of this is taken upon by the advertising companies because for them it becomes really very easy to market and increase the sale of their product. This is because most of the Indian consumers are desperate followers of one or other celebrities.

And this is why Endorsements featuring celebrities has become the latest trend of today. Though appreciating a celebrity is good but this does not at all mean to follow them like dumbs.

So, I request all the consumers to follow your own instinct to make any purchase for yourself.

In this media dependent nation where people spend most of their times watching television, celebrities do make a strong impact on viewers who are otherwise consumers. Most of the people are celebrity crazy and try to do what think and how they act. so a product would go on better sale if its promoted by a celebrity liked by most of the population.

Celebrities are blindly followed up by the youth and even elder generation these days. so they do make a substantial impact on the endorsements and advertisements which they make. These tactics actually do work because people would watch the celebs undoubtedly and so would the product grab the attention.

Celebrities leave a deep impact on the viewers with whatever they do. This is being used up by various companies to promote their products by getting the products endorsed by these celebrities. And i think a product earns itself a brand value easily if it is endorsed by a celebrity because people start recognizing it.

Celebrity when endorse any project or product then it lays a great impact on the common people or you can say any consumer. When they see their favorite actor or actress or celebrity endorsing any product then they tempt and tend to buy that product no matter what the cost of the product is. They think that their celebrities are endorsing something which they themselves use and this is the reason of their glowing skin or fit body. They buy that immediately, the impact is quite high!

What is the impact of celebrity endorsement on sales of a Brand in India?

Celebrity endorsements have become common these days with major brands. Celebrities play a major role in increasing the sales of the brands as many people in India are followers of certain celebrities. This is exploited by the firms to promote their products. Television is an important means of communicating with the public and these celebrities do the same effectively.

The health of a brand can definitely be improved up to some extent by celebrity endorsement. But one has to remember that endorsing a celebrity is a means to an end and not an end in itself. An appropriately used celebrity can prove to be a massively powerful tool that magnifies the effects of a campaign. But the aura of cautiousness should always be there. The fact to be emphasised is that celebrities alone do not guarantee success, as consumers nowadays understand advertising. They know what advertising is and how it works. People realize that celebrities are being paid a lot of money for endorsements and this knowledge makes them cynical about celebrity endorsements. Compatibility of the celebrity's persona with the overall brand image. A celebrity is used to impart credibility and aspirational values to a brand, but the celebrity needs to match the product. A good brand campaign idea and an intrinsic link between the celebrity and the message are musts for a successful campaign. Celebrities are no doubt good at generating attention, recall and positive attitudes towards advertising provided that they are supporting a good idea and there is an explicit fit between them and the brand. On the other hand, they are rendered useless when it comes to the actual efficiency of the core product, creating positive attitudes to brands, purchase intentions and actual sales. Certain parameters that postulate compatibility between the celebrity and brand image are:

Celebrity's fit with the brand image.

Celebrity—Target audience match

Celebrity associated values.

Costs of acquiring the celebrity.

Celebrity—Product match.

Celebrity controversy risk.

Celebrity popularity.

Celebrity availability.

Celebrity physical attractiveness.

Celebrity credibility.

Celebrity prior endorsements.

Whether celebrity is a brand user.

Celebrity profession.

SIGNIFICANCE OF THE STUDY

This research paper will be addressing the issues of lack of knowledge, information & information retrieval by the users by making comparative study about the level of awareness, popularity & impact on sales of a brand between cricketers, Bollywood celebrities and other sports personalities.

OBJECTIVES

- 1) Comparing the popularity of celebrities as brand endorsers.
- 2) It gives conceptual guidelines to companies in selecting celebrity as brand endorser.
- 3) To determine the level of awareness & popularity about celebrities among the respondents.
- 4) To get an insight in to the concept of celebrity endorsement in India.
- 5) To study the impact of celebrities on sales of a brand.

RESEARCH METHODOLOGY

Research is meant any enquiry or investigation regarding any phenomena or event in order to discover facts. Research Methodology means an investigation carried on through systematic procedure. It is systematic activity to achieve the truth. It includes the procedure of collecting data, analyzing the data and finding the conclusion or truth.

A series of samples are chosen from various subgroups of the population. A sample size of 400 respondents , both male & female in the age group between 16 – 50 years belonging to different occupation in Nagpur is considered.

A probability sampling procedure is adopted for study. Population is divided according to geographical areas and socio economic characteristics. Ares sampling method is used in which each member of population has known and equal probability of being included in the sample.

SOURCES OF DATA

The data will be collected from both primary and secondary sources. Researcher had studied various issues relating to the awareness level about celebrities in a society. Researcher collected the primary data through interviews.

PRIMARY SOURCES

1. Respondents
2. Attitudes and Opinions
3. Socio economic characteristics

SECONDARY DATA

1. Magazines
2. Periodicals
3. Journals
4. Publication of marketing research agencies
5. Leaflets and brochure published by companies.

DATA ANALYSIS & INTERPRETATION

Collected data is analyzed using percentages, mean & averages.

TABLE 1: TOP 1 CATEGORIES IN CELEBRITY ENDORSEMENTS ON TV

Rank	Top Categories
1	Shampoos
2	Toilet Soaps
3	Cellular Phone Service
4	Soft Drink Aerated
5	Fairness Creams
6	Cellular Phones
7	Branded Jewellery
8	Dth Service Providers
9	Washing Powders/liquids
10	Televisions

TABLE 2: TOP 10 BRANDS ENDORSED BY CELEBRITIES ON TV

Rank	Top Brands
1	Lux Toilet soap
2	idea Cellular
3	Airtel Cellular Phone Service
4	Clinic All Clear Dandruff
5	Panasonic Viera Flat-panel H
6	Pantene Pro V Nourished Shine
7	Wheel Active
8	Pepsi
9	Coca Cola
10	Santoor Sandal And Turmeric

TABLE 3: LEVEL OF AWARENESS

S.No.	Celebrities	Percentage	S.No.	Celebrities	Percentage
1.	Abhinav Bindra	64	16.	Anju Bobby George	48
2.	Sania Mirza	96	17.	Shah Rukh Khan	100
3.	Leander Paes	84	18.	Hrithik Roshan	100
4.	Sachin Tendulkar	100	19.	Aamir Khan	99
5.	MSDhoni	100	20.	Amitabh Bacchan	100
6.	Rahul Dravid	100	21.	Aishwarya Rai	100
7.	Anil Kumble	100	22.	Karina Kapoor	96
8.	Harbhajan Singh	100	23.	Juhi Chawla	88
9.	Saurav Ganguly	100	24.	Kajol	84
10.	Yuvraj Singh	100	25.	Karishma Kapoor	87
11.	Irphan Pathan	100	26.	Salman Khan	89
12.	Virendra Sehwag	100	27.	Jaya Bacchan	84
13.	Mahesh Bhupati	74	28.	Preeti Zinta	67
14.	Vishwanathan Anand	91	29.	Akshay Kumar	71
15.	Saif Ali Khan	98	30.	Abhishek Bacchan	100

GRAPH 1: LEVEL OF AWARENESS AMONG RESPONDENTS

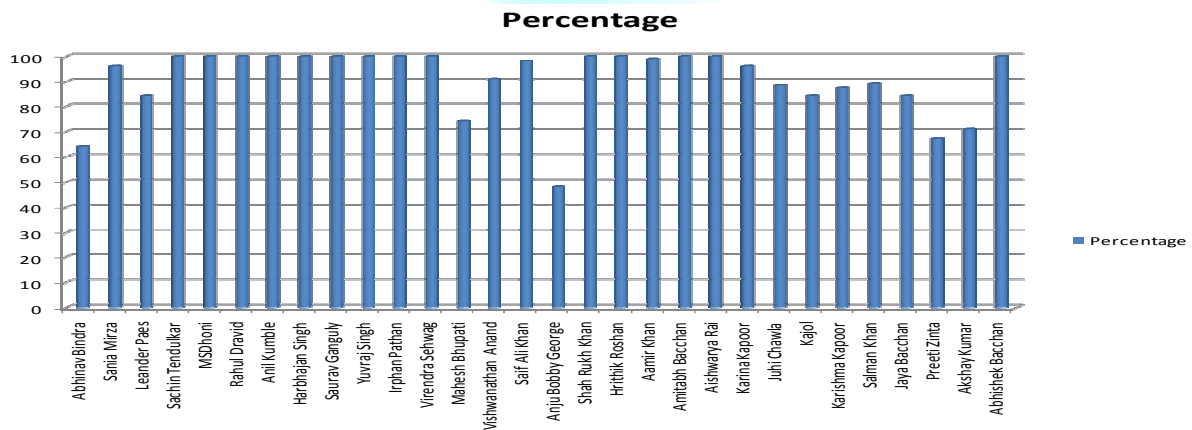


TABLE 4: COMPARATIVE POPULARITY

Sr.No.	Celebrities	Percentage	S.No.	Celebrities	Percentage
1.	Abhinav Bindra	11	16.	Anju Bobby George	6
2.	Sania Mirza	40	17.	Shah Rukh Khan	90
3.	Leander Paes	18	18.	Hrithik Roshan	92
4.	Sachin Tendulkar	60	19.	Aamir Khan	90
5.	MSDhoni	62	20.	Amitabh Bacchan	100
6.	Rahul Dravid	58	21.	Aishwarya Rai	98
7.	Anil Kumble	8	22.	Karina Kapoor	58
8.	Harbhajan Singh	24	23.	Juhi Chawla	56
9.	Saurav Ganguly	58	24.	Kajol	48
10.	Yuvraj Singh	32	25.	Karishma Kapoor	51
11.	Irphan Pathan	14	26.	Salman Khan	80
12.	Virendra Sehwag	16	27.	Jaya Bacchan	67
13.	Mahesh Bhupati	10	28.	Preeti Zinta	37
14.	Vishwanathan Anand	28	29.	Akshay Kumar	78
15.	Saif Ali Khan	98	30.	Abhishek Bacchan	94

GRAPH 2: COMPARATIVE POPULARITY

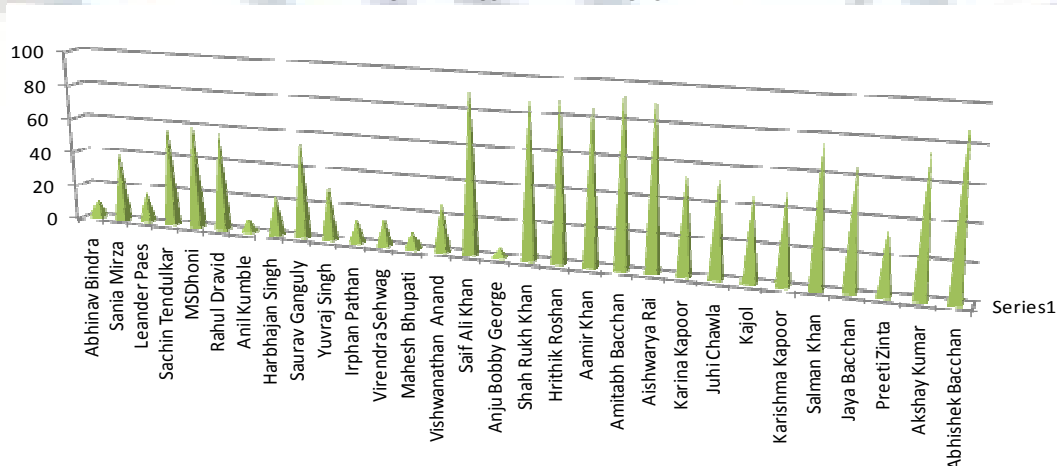
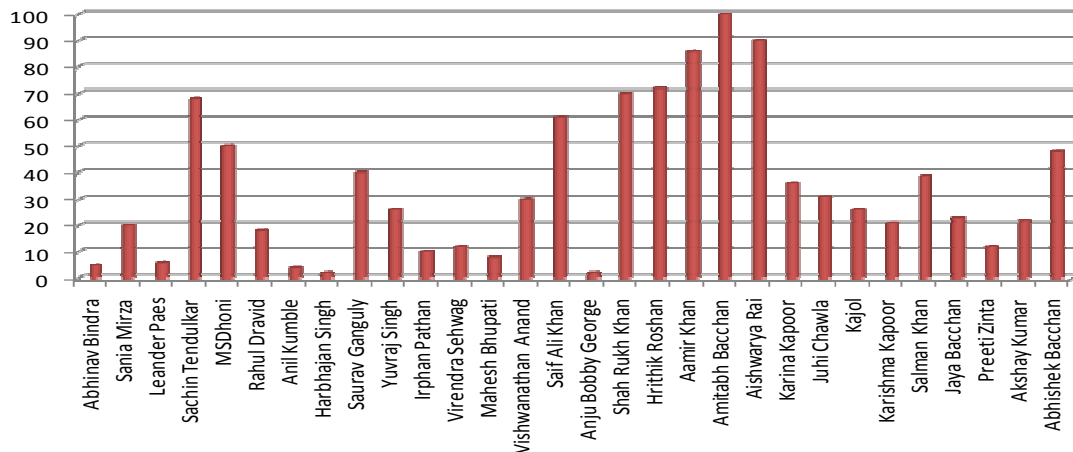


TABLE 5: IMPACT OF CELEBRITY ENDORSEMENT ON SALES OF A BRAND IN NAGPUR

S.No.	Celebrities	Percentage	S.No.	Celebrities	Percentage
1.	Abhinav Bindra	5	16.	Anju Bobby George	2
2.	Sania Mirza	20	17.	Shah Rukh Khan	70
3.	Leander Paes	6	18.	Hrithik Roshan	72
4.	Sachin Tendulkar	68	19.	Aamir Khan	86
5.	MSDhoni	50	20.	Amitabh Bacchan	100
6.	Rahul Dravid	18	21.	Aishwarya Rai	90
7.	Anil Kumble	4	22.	Karina Kapoor	36
8.	Harbhajan Singh	2	23.	Juhi Chawla	31
9.	Saurav Ganguly	40	24.	Kajol	26
10.	Yuvraj Singh	26	25.	Karishma Kapoor	21
11.	Irphan Pathan	10	26.	Salman Khan	39
12.	Virendra Sehwaq	12	27.	Jaya Bacchan	23
13.	Mahesh Bhupati	8	28.	Preeti Zinta	12
14.	Vishwanathan Anand	30	29.	Akshay Kumar	22
15.	Saif Ali Khan	61	30.	Abhishek Bacchan	48

GRAPH: 3 IMPACT ON SALES



FINDINGS

Table 1 indicates top 10 categories of products in celebrity endorsements on TV during Jan to December 2010. The most endorsed products are shampoo & toilet soaps with ranking 1 & 2.

Table 2 shows the top 10 brands endorsed by celebrities on TV are Lux Toilet & Idea cellular.

Table 3 shows level of awareness about celebrities among respondents. All the respondents are 100 % aware of the Indian Cricket & Bollywood Celebrities. Amitabh Bacchan, Aishwarya Rai followed by Shahrukh Khan & Hritik Roshan are the most popular among respondents.

Companies are spending huge amount on Celebrity Endorsement. Does it have any impact on purchasing? Most of the respondents are influenced by Amitabh Bacchan (100 %) followed by Aishwarya Rai (90 %), Amir Khan 86 %, Hritik Roshan 72 %, Shah Rukh Khan 70 % & Sachin Tendulkar 68 %.

Although Sania Mirza, Rahul Dravid, M.S.Dhoni, Saurav Ganguly, Abhinav Bindra are most popular among all the respondents but impact on purchasing is less.

CONCLUSION

'Lux Toilet Soap', 'Pepsi' and 'Airtel Cellular Phone Service' were the top 3 brands in 'Celebrity' endorsements on TV. There is a huge Impact of Celebrity Endorsements among the consumers though TV commercials in India as Indians like the celebrities a lot and consider most of the celebrities their role models. There are more and more companies prefer the celebrities of different fields in India like the cricketers, Bollywood celebrities and other sports personalities. Celebrity endorsement is quite famous and effective in India. Most of the products of many companies are being endorsed by the Bollywood actors and Indian cricketers for better sales targets. Television is something which is watched all over India by the people of all class whether the people belong to lower class or middle class or upper class, all of them watch television to entertain themselves.

And most of the companies play the card of TV commercials in India for more selling of their Consumer products with the help of the endorsements the Indian celebrities. The companies most of the time get good results of the TV commercials by the celebrities but sometimes it proves out to be negative publicity for them as it often happens to the companies which hire the celebrities from the world of cricket. Because if the cricketers don't play well that time their endorsement on television is not liked by the viewers and the viewers stop buying the products endorsed by the failure cricketers. So there are both of the things, profit and the loss due to the publicity of the branded products by the celebrities on TV in India.

There are a lot of researches and the analysis on the celebrity's endorsement on the Indian television for marketing the products of the branded companies in India. This is the fact that endorsement of the companies by the celebrities very effectively work in terms of increasing the brand value and the sales of the products. In today's highly competitive & dynamic market environment, companies have to use modern & innovative techniques & concepts for selecting the appropriate celebrity for endorsing their brands.

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IMPACT OF FOREIGN INSTITUTIONAL INVESTORS ON INDIAN CAPITAL MARKET

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ABSTRACT

An important feature of the development of capital market in India in the last 20 years has been the growing participation of Institutional Investors. Institutional investors comprise both foreign institutional investors and the domestic institutional investors. In India, these institutional investors manage large amount of funds which constitutes a significant share of the entire market capitalization. Impact of these investors especially FIIs in Indian capital market has been a matter of debate. FII investments seem to have influenced the Indian capital market to a considerable extent. This paper makes an attempt to understand whether there exists a relationship between FII and capital market returns in India. Here, will see the impact of FIIs movement on index prices through the analysis of historical investment of FIIs and historical prices of BSE SENSEX and NSE NIFTY.

KEYWORDS

FIIs, Indian Capital Market, BSE SENSEX, and NSE NIFTY.

INTRODUCTION

The economic landscape of India underwent a paradigm change when the economy was liberalized in 1991. It also laid the foundation for a strong regulatory network. India witnessed stellar economic performance through the period 2005-09. This was manifested through an average 8.5 – 9 percent GDP growth rates, rising domestic savings and investment levels and the amount of foreign capital flowing into the country.

Foreign investments can any of the three forms:

- Portfolio investments in Indian companies Foreign Institutional Investor ("FII") route— essentially entailing transactions executed on stock exchanges in India;
- Direct investment into Indian companies Foreign Direct Investment – ("FDI") route;
- Private Equity investments – Foreign Venture Capital Investor ("FVCI") route

Foreign Institutional Investors have been a major source of funds into the Indian Capital Markets in the past few years. Foreign Institutional Investors are defined under SEBI Regulations as "an institution that is a legal entity established or incorporated outside India proposing to make investments in India only in securities." Foreign institutional investors also include domestic asset management companies or domestic portfolio managers who manage funds raised or collected or bought from outside India for the purpose of making investment in India on behalf of foreign corporate or foreign individuals. These investments are governed by the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995. Potential investors also have to get approval from the Reserve Bank of India to operate foreign currency accounts to bring in and take out funds and rupee bank accounts to pay for transactions. The Reserve Bank of India also regulates the activities of FIIs, through exchange control regulations.

BOMBAY STOCK EXCHANGE

Of the 22 stock exchanges in the country, Mumbai's (earlier known as Bombay), Bombay Stock Exchange is the largest, with over 6,000 stocks listed. The BSE accounts for over two thirds of the total trading volume in the country. Established in 1875, the exchange is also the oldest in Asia. Among the twenty-two Stock Exchanges recognised by the Government of India under the Securities Contracts (Regulation) Act, 1956, it was the first one to be recognised and it is the only one that had the privilege of getting permanent recognition ab-initio.

BSE SENSEX

BSE Sensex or **Bombay Stock Exchange Sensitive Index** is a value-weighted index composed of 30 stocks that started January 1, 1986. The Sensex is regarded as the pulse of the domestic stock markets in India. It consists of the 30 largest and most actively traded stocks, representative of various sectors, on the Bombay Stock Exchange. These companies account for around fifty per cent of the market capitalization of the BSE. The base value of the sensex is 100 on April 1, 1979, and the base year of BSE-SENSEX is 1978-79.

NATIONAL STOCK EXCHANGE OF INDIA

NSE was promoted by leading Financial Institutions at the behest of the Government of India and was incorporated in November 1992 as a tax-paying company unlike other stock exchanges in the country. On its recognition as a stock exchange under the Securities Contracts (Regulation) Act, 1956 in April 1993, NSE commenced operations in the Wholesale Debt Market (WDM) segment in June 1994. The Capital Market (Equities) segment commenced operations in November 1994 and operations in Derivatives segment commenced in June 2000.

S&P CNX NIFTY

The Standard & Poor's CRISIL NSE Index 50 or S&P CNX Nifty nicknamed Nifty 50 or simply Nifty (NSE: ^NSEI), is the leading index for large companies on the National Stock Exchange of India. The Nifty is a well diversified 50 stock index accounting for 23 sectors of the economy. The S&P CNX Nifty stocks represent about 60% of the total market capitalization of the National Stock Exchange (NSE). It is used for a variety of purposes such as benchmarking fund portfolios, index based derivatives and index funds. Nifty is owned and managed by India Index Services and Products Ltd. (IISL),

OBJECTIVES

- To determine the factors that influences the dependency of Indian stock market on foreign institutional investors.
- To analyze graphically, Net purchases and sales by FIIs in the sampling period.
- To analyze the stock market returns of indices and determine FII's Percentage Change in Investment.
- To analyze the Trends in FII Investment in India in the sampling period.
- Examine whether FIIs have any influence on Equity Stock Market.

SCOPE OF THE STUDY

The scope of the study extends up to the analysis of analysis of stock market returns of dependent factors like FII investments of a country. The analysis lies as a means for comparison between the net purchase, sales, and investments in Indian stock market taken in the sample data only.

METHODOLOGY

- **SOURCE OF DATA**

Various sources of secondary data are:

- Books, Journals, and Internet(BSE, NSE, SEBI)

- **SAMPLING SIZE**

- Monthly closing data of Sensex and Nifty(2001-2010)
- Yearly FII Inflows (2001-2010)
- Yearly returns of sensex and nifty(2001-2010)

- **RESEARCH TOOLS**

- Correlation, Co-efficient of Determination, and SPSS Software

ANALYSIS**TRENDS IN EQUITY**

The year 2010 has seen a net inflow of ₹ 140,497 crore in equities so far. The *cumulative* investments in equity stand at ₹ 982,251 crore the graph below shows the trend in FII sales and purchases over the 2001-2010 period.

TABLE 1: TABLE SHOWING EQUITY FII FLOWS IN ₹ CRORE

Year	Purchases	Sales	Net
2001	51,866.60	38,572.80	13,294.70
2002	46,320.31	42,673.54	3,627.23
2003	94,816.50	64,024.10	29,953.2
2004	183,883.70	145,185.50	38,688.40
2005	278,186.10	232,378.50	45825.6
2006	435,804.30	404,523.22	31,281.08
2007	805,167.57	734,227.52	709,40.05
2008	720,757.80	773,809.50	-53,051.70
2009	626,004.50	540,636.90	85,367.6
2010	768,402.60	634,110.70	140,497.20

Source: Moneycontrol.com

There has been a steep rise in FIIs in Equity beginning 2003. Except for 2008 to mid 2009 due to recession period, since 1993, only once have foreign investors turned net sellers. This has primarily been on account of rise in global liquidity conditions primarily driven by low interest rates in US that was affected to counter recessionary condition post the dot-com bubble, a rising aversion towards US, for its huge current account current account deficit and growth of the 'emerging' economies like China, India etc. FIIs have been progressively raising their investments in Indian market since 2003, the year that saw the beginning of the bull-run in the Sensex. This continued until 2008, when the recession hit. Liquidity dried up. So did the risk-aversion of investors towards emerging markets. The equity begun to rise in middle of 2009 and gradually attracted foreign investors last financial year.

TRENDS IN DEBT**TABLE 2: TABLE SHOWING DEBT FII FLOWS IN ₹ CRORE**

Year	Purchases	Sales	Net Purchase
2001	5116.9	4998.5	119
2002	2777.79	2713.04	64.86
2003	10688.9	5757.26	4939.74
2004	13682.6	10569.4	3113.2
2005	6733.5	11838.9	-5105.4
2006	9549.23	6255.65	3629.18
2007	31,210.58	22,061.45	9,149.13
2008	48,586.10	36,245.70	12,340.40
2009	110,438.70	106,980.30	3,458.40
2010	213,849.20	161,749.00	54,442.80

Source: Moneycontrol.com

The period 2001-2010 witnessed relatively high debt flows as compared to the preceding periods into currency bond markets owing to low inflation and high global liquidity. FII investments into Debt have been ₹ 790 crore for in the month of October 2010 and ₹ 899.80 crore in the first ten days of November, 2010. Cumulative debt FII flows till 31st November stand at the level of ₹ 7109.30 crore.

GROWTH OF FII INVESTMENTS AND REGISTERED FII IN INDIA**TABLE 3: TABLE SHOWING GROWTH OF REGISTERED FII IN INDIA**

Year	Registered FII
2001	556
2002	482
2003	489
2004	517
2005	639
2006	822
2007	993
2008	1219
2009	1594
2010	1741

Source: SEBI

In 1993, when investments in FIIs were introduced, Pictet Umbrella Trust Emerging Markets' Fund, an institutional investor from Switzerland, was the only FII to enter the Indian market. While no new registrations were reported till 2001 thereafter from 2003, an average of 51 new FIIs began operations in the country each FIIs began operations in the country each year. The graph clearly indicates the steep increase in number of FIIs since the year 2003. Currently, there are 1,741 registered FIIs and 6,164 registered sub registered FIIs and 6,164 registered sub-accounts.

IMPACT OF FII ON STOCK MARKET
CORRELATION OF FII WITH SENSEX
CORRELATIONS

	FII	SENSEX
FII Pearson Correlation	1	.423**
Sig. (2-tailed)		.001
N	120	120
SENSEX Pearson Correlation	.423**	1
Sig. (2-tailed)	.000	
N	120	120

** . Correlation is significant at the 0.01 level (2-tailed). 2001-2010

The correlation between FII and SENSEX is significant. This means that the FII inflows influence to a considerable extent on the Sensex volatility. The number of observations considered for this correlation analysis is 120. The observations being the Monthly closing price of Sensex, Monthly FII Net cash inflow. The effect of FII on Sensex is positive, it means if FII increases, the value of sensex also increases. The behaviour of the foreign portfolio investors matched the behaviour of Sensex during this period. Net FII investment in the Indian capital markets started fluctuating sharply during the year 2007 and it turned negative. Net FII investment in the Indian stock market was positive from 2008 to 2010. During this period, the Sensex and net FII investment showed very high degree of correlation. On the whole, there exists a relationship between FIIs.

CORRELATION OF FII WITH NIFTY
CORRELATIONS

	FII	NIFTY
FII Pearson Correlation	1	.429**
Sig. (2-tailed)		.001
N	120	120
NIFTY Pearson Correlation	.429**	1
Sig. (2-tailed)	.000	
N	120	120

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

The correlation between FII and NIFTY is significant. This means that the FII inflows influence to a considerable extent on the Nifty volatility. The number of observations considered for this correlation analysis is 120. The observations being the Monthly closing price of Nifty, Monthly FII Net cash inflow. FII flows and contemporaneous stock returns are strongly correlated in India. The correlation coefficients between different measures of FII flows and market returns on the National Stock Exchange during different sample periods are shown in Table above. While the correlations are quite significant throughout the sample period, they exhibit a significant rise since the beginning of the 2001-10. The calculations show that there exists a relationship between FIIs and Nifty.

CORRELATION OF NET INVESTMENT IN EQUITY WITH NET INVESTMENT IN DEBT
CORRELATIONS

	EQUITY	DEBT
EQUITY Pearson Correlation	1	.251**
Sig. (2-tailed)		.006
N	120	120
DEBT Pearson Correlation	.251**	1
Sig. (2-tailed)	.006	
N	120	120

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

The correlation between Net Investment in Equity and Net Investment in Debt is significant. The number of observations considered for this correlation analysis is 120. The observations being the Monthly Net Inflow in Equity, Monthly Net Inflow in Debt. The flow of Equity is considerably more than Debt, during 2009-2010.

CALCULATION OF CO-EFFICIENT OF DETERMINATION

The *coefficient of determination, r²*, is useful because it gives the proportion of the variance (fluctuation) of one variable that is predictable from the other variable.

It is a measure that allows us to determine how certain one can be in making predictions from a certain model/graph.

Co-efficient of Determination = r²

FII with Sensex	0.178
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Only 17.8% of the total variation of FII is explained by the Sensex and the remaining 82.2% is accounted for by something other than Sensex. Similarly, in the case of FII and Sensex we have r²= .178, indicating that variation in FII explains about 17.8% of the variation in Sensex. 82.2% of the variation in Sensex is unexplained by FII, explainable by other factors, omitted variables, random variation, etc. We shouldn't put too much emphasis on r², t-stat is more important. However, r², or some other measure of goodness of fit is expected in reported empirical results.

FII with Nifty	0.184
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Only 18.4% of the total variation of FII is explained by the Nifty and the remaining 81.6% is accounted for by something other than Nifty. Coefficient of Determination (r^2) ranges from 0 - 1, is always part of the standard regression output, the important measure of goodness of fit. r^2 = correlation coefficient (r) squared, since the range of r is from -1 to +1, squaring r forces r^2 to fall between 0 and 1. r^2 in the above table gives the percentage (%) of the total variation in Nifty that is explained by the regression equation, or explained by FIIs. During the period the total variation in Nifty explained by FII amounted to 18.4% and the remaining 81.6% is explained by other factors which influence Nifty.

CALCULATION OF CO-EFFICIENT OF NON-DETERMINATION

The coefficient of non determination; represents that part of the dependent variable's total variation not accounted for by linear association with the independent variable.

Co-efficient of Non-Determination = $1 - r^2$

FII with Sensex	0.822
FII with Nifty	0.816

CONCLUSION

Results of the study shows that not only the FIIs are the major players in the domestic stock market in India, but their influence on the domestic market is also growing, FII trading is having a higher percentage in the total BSE turnover, from which it can be said that FIIs presence can significantly impact the BSE trading. This paper analyses the impact primarily of FII Inflows on the volatility of the Index (Sensex and Nifty). On the basis of the results from the analysis given above it can be said that the impact of FII cash inflows on the index volatility is significant enough to influence. The correlation between the FII inflow and Sensex, Nifty is positive. Therefore it can be concluded from the analysis that then FII operate only in the index and Blue Chip stocks and Mutual Fund operate in the Non index and non blue chip stocks.

The return on the Indian stock market is considerably high and it is attracting more and more FII. FII's are interested in Indian stock exchanges especially Sensex and Nifty as it constitutes the best most liquid companies in India. So the FII are playing a dominant role in the volatility of the Sensex and Nifty. The investment of FII is more in Sensex and Nifty as compared to other stock exchanges of India. The Purchase and Sale of securities by FII has a bearing on the Sensex and Nifty prices. This is very much evident from the crash of index prices when the FII are very active in selling of securities when they see some economic instability. The domestic institutional investors have to play an active role in the stock market so as to bring the stability in the stock market. The stability of the stock market is important indicator of the economic development.

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PROCESS, PROVISIONS AND BENEFITS OF SECURITIZATION - AN EMPIRICAL STUDY

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ABSTRACT

Indian banking industry has undergone a major transition after economic liberalization and hence credit management through securitization. Securitization a Financial innovation provides an essential impetus for a more efficient allocation of capital and offers issuers more flexibility to create securities with distinct risk-return profiles across the maturity structure to facilitate the unbundling, transformation and diversification of financial risks associated with various types of illiquid assets. This customization of risks according to the preferences and tolerances of agents improves the capacity of the financial system to bear risk and intermediate capital. In emerging market countries, securitization can also support local capital market development, facilitate investments in largely unexplored areas of economic activity, and expand the spectrum of financing options to finance consumer deficits.

KEYWORDS

Banking, NPAs, Risk, Securitization.

INTRODUCTION

Banking industry in India is witnessing a major transition on the back of a booming economy led by continuous economic reforms and policies. Moreover transition has benefited Indian banking industry with greater autonomy to tap growth opportunities. This has resulted in improvement in efficiency and development of the entire financial system of the country. One of the most prominent developments in banking sector in recent decades and the one that is likely to assume even greater importance in future is securitisation. Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act 2002 (SARFAESI) provides for the enforcement of security interests in movable (tangible or intangible, including accounts receivable) and immovable property without the intervention of court, by way of a simplistic, expeditious and a cost effective process.

SECURITIZATION

It is the process of conversion of homogeneous existing illiquid assets or future cash flows into marketable securities. In other words, securitization deals with the conversion of assets which are not marketable into marketable ones. In other words taking possession of secured assets by the bank (originator) and sell them without the intervention of the court.

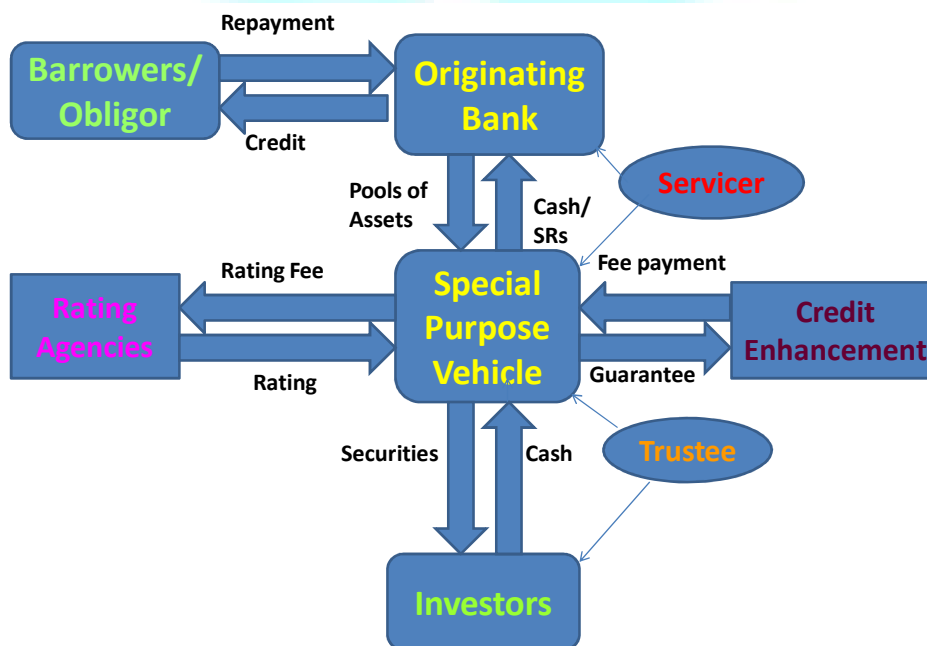


Fig.1 Process of Securitization

PROCESS OF SECURITISATION

- **The Obligor(s):** Borrower of the original loan from banks /FIs.
- **The Originator:** is the bank which is given the loan and on whose books the assets to be securitized exist and is the prime mover of the deal.

- **The SPV/SC/ARC:** The SPV buys the assets to be securitized from the Originator, holds the assets in its books. Assets purchased can be sold to outsiders to secure maximum price or it can convert these assets into marketable securities and issues the bonds/security paper to qualified institutional buyers (QIB's).
- **The Investors:** The investors are qualified institutional buyers (QIB) like financial institutions (FIs), mutual funds, pension funds; insurance companies, etc. buy security papers/bonds issued by SPV, and receive their payments in the form of interest and principal as per an agreed pattern.
- **The Rating Agency:** will rate the bonds /certificates issued by SPV.
- **Administrator or Servicer:** collects the payment due from the Obligor(s) and passes it to the SPV.
- **Agent and Trustee:** looks after the interests of the investors and it oversees that all the parties involved in the securitisation transaction perform in accordance with the securitisation trust agreement.
- **External Credit Enhancements:** To improve the credit profile of the instruments external credit enhancements such as surety bonds, third-party guarantees, letters of credit (LC) etc. are provided.
- **Structurer:** Normally, an investment banker is responsible for bringing all the parties to a securitisation deal. He also helps in structuring the deals along with the Originator.

PROVISIONS OF SECURITIZATION ACT

The Securitisation Act contains provisions to provide for the following:

- a) Registration and regulation of securitization companies or reconstruction companies by the Reserve Bank of India (RBI)
- b) Facilitating securitisation of financial assets of banks or reconstruction with or without the benefit of underlying securities
- c) Facilitating easy transferability of financial assets by the Securitization Company or Reconstruction Company to acquire financial assets of banks and FIs by issue of debentures/bonds or any other securities in the nature of a debenture.
- d) Empowering securitization companies/reconstruction companies to raise funds by issue of security receipts to qualified institutional buyers
- e) Facilitating reconstruction of financial assets acquired by exercising powers of enforcement of securities or change of management or other powers which are proposed to be conferred on the banks and FIs.
- f) Declaration of any securitization company or reconstruction company registered with the RBI as a public financial institution for the purpose of section 4A of the Companies Act, 1956.
- g) Defining "security interest as any type of security including mortgage and charge on immovable properties given for due repayment of any financial assistance given by any bank or FIs.
- h) Empowering banks and financial institutions to take possession of securities given for financial assistance and sell or lease the same or takeover management in the event of default, i.e. classification of the borrowers account as NPA in accordance with the directions given or under guidelines issued by the RBI time to time.
- i) The rights of a secured creditor to be exercised by one or more of its officers authorized in this behalf in accordance with the rules made by the Central Government.
- j) An appeal against the action of any bank or FIs to the concerned Debt Recovery Tribunal and a second appeal to the Appellate Debt Recovery Tribunal.
- k) Setting up or causing to be set up a Central Registry by the Central government for the purpose of registration of transactions relating to securitization, asset reconstruction and creation of 'security interest'
- l) Application of the proposed legislation initially to banks and FIs and empowerment of the Central government to extend the application of the proposed legislation to non-banking financial companies and other entities.
- m) Non- application of the proposed legislation to security interests in agricultural lands, loans not exceeding Rs.1, 00,000 and cases where 80% of the loans are repaid by the borrower.

BENEFITS OF SECURITIZATION: (TO THE ORIGINATOR, BANKS/FI)

1. **Asset liability mismatch:** To reduce the mismatch, banks can remove their long term assets from the balance sheet by securitization. This helps them hedge their interest rate exposure.
2. **Increasing liquidity of the asset portfolio:** The bank was holding a very illiquid asset portfolio of long term mortgages and no excess reserves, it is exposed to potential liquidity shortages and becomes difficult to meet large unexpected demand deposit withdrawals. Sale of these assets under securitization helps to increase liquidity in banks.
3. **Important source of fee income:** Even after the sale assets, the bank continues to service the mortgages and passes on the principal and interest payments on the mortgages to the investors in securities issued against these mortgages via a SPV. It charges a servicing fee for this effort.
4. **New source of financing:** Securitization has helped the bank receive the cash immediately.
5. **Reallocation of risks:** it helps in reallocation of risks as it transfers the credit risk of the portfolio to the investors
6. **Improves operating leverage and return on capital:** by converting an on-balance-sheet lending business in to an off-balance-sheet fee income stream that is less capital intensive.
7. It also allows a bank to deepen its relationships with several corporate without committing additional capital.

BENEFITS OF SECURITIZATION TO INVESTORS

1. **Flexibility of bond characteristics:** It helps in customizing bond characteristics like the tenor and cash flows to suit investor preferences.
2. **Efficient pricing:** Since financing operations are securitized continuously by several parties viz, originators, investment banks, rating agencies, dealers and investors, risks tend to become increasingly transparent and pricing tends to be more efficient.
3. **Protection against credit rating downgrading:** Due to the structuring of the process there is a very low probability of the credit rating being downgraded thus protecting the investors from credit risks.
4. **Decoupling with Originator:** The investor is insulated from the credit profile of the Originator. This separation of the Originator and the investor helps at the time of bankruptcy or default or credit downgrades.
5. **Access to retail risk:** Securitization offers an access to consumer risk thereby providing an opportunity to the investors to further diversify their portfolio.

REVIEW OF LITERATURE

1. **Dharmalingam Venugopal** stated that The main contention of the defaulters was that the SARFAESI Act was one-sided and had vested the banks and the financial institutions with arbitrary powers in dealing with defaulters; that the Act did not take into account lender's liability and provide safeguards against irresponsible action by the lenders; and that the conditions under which an appeal was allowed were too stiff and unfair. A Fair Practices Code with regard to lender's liability has since been introduced.

2. **Mr.Sumant Batra** opined that till recent past, corporate borrowers even after defaulting continuously never had any real fear of bank taking any action to recover their dues despite the fact that their entire assets were hypothecated to the banks. This is because there was no legal Act framed to safeguard the real interest of banks. With the legislatures having given their mind in enforcement of security, the sun probably would shine on the NPAs-ridden Indian banks. Enactment of SARFESI Act, 2002 is evident for this drawing this assumption.

This paper pointed out that while NPA cannot be eliminated, but can only be contained, it has to be done not at a heavy cost of provisioning and increasing the portfolio of credit. Along with recovery fresh inflow of NPA should be brought down at a level much less than the quantum of its exit. If this specific goal is reached, there is an eventual solution for this problem.

OBJECTIVES OF THE STUDY

1. To examine the various provisions, process and benefits of the SARFAESI (Securitization & Reconstruction of Financial Assets and Enforcement of Security Interest) Act 2002 with special emphasis on reduction of NPAs in banks.
2. To analyse the impact of securitization on Recovery of NPAs of banks.

METHODOLOGY

Secondary Data: 8years data relating to NPAs and Recovery of NPAs under Securitization Act of select banks were collected for the purpose of analysis. Sources of secondary data includes various journals, research papers, magazines, Annual reports of banks, RBI reports and website and extract of NPAs provided by the banks.

Sampling technique: Judgment Sampling Technique was instituted to select the banks for the study.

Sample size: Using judgment, 10 public sector banks were selected for the purpose of the study having their branches across the country. The banks chosen for the purpose of the study are: State bank of Mysore, Central bank of India, Corporation bank, State bank of India, Oriental bank of Commerce, Syndicate bank, Punjab and Sind bank, Punjab national bank, Allahabad bank, Dena bank.

TABLE-1: NON-PERFORMING ASSETS OF SELECT BANKS FOR THE FINANCIAL YEAR 2003-10 (RS.IN CRORES)

Fin.Yr	State bk of Mysore	Central bk of India	Corpo Ration bk	State bk of India	Oriental Bk of Comm.	Syndi-cate bk	Punjab & Sind bk	Punjab National bk	Allaha-bad bk	Dena bk
2003	562.01	3244	3244	12085.31	1146.26	1420.17	1246.89	4455.05	1841.5	1616.58
2004	514.52	3092	3092	12667.21	1213.73	1589.92	1203.51	4199.17	1418.46	1484.01
2005	415.37	2621	2621	12455.73	2512.82	1432.78	1197.41	3356.19	1284.27	1147.54
2006	398.13	2684	2684	10375.76	2116.31	1506.36	941.50	2820.52	1183.83	949.4
2007	383.76	2572	2572	9998.22	1454.05	1559.81	290.84	3081.38	1093.59	744.48
2008	359.00	2350	2350	12837.34	1280.10	1768.65	135.53	3021.46	1010.51	572.60
2009	367.61	2317	2317	15714.00	1058.12	1594.54	161.04	2506.90	1078.25	620.77
2010	595.26	2458	2458	19534.89	1468.75	2006.82	206.15	3214.41	1221.80	641.99

Source: Annual reports of banks and extract of NPAs & Recovery given by banks

TABLE-2: RECOVERY OF NPAS UNDER SARFAESI ACT, 2002 OF SELECT BANKS FOR THE FINANCIAL YEAR 2003-10 (RS.IN CRORES)

Fin.Yr	State bk of Mysore	Central bk of India	Corpo Ration bk	State bk of India	Oriental Bk of Comm.	Syndi-cate bk	Punjab & Sind bk	Punjab National bk	Allaha-bad bk	Dena bk
2003	4.17	25.29	17.27	49.10	30.83	30.24	20.06	53.91	12.30	17.84
2004	9.62	85.68	18.66	150.23	86.66	47.91	43.93	200.00	24.42	45.80
2005	2.52	54.78	40.14	169.71	134.45	55.95	31.79	297.01	45.22	29.36
2006	12.48	88.15	70.84	176.80	120.07	84.46	125.35	330.04	50.31	121.96
2007	15.73	171.18	94.95	210.46	123.05	142.95	142.00	350.53	90.43	134.24
2008	20.42	207.28	155.94	239.41	103.93	138.24	164.36	375.98	69.07	113.97
2009	17.65	171.48	158.08	238.36	117.66	129.80	150.46	450.25	108.15	108.47
2010	298.55	227.63	104.45	502.03	69.70	206.17	79.51	856.18	249.95	103.42

Source: Annual reports of banks and extract of NPAs & Recovery given by banks

TABLE-3: PERCENTAGE OF INCREASE IN RECOVERY OF NPAS OF SELECT BANKS (TAKING 2003 AS BASE)

Fin.Yr	State bk of Mysore	Central bk of India	Corpo Ration bk	State bk of India	Oriental Bk of Comm.	Syndi-cate bk	Punjab & Sind bk	Punjab National bk	Allaha-bad bk	Dena bk
2003	100	100	100	100	100	100	100	100	100	100
2004	231	339	108	306	281	158	219	371	197	257
2005	60	217	232	346	436	185	158	551	368	165
2006	299	349	410	360	389	279	624	612	367	684
2007	377	677	550	429	399	473	708	650	735	752
2008	490	820	903	488	337	456	819	697	562	639
2009	423	678	915	485	381	429	750	835	879	608
2010	7146	900	605	1022	226	681	396	1588	2032	580

Source: Annual reports of banks and extract of NPAs & Recovery given by banks

It is observed that the percentage of Recovery of NPAs under Securitization Act of all the selected 10 public sector banks was increased over the years (except in case of SBM during 2005 it is reduced by 40%). As the recovery of NPAs is increasing this Act has positive impact on the banking sector in reduction of NPAs of banks.

FINDINGS

1. Before the enactment of the Securitisation Act the banker had limited options for recovery which consisted of having an intensive follow-up and interaction with the borrower and initiating legal actions either through courts or Debt recovery tribunals.
2. The Securitisation Act empowers Banks/FIs to change or takeover the management/possession of secured assets of the defaulting borrowers & sell or lease out the assets without the intervention of the court.
3. The measures to tackle the NPAs adopted by the bank post- Securitisation Act include:
 - Issuing notices as per the SRFAESI Act and wait for 60 days
 - Issue possession notice after 60 days and initiate steps to take physical possession of securities
 - Sell the securities and adjust the amount to the NPAs.
4. The Securitisation Act is not applicable in case of agricultural properties.

5. The act is not applicable to any security interest for securing repayment of any financial asset not exceeding one lakh rupees.
6. As per the Securitisation Act the role of the Court was limited to Challenge the measures under Section 13(4), by way of Appeal, that too on deposit of 75% of amount claimed on the notice under section 13(2) of the Act.
7. Although the Securitisation Act empowers banks/FIs to seize the secured assets of the defaulting borrowers without the intervention of the courts, borrowers are still able to get the proceedings under the act stayed by appealing in civil courts and DRTs.
8. Despite the many issues of concerns in the implementation of the overall the Act has been a boon for the banking community.
9. Majority of the bankers opined that the act was helpful in the reduction of NPAs.
10. However, recently the Supreme Court in the case of Mardia chemicals has struck down the clause in the act that allows the borrower to seek legal redress only upon paying 75% of the claimed amount to the lending bank as unconstitutional.
11. This Supreme Court decision is viewed as a threat to the effective implementation of the act by the banking community as it enables borrowers to make appeals on flimsy grounds without depositing any amount with the lender bank.

CONCLUSION

The Securitization Act is a fine, comprehensive piece of legislation. Enactment of the Act was seen as a panacea to the entire problem of NPAs. The banks are euphoric about the Act and are taking swift actions by issuing notices to the defaulting borrowers. Defaulting borrowers who were not responding previously started responding favorably and cash recoveries became a reality. It can be concluded that overall the Act has empowered the banks with additional powers for recovery and facilitated the reduction of NPAs of banks.

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WORK LIFE BALANCE AMONG HUMAN RESOURCES, EMERGING TRENDS IN SELECT CORPORATE BUSINESSES IN INDIA AND ABROAD - A STUDY

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ABSTRACT

Work-life balance (WLB) is a not a new concept. Our ancestors have successfully managed and balanced their work - life and achieved spiritual development. WLB is a broad concept including proper prioritizing between "work" -career and ambition on one hand and "life" -Health, pleasure, leisure, family and spiritual development on the other. Related, though broader, terms include "lifestyle balance" and "life balance". Work-life balance is about people having a measure of control over when, where and how they work. It is achieved when an individual's right to a fulfilled life inside and outside paid work is accepted and respected as the norm, to the mutual benefit of the individual, business and society. Logically, "work-life balance" will remain a mere concept (useful for debates and workshops) unless there is a collective change in Corporate India. There has to be serious management buy-in and it has to be a wave that should ripple across all levels, and all domains. Managers should be made accountable every time they request an employee to stay back. Clients should be embarrassed to consistently demand service at crazy hours. Employees should be less passive and question the need to work extra hours except in a crisis. Employers should create a culture across the company that puts all this in place and then shout from their rooftops if they have achieved this. Striking a healthy work-life balance isn't a one-shot deal. Creating work-life balance is a continuous process as your family, interests and work life change. Periodically examine your priorities - and make changes, if necessary - to make sure you're keeping on track.

KEYWORDS

Work-life balance, Corporate India, work life change, lifestyle balance.

INTRODUCTION

Work-life balance is a broad concept including proper prioritizing between "work" (career and ambition) on one hand and "life" (Health, pleasure, leisure, family and spiritual development) on the other. Related, though broader, terms include "lifestyle balance" and "life balance".

Work-life balance is about people having a measure of control over when, where and how they work. It is achieved when an individual's right to a fulfilled life inside and outside paid work is accepted and respected as the norm, to the mutual benefit of the individual, business and society. Striking a balance between the needs of the individual employee, customer and organisation demands the following:

For employees: Different individuals will have different expectations and needs at different times in their life

For customers: Organisations need to respond to the demands of their customers if they are to continue to be successful

For organisations: Organisations need to be able to manage costs, maintain profitability and ensure that teams work effectively together.

OBJECTIVE

The objectives of this paper are

- to review the literature on WLB
- to examine WLB practices of selected corporate businesses of national and international repute
- to draw meaningful conclusions viz.,
- whether WLB is possible for all employees,
- Why some employees feel it difficult to balance the work-life,
- What measures the business organizations have to adopt, and
- how employees cope up with it, and
- is it worth spending huge amounts on WLB measures by corporate businesses

REVIEW OF LITERATURE

The expression was first used in the United Kingdom in the late 1970s to describe the balance between an individual's work and personal life.[1] In the United States, this phrase was first used in 1986.

Over the past twenty-five years, there has been a substantial increase in work which is felt to be due, in part, by information technology and by an intense, competitive work environment. Long-term loyalty and a "sense of corporate community" have been eroded by a performance culture that expects more and more from their employees yet offers little security in return.

Many experts predicted that technology would eliminate most household chores and provide people with much more time to enjoy leisure activities; but many ignore this option, encouraged by prevailing consumerist culture and a political agenda that has "elevated the work ethic to unprecedented heights and thereby reinforced the low value and worth attached to parenting".

Many Americans are experiencing burnout due to overwork and increased stress. This condition is seen in nearly all occupations from blue collar workers to upper management. Over the past decade, a rise in workplace violence, an increase in levels of absenteeism as well as rising workers' compensation claims are all evidence of an unhealthy work life balance.

Employee assistance professionals say there are many causes for this situation ranging from personal ambition and the pressure of family obligations to the accelerating pace of technology.[1]. According to a recent study for the Center for Work-Life Policy, 1.7 million people consider their jobs and their work hours excessive because of globalization.

These difficult and exhausting conditions are having adverse effects. According to the study, fifty percent of top corporate executives are leaving their current positions. Although sixty-four percent of workers feel that their work pressures are "self-inflicted", they state that it is taking a toll on them. The study shows that seventy percent of US respondents and eighty-one percent of global respondents say their jobs are affecting their health.

Between forty-six and fifty-nine percent of workers feel that stress is affecting their interpersonal and sexual relationships. Additionally, men feel that there is a certain stigma associated with saying "I can't do this".

According to a survey conducted by the National Life Insurance Company, four out of ten employees state that their jobs are "very" or "extremely" stressful.[2] Those in high-stress jobs are three times more likely than others to suffer from stress-related medical conditions and are twice as likely to quit. The study states that women, in particular, report stress related to the conflict between work and family.

It is clear that problems caused by stress have become a major concern to both employers and employees. Symptoms of stress are manifested both physiologically and psychologically. Persistent stress can result in cardiovascular disease, sexual health problems, a weaker immune system and frequent

headaches, stiff muscles, or backache. It can also result in poor coping skills, irritability, jumpiness, insecurity, exhaustion, and difficulty concentrating. Stress may also perpetuate or lead to binge eating, smoking, and alcohol consumption.

Work-life balance concerns of men and women alike. Similar discrimination is experienced by men who take time off or reduce working hours for taking care of the family.

For many employees today—both male and female—their lives are becoming more consumed with a host of family and other personal responsibilities and interests. Therefore, in an effort to retain employees, it is increasingly important for organizations to recognize this balance. [13]

Men know that work alone may not provide their lives with meaning. Young men can lose their meaning of life; they want a balance between paid work and personal attachments without being victimized at work. [3] [4]

BENEFITS OF WORK LIFE BALANCE

Finding a 'perfect' balance between work and life is rare. The nature of that balance is different for every person, and changes over time for each person. So we shouldn't strive for perfection, but to constantly be aware of making choices that will benefit all aspects of our lives.

Achieving work/life balance is an investment – it does take time and effort to implement the changes necessary. But it's worth the effort! Work/life balance offers some major rewards. Here are some of the potential benefits:

AT WORK

- Feeling more rested and energized
- Working more productively and getting more accomplished, leading to greater career success
- More fulfillment from work

IN LIFE

- Improving relationships with family and friends
- Better physical and mental health
- Making choices about your priorities, rather than sacrifices among them
- More leisure time to spend with loved ones, or time for yourself

CONSEQUENCES OF AN IMBALANCE

Mental health is a balancing act that may be affected by four factors: the influence of unfavourable genes, by wounding trauma, by private pressures and most recently by the stress of working. [6] Many people expose themselves unsolicited to the so-called job stress, because the "hard worker" enjoys a very high social recognition. These aspects can be the cause of an imbalance in the areas of life. But there are also other reasons which can lead to such an imbalance.

Remarkable is for example the increase in non-occupational activities with obligation character, which include mainly house and garden work, maintenance and support of family members or volunteer activities. All this can contribute to the perception of a chronic lack of time. [5] This time pressure is, amongst others, influenced by the own age, the age and number of children in the household, marital status, the profession and level of employment as well as the income level. [6] The psychological strain, which in turn affects the healthiness, increases due to the strong pressure of time, but also by the complexity of work, growing responsibilities, concern for long-term existential protection and more. [7] The mentioned stresses and strains could lead in the long term to irreversible, physical signs of wear as well as to negative effects on the human cardiovascular and immune systems. [8]

Psychoanalysts diagnose uncertainty as the dominant attitude to life in the postmodern society. [9] This uncertainty can be caused by the pressure which is executed from the society to the humans. It is the uncertainty to fail, but also the fear of the own limits, not to achieve something what the society expects, and especially the desire for recognition in all areas of life. [10] In today's society we are in a permanent competition. Appearance, occupation, education of the children - everything is compared to a media staged ideal. Everything should be perfect, because this deep-rooted aversion to all average, the pathological pursue to excellence - these are old traditions. [11] Who ever wants more - on the job, from the partner, from the children, from themselves - will one day be burned out and empty inside. He is then faced with the realization that perfection do not exist. [12] Who is nowadays empty inside and burned out, has in the common language a Burnout. But due to the definitional problems Burnout is till this date no recognized illness. [13] An attempt to define this concept more closely, can be: a condition that get only the passionate, that is certainly not a mental illness but only a grave exhaustion (but, lo and behold, can lead to numerous sick days). [14] It can benefited to the term that it is a disease model which is socially acceptable and also, to some extent, the individual self-esteem stabilizing. This finding in turn facilitates many undetected depressed people, the way to a qualified treatment. [15] According to experts in the field are, in addition to the ultra hard-working and the idealists mainly the perfectionist, the loner, the grim and the thin-skinned, especially endangered of a burnout. All together they usu-ally have a lack of a healthy distance to work. [16]

Another factor is also, that for example decision-makers in government offices and upper echelons are not allowed to show weaknesses or signs of disease etc., because this would immediately lead to doubts of the ability for further responsibility. It should be noted that only 20% of managers (e.g. in Germany) do sports regularly and also only 2% keep regularly preventive medical check-up. [17] In such a position other priorities seem to be set and the time lacks for regular sports. Frightening is that the job has such a high priority, that people waive screening as a sign of weakness. In contrast to that, the burnout syndrome seems to be gaining popularity. There seems nothing to be ashamed to show weaknesses, but quite the opposite: The burnout is part of a successful career like a home for the role model family. [18] Besides that the statement which describes the burnout as a "socially recognized precious version of the depression and despair that lets also at the moment of failure the self-image intact" fits and therefore concludes "Only losers become depressed, burnout against it is a diagnosis for winners, more precisely, for former winners." [19]

However, it is fact that four out of five Germans complain about too much stress. One in six under 60 swallows at least once a week, a pill for the soul, whether it is against insomnia, depression or just for a bit more drive in the stressful everyday life. [20] The phases of burnout can be described, among other things, first by great ambition, then follows the suppression of failure, isolation and finally, the cynical attitude towards the employer or supervisor. Concerned persons have very often also anxiety disorders and depressions, which are serious mental diseases. Depressions are the predominant causes of the nearly 10,000 suicides that occur alone each year in Germany. [21] The implications of such imbalances can be further measured in figures: In 1993, early retirement due to mental illness still made 15.4 percent of all cases. In 2008, there were already 35.6 percent. Even in the days of illness, the proportion of failures due to mental disorders increased. Statisticians calculated that 41 million absent days in 2008 went to the account of these crises, which led to 3.9 billion euros in lost production costs. [22] For companies it is time to act and support their employees with a healthy work-life-balance.

RESPONSIBILITY OF THE EMPLOYER

Companies have begun to realize how important the work-life balance is to the productivity and creativity of their employees. Research by Kenexa Research Institute in 2007 shows that those employees who were more favorable toward their organization's efforts to support work-life balance also indicated a much lower intent to leave the organization, greater pride in their organization, a willingness to recommend it as a place to work and higher overall job satisfaction.

Employers can offer a range of different programs and initiatives, such as flexible working arrangements in the form of part time, casual and telecommuting work. More proactive employers can provide compulsory leave, strict maximum hours and foster an environment that encourages employees not to continue working after hours.

It is generally only highly skilled workers that can enjoy such benefits as written in their contracts, although many professional fields would not go so far as to discourage workaholic behaviour. Unskilled workers will almost always have to rely on bare minimum legal requirements. The legal requirements are low in many countries, in particular, the United States. In contrast, the European Union has gone quite far in assuring a legal work-life balance framework, for example pertaining to parental leave and the non-discrimination of part-time workers.

WORK-LIFE BALANCE ACROSS THE GLOBE

According to a new study by Harvard and McGill University researchers, the United States lags far behind nearly all wealthy countries when it comes to family-oriented workplace policies such as maternity leave, paid sick days and support for breast feeding. Jody Heyman, founder of the Harvard-based Project on Global Working Families and director of McGill's Institute for Health and Social Policy, states that, "More countries are providing the workplace protections that millions of Americans can only dream of. The U.S. has been a proud leader in adopting laws that provide for equal opportunity in the workplace, but our work/family protections are among the worst." [23]

American workers average approximately ten paid holidays per year while British workers average twenty-five holidays and German employees thirty. Americans work twelve weeks more a year in total hours than Europeans.

In Europe, the Working Time Regulation has implemented a maximum of forty-eight hours of work per week.[24] Many countries have opted for fewer hours. France attempted to introduce a thirty-five hour workweek, and Finland experimented with a thirty-hour week in 1996. In a 2007, the European Quality of Life Survey found that countries in south-eastern Europe had the most common problems with work-life balance. In Croatia and Greece, a little over 70% of working citizens say that they are too tired to do household jobs at least several times a month because of work.[25]

WORK-LIFE BALANCE IN SELECT COMPANIES**1. IBM**

Maintaining the essential work life balance has become a business imperative, and is mostly not very easy to achieve. That's where IBM's employee-friendly policies come into picture.

Be it flexible work arrangements or child care services, we recognize that these have a positive impact on employee productivity & retention, and therefore are looked upon as a business imperative. Complementing these policies are Well-being services, which spans several areas ranging from Influenza Vaccination to Emotional Well-being programs.

Not surprisingly IBM is well known in the industry for its work life balance, and for the nineteenth year in succession, has featured in the 'best companies' list of various magazines, including Working Mother.

2. TATA CO.

Today it is very fashionable to ask, "Do you have a work-life balance?" But this is a choice people have to make. A company cannot dictate or regulate it by switching off lights at 5 pm or ask employees to go on a picnic.

What companies can do is to foster a productive work environment within the working day. If employees need to work outside, then this should be facilitated through the internet and mobile phones.

I feel we should give more opportunities for people to work from home if they want to and make work more flexible. So it may not be necessary that the entire workforce of TCS comes to office every morning at the same time. Such an approach will also cut down on commuting time and enable employees to spend more time with their families. Work-sharing is another way in which couples, or any two people, share the work. All this would not mean less productivity but result in happier employees.

At TCS we are creating opportunities for employees' families to understand what is happening in the company. This gives them a sense of pride in the work that the spouse or parent is doing and makes them feel less neglected.

The issue of work-life balance is going to become even bigger in the future. We have to start looking at the work environment very differently from the way we do today. We will need to consider some structural changes in policies and people practices.

3. MICROSOFT

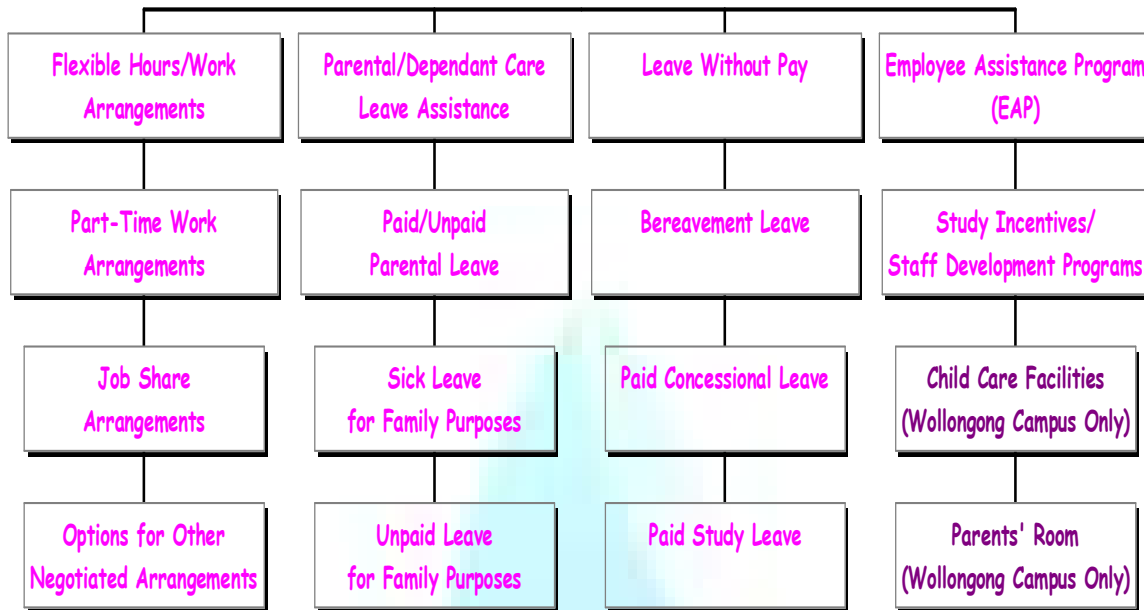
Because our employees are our most valued asset, Microsoft provides flexible programs, resources, and tools to help them create their own balance between their work and their personal lives. These resources range from an extensive resource and referral service to generous maternity and paternity leave policies and flexible work arrangements—all as a means to help employees attain this important balance. Microsoft realizes that happy, healthy employees make Microsoft a better place to work and a more productive company.

The Microsoft Work-Life programs include:

- Flexible work arrangements
- Grocery service
- Adoption assistance
- Backup child-care program
- Child-care assistance
- Commuting programs and public transportation assistance
- Dinners-to-go program
- Disease management programs
- Dry cleaning and laundry service
- Employee affinity groups
- Employee development courses
- Employer-sponsored discount program
- Ergonomics program
- Financial planning
- Fitness benefits
- Legal assistance
- Long-term care for extended family members
- Maternity and paternity leave program
- New mothers' rooms
- On-campus convenience shopping
- Parenting resources and seminars
- Resources and referrals for counseling and education
- Schools Out! programs
- Smoking cessation program
- Tuition assistance program
- Weight management program

In addition to providing these programs, Microsoft is committed to creating a healthy, flexible, and productive work environment that allows employees to engage in a challenging career and balance their WorkLife needs.

4. ITTAWARA TECHNOLOGY CORPORATION



5. SONY CORPORATION

WORK-LIFE BALANCE

Seeking to maintain work environments that cater to different lifestyles and enable employees to fully express their abilities, Sony has introduced support systems and versatile working styles, among others, to emphasize the importance of achieving an optimal work-life balance.

FLEXIBLE WORKING STYLES

Sony not only follows the laws and customs of the countries and regions in which it operates, but also offers versatile working styles designed to help its employees achieve an effective work-life balance.

In Japan, Sony Corporation has introduced the "flex-time system" and the discretionary work system, enabling it to offer employees a variety of flexible options. Sony employees have used a high percentage of their allotment of annual paid holidays, which in fiscal year 2009 averaged 18 days.

CHILD CARE AND NURSING CARE

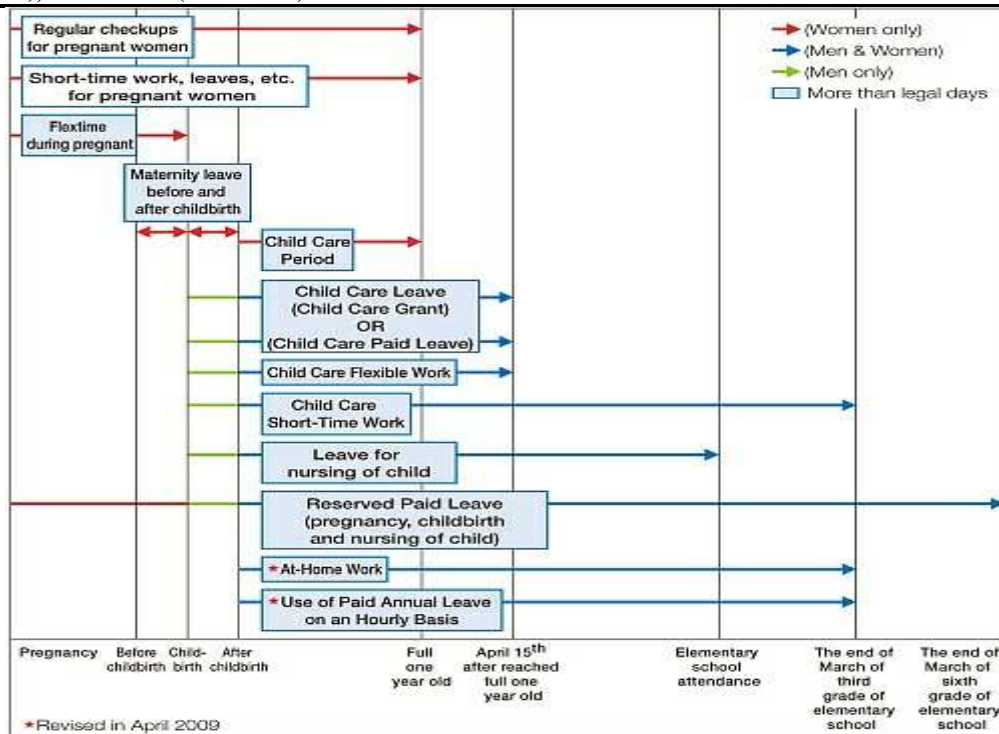
Sony offers a special accumulated leave system aimed at employees undertaking child care or nursing care and a child care paid leave system that can be used in combination with child care leave and provides up to 20 days' leave for employees who have given birth. A significant number of employees take advantage of these leave systems. In addition, Sony offers an "At-Home Work System" and the "use of annual paid holiday on an hourly basis" for child care or nursing care.

- Sony Corporation support system for balancing of work and family (childcare-related)

Principal supports for the balancing of work and family

- Child Care Leave (introduced in fiscal 1990)
Until April 15th after reaching 1 year of age
Combination use available with Child Care Paid Leave after 8 weeks of delivery
- Child Care Short-Time Work (introduced in fiscal 1995)
End of March of third grade of elementary school
Monthly flextime of short-time work available
- Child Care Grant (introduced in fiscal 2007)
Payment of 50,000 yen for child care grant every month during child care leave
- Child Care Paid Leave (introduced in fiscal 2007)
Provide 20 days paid leave
Combination use available with Child Care Leave after 8 weeks of delivery
- At-Home Work System (introduced in fiscal 2008)
At-home work for child-rearing and caring for family members
- Use of Paid Annual Leave on an Hourly Basis (introduced in fiscal 2008)
Use of paid annual leave on an hourly basis for child-rearing and caring for family members

Current status (April 2010)



SONY CORP -MEASURES TO PROMOTE WORK-LIFE BALANCE

In addition to establishing work-life balance systems, Sony promotes measures to assist employees combining child care and work with the advancement of their careers and to create a supportive workplace culture. More specifically, Sony holds forums and seminars for employees featuring messages of support for work-life balance initiatives from senior management. A notable example is the "Working Parent Forum", which includes a session during which female and male employees with experience in combining work and child rearing share their personal experiences and an event that provides participants with the opportunity to exchange information. Other such events include "Fathers' Forum", which provides an opportunity for male employees to consider how they can participate in child rearing and features a panel discussion by male employees who have experience in this area; and "Working Mothers' Meeting", in which female employees who have returned to work can attend a lecture from guest speakers, participate in panel discussions and exchange information with other participants. It also acknowledged the fact that Sony encourages its male employees to participate in child rearing.

- Company tour for employees' families at Sony Latin America
- Working Mothers' Meeting

ELECTRONICS (LATIN AMERICA)

In Latin America, Sony has held a number of events aimed at promoting work-life balance since fiscal year 2008, including family days, family picnics and company tours for employees' families.

- Sony Brazil Ltda. has declared Wednesday a "no overtime" day, and turns off the lights at 5:30 p.m. to encourage employees to return home early.

ELECTRONICS (ASIA PACIFIC)

In Singapore, Sony has established a committee that is charged with considering the recreational needs of employees. Each year, the committee asks employees to vote on proposals for the following year. As of fiscal year 2009, employees are able to participate in the planning of related activities. In recognition of efforts such as these to plan activities that incorporate employees' wishes, Sony received the HRM Worklife Harmony Award from HR Media.

Source: (<http://www.sony.net/SonyInfo/csr/employees/worklifebalance/index.html>)

6. TVS MOTORS

WORK ENVIRONMENT

They offer an open environment, professional freedom and responsibilities to excel and grow with the organization, allowing individuals to have the perfect work-life balance. And that's the work culture we practice and emphasize on, 'Work Smart, Play Hard'. Their environment is a mix of formal and friendly, which allows professional development with the highest regard for individual and collective contribution towards organization's growth. TVS is known for its flexible work conditions, camaraderie across the organization, enthusiasm towards work and inclusive decision making. Attrition rates are well below the industry standards and stands at less than 10%. at TVS

Source: (<http://www.tvsinfotech.com/Careers.aspx>)

7. HOW CHANDA KOCHHAR JOINT MD, ICICI BANK, BALANCES HER WORK-LIFE

Age 46,

My favourite life-after-work activity: Watching Hindi movies and shopping.

The best way to deal with a glass ceiling: Concentrate on work and focus on performance.

The biggest turning point in my career was: The launch of retail banking at ICICI Bank.

Mantra for maintaining work-life balance: Maintain a daily time schedule and prioritise things depending on the situation. If you want to meet her on weekends, check out multiplexes in Mumbai running Hindi movies. Chanda Kochhar is a die-hard fan of Bollywood.

8. CAMPBELL

Their approach to work/life balance illustrates a key aspect of the Campbell Promise – "Campbell Valuing People."

They understand the pressures and challenges facing employees when trying to balance work with personal interests and responsibilities. We also understand that our employees are better able to meet the demands of the business when their own personal needs are being met.

When it comes to work/life balance, a "one-size-fits-all" approach simply won't do. Their programs are designed to recognize that not all employees are the same and that employees' needs may change over time.

Depending on an employee's role and location, here is a sampling of the types of work/life programs and benefits that may be available:

- Flexible work arrangements (e.g., telecommuting, flex-time, job-share, reduced or compressed workweek)
- Summer hours – employees work extra time Monday-Thursday and head out early on Fridays
- On-site full-time childcare plus backup care, school's out and summer programs
- On-site seminars, fairs and workshops on such topics as stress, nutrition and safety

- Company store and cafeteria
- Credit Union with ATM
- On-site dry cleaning services
- Fitness facilities including personal training and group exercise classes, plus discount memberships on a network of commercial fitness centers
- Access to free counseling services on a variety of personal and work/life issues
- Concierge Services to assist you when making arrangements for: restaurant reservations, theatre tickets, personal travel arrangements, automotive services, pet care and cleaning services
- Paid personal days, vacation days, holidays and sick days
- Tuition reimbursement
- Adoption assistance

9. GENERAL ELECTRIC

Naturally, the passion that our people bring to their work extends to their own private worlds, and GE is committed to enabling a healthy balance between the two. GE encourages our people to meet their work commitments while balancing their own life responsibilities.

To support this balance, flexible work arrangements are an integral part of the way we conduct business. The Company also offers many programs and resources to support employees including financial management, family counseling and more.

10. HINDUSTAN UNI LEVER CO.

We recognise that people are more likely to be motivated in their career if they are also fulfilled individuals.

YOUR PERSONAL LIFE

Juggling the demands of your life outside work and your career ambitions can be difficult. As a way of helping balance the two, we give employees the chance to work flexibly through schemes such as part-time hours, home working and job share, as well as career breaks and extended maternity leave.

Usually the people who want more flexibility are parents, but not always. Whatever your reason, we'll do everything we can to find a solution that suits you at the same time as meeting the requirements of the company.

THE WAY WE WORK

There is other, less obvious areas where we've changed the way we work to encourage a better quality of life.

Travelling to meetings costs money impacts the environment and takes people away from their homes. That's why we have introduced effective ways for teams to communicate and share information remotely. These include virtual meetings, videophones and online collaboration environments. We also have new-generation video-conferencing that's so real it's like meeting face to face.

HEALTH & WELL-BEING

Our Personal Vitality campaign promotes programmes and activities which are designed to help everyone in the company take care of themselves.

On the one hand we concentrate on body fitness through encouraging better nutrition, hygiene and personal care. This includes initiatives ranging from health assessments to opportunities for physical activity.

On the other we focus on fitness of heart, mind and spirit by creating a vitalising work experience and environment for our people. This helps them feel energised and able to perform to the very best of their ability.

11. ACCENTURE -WORK/LIFE BALANCE AND TIME OFF

As an employee at Accenture, you'll have access to a number of programs that help you build a rewarding career while never sacrificing your most personal priorities.

Accenture offers a flexible approach—giving options for how, and where, you do your work. We offer programs and tools to help individuals and teams understand how encouraging flexibility and a balance between work and personal life enhances, rather than impedes, productivity

COMMITMENT TO WORKPLACE FLEXIBILITY

We know how important workplace flexibility is to enable you to strike a balance between your work and personal life. Accenture offers a flexible approach—giving options for how, and where, you do your work. We also provide innovative communication and collaboration tools to help increase your productivity, efficiency and flexibility.

Here are some of the various flexible work arrangements we offer at Accenture:

Flex time schedule: Allows employees to vary their start and finish times around predetermined core hours, or work their standard hours in fewer than five days by varying the length of each workday.

Part-time arrangement: Enables employees to work less than a standard full-time schedule per week, by working fewer hours per day or fewer days per week. Usually the role is designed around a reduced workload so that job responsibilities match the number of hours worked.

Job-sharing arrangement: Involves dividing the workload of a full-time position between two employees (usually each working a part-time schedule). It's a great way for our people to keep on the career track while allowing them more time outside of work.

Telecommuting/home working: Enables employees to work from a location other than an Accenture office or project site. This can reduce the time, costs and stress of commuting for employees while helping Accenture control and often reduce the cost of fixed office space.

Fly-backs: Help support work/life balance for employees with significant travel, often the case for consulting professionals. We offer them fly-backs to their home location, the option to fly someone to their project site, and the option to fly to an alternate location in place of a trip home.

Client-site flexible work arrangements: Help our consulting professionals, who spend much of their time working at client sites away from their home location, balance work and personal life. These flexible working options help meet their needs, while still meeting the needs of our clients:

- **Full weekend at home:** Arrive at the project midday on Monday and stop client work early Friday afternoon, thereby providing for a full weekend at home. Work the same number of hours as a full work week, but compress the completion into a shorter time frame.
- **Extended weekends in home location:** Work a five-day work week: four days at the project site and the fifth day in the home office or approved alternate location, with either three or four nights at the out-of-town location.
- **Extended client/home location:** Work an extended period of time at a client site followed by an extended number of days at the home office or approved alternate location, without altering the standard work week requirement and just changing time of hours worked.

TAKE CARE OF OTHERS

Taking care of the important people in your life can be challenging. Check out the resources and programs to help you manage the care of babies to college-ready kids to aging relatives.

LifeWorks Limited Concierge Service: Get help if you need help locating a personal trainer, finding a service to mow your lawn, identifying a tutor for your child, hiring a pet sitter, or purchasing a new vehicle.

LifeWorks Employee Assistance Program: Get confidential support for challenging issues such as parenting, end-of-life issues, caregiver and community support.

Backup Dependent Care: Locate care givers for your children, spouse or relative when regular arrangements won't work, with rates subsidized by Accenture.

Eldercare resource program: Meet with a trained professional who can assess conditions and provide guidance, support and coordination.

Nursing mother's program: New moms can get educational resources about nursing, as well as a \$50 breast pump subsidy.

New Parents Toolkit: Expecting or adopting a child? We have a toolkit for information on applicable policies, guidelines and work/life resources.

Adoption Assistance: Adopting a child? Accenture employees receive up to \$5,000 per child per family to help pay medical costs, agency and legal fees and other adoption-related expenses.

Your College Connection: Leverage resources to navigate the college preparation process, including saving for college, applying for financial aid and completing applications.

TAKE TIME FOR ME

Sometimes taking care of yourself falls to last on your list. Refresh yourself and learn about the resources and programs to help you take care of you.

Paid time off: We offer a competitive program to give you time away for your personal priorities. Paid time off encompasses traditional vacation time along with paid personal time off and sick leave, providing flexibility for how, when and for what purpose time off is taken. The number of paid-time off days is based on career level and workforce, but ranges from 14 to 27 days per year.

Holidays: Accenture also provides nine paid holidays, including eight standard holidays and a 'floating holiday' for employees to use at their discretion.

Hours That Help: We also offer a unique Hours That Help program that provides support to US employees who need to take time away from work to deal with family medical emergencies or related crisis situations. Accenture employees are able to donate paid-time off hours to help a colleague in a time of need.

Future Leave: Understanding that some of our employees may need to take time off to spend time on their personal priorities, we introduced Future Leave. Unlike PTO, the time off is unpaid, but it has advantages over a traditional leave of absence. Future Leave allows employees to take up to three months away from work with continued healthcare and insurance benefits and the assurance that they can return to work after their leave.

Flexible transitions: To help make the transition easier for employees who take leaves of absence, we offer flexible transitions, allowing employees the opportunity to stay connected to Accenture during the time they are away.

ARGUMENTS IN FAVOUR OF WORK LIFE BALANCE

Work life and personal life are the two sides of the same coin. According to various work /life balance surveys, more than 60% of the respondent professionals surveyed said that are not able to find a balance between their personal and professional lives. They have to make tough choices even when their work and personal life is nowhere close to equilibrium. Traditionally creating and managing a balance between the work-life was considered to be a woman's issue. But increasing work pressures, globalization and technological advancement have made it an issue with both the sexes, all professionals working across all levels and all industries throughout the world. Achieving "work-life balance" is not as simple as it sounds.

Work life and personal life are inter-connected and interdependent. Spending more time in office, dealing with clients and the pressures of job can interfere and affect the personal life, sometimes making it impossible to even complete the household chores. On the other hand, personal life can also be demanding if you have a kid or aging parents, financial problems or even problems in the life of a dear relative. It can lead to absenteeism from work, creating stress and lack of concentration at work.

Work-personal life conflict occurs when the burden, obligations and responsibilities of work and family roles become incompatible. Obligation of one can force an individual to neglect the other.

CHANGING & INCREASING WORK PRESSURES

A decade back, employees used to have fixed working hours or rather a 9 to 5 job from Monday to Friday. The boundary between the work and home has disappeared with time. But with globalization and people working across countries, the concept of fixed working hours is fading away. Instead of just 7 or 8 a day, people are spending as much as 12-16 hours every day in office.

ARGUMENTS AGAINST WORK LIFE BALANCE

THE SUCCESS FORMULA

Let us begin with the most popular life goal, ie, success. One way to learn is by studying the lives and habits of successful people. Albert Einstein, for example, worked on the ideas that flashed in his mind at all times of day and night. So absorbed was he in his work that he sometimes asked his butler to serve him lunch, forgetting that he had finished it already.

Melody queen Lata Mangeshkar would practise for hours as a teenager, and she has continued to enjoy her mammoth practice sessions every single day of her life. Sachin Tendulkar, even as a school kid, loved batting practice, hitting balls against a wall well past midnight.

Think of Zakir Hussain, Bismillah Khan, Michael Jackson, or an Olympic winner of your choice. All these achievers have just one thing in common: they never had 'working hours'. And that's because they never 'worked'. They enjoyed their work so much and remained so absorbed in it that no other activity was as much 'fun'. They never knew or needed to practise 'work-life balance'.

Advocates of work-life balance recommend that after college or office hours, we go to some club or park with friends for some recreation, but these people — such as Tendulkar absorbed in cricket — derived more pleasure in their 'work'. In other words, they have had more 'fun hours' (read 'work hours') than most of us have work-plus-fun hours.

Why are we not so involved in our work? To understand this, imagine what could have happened if Tendulkar had gone for a career as a chartered accountant or Einstein as a lawyer. Or if Bismillah and Jackson had been forced to study engineering.

To sum up, the concept of work-life balance is seriously flawed. Selecting a career or profession that exploits or gratifies one's unique driving forces is a far better route to success, happiness, personal fulfilment and a distinct identity in society than trying to follow some flawed notion of work-life balance.

Having a passion gives life a purpose. Many research findings have now proved that those who live with a purpose live longer (and healthier) than those living without a clear purpose or passion. So identify your passion and pursue it to live long and be happy.

(Source: DAILY NEWS AND ANALYSIS-Work-life balance is humbug--HK Shivdasani | Sunday, August 15, 2010)

REASONS OF IMBALANCE

There are various reasons for this imbalance and conflicts in the life of an employee. From individual career ambitions to pressure to cope up with family or work, the reasons can be situation and individual specific. The speed of advancement of information technology, the increasing competition in the talent supply market has led to a "performance-driven" culture creating pressures and expectations to performance more and better every time. Also, many a times, many people find it difficult to say "NO" to others especially their superiors. They usually end up over burdening themselves with work. The increasing responsibilities on the personal front with age can also create stress on personal and professional fronts.

SOLUTIONS

Many experts have given different solutions to this problem.

- Time management is one of the best solutions which can help to reduce the imbalance between the personal and the work life of the employees. Prioritizing the tasks and planning the activities can help to take out some free time which can be utilized for other purposes.
- Taking some time out for hobbies and leisure activities, spending time with loved ones can help to beat the stress.
- Learn to say "no" if required.
- Sharing the responsibilities will help and don't commit for something which is practically impossible.
- Utilizing the flexible working hours option of the organisations to get some free time.

(Source: <http://www.naukrihub.com/hr-today/work-life-balance.html>)

RESEARCH FINDINGS

- Work-Life Benefits Improve Productivity, Research Shows,
- Survey Finds Employees With Good Work-Life Benefits Work Harder,

- Effective work-life benefits encourage employees to work harder and discourage them from quitting their jobs, according to research by the Corporate Executive Board.
- Contrary to conventional wisdom, men and women hold similar views of work-life benefits, the board found in a survey of over 50,000 workers. Moreover, star employees assign almost as much importance to work-life balance as other employees and have similar work-life preferences.
- The report found that people who are happy with their work-life benefits- Work 21 percent harder ,are 33 percent more likely to plan to stay at that organization
- Existing Work-Life Benefits
- Current work-life benefits could be better, the report found. Only 16 percent of employees are satisfied with their organization's work-life practices. Nearly a third of workers are skipping on work to meet personal commitments.
- The majority of people don't even know what's available to them. Fewer than one-third of employees are aware of their employer's work-life offerings. Work-life benefits might include permission for telecommuting, flexible hours and on-site or subsidized child care.
- Of those who are aware, only 25 percent say those offerings match their preferences. And more than half of employees never use the available work-life benefits.

(Source: Stay Put, By Katherine Lewis, About.com Guide)

WHAT WORK-LIFE BENEFITS DO EMPLOYEES WANT?

Employees prefer work-life benefits that help them manage their workload. For instance, they like flexible work schedules, an appropriate amount of work and predictable working hours.

When asked about the five most desirable employer practices,

- 63 percent of employees included a flexible work schedule
- 62 percent cited an appropriate workload
- 13 percent was the average for all other work-life practices.

RECOMMENDATIONS FOR EMPLOYERS

- Companies should improve their work-life benefits and communicate them to employees, the report suggested.
- "Employees don't necessarily have to use work-life practices to generate positive returns for the organization," the researchers noted. "Awareness of the work-life proposition is, in fact, slightly more important than consumption of it."
- The most powerful factors that increase awareness and use of work-life benefits are:
 - Peers visibly using work-life practices
 - Clear implementation guidelines
 - Employee control
- The report noted that there are significant geographical differences in work-life preferences.

(Source: The Corporate Executive Board)

There was a time when the boundaries between work and home were fairly clear. Today, however, work is likely to invade your personal life — and maintaining work-life balance is no simple task. Still, work-life balance isn't out of reach. Start by evaluating your relationship to work. Then apply specific strategies to help you strike a healthier balance.

CONCLUSION

The opportunity for individuals to balance their home and work lives is a central component of Good Work. Research suggests that people are experiencing a time squeeze, particularly women, and demographic trends suggest that this is not going to go away. There are a number of business benefits stemming from work-life balance. (Source: Get work-personal life balance right--- Dr Bhavna Barmi , INDIA TO DAY, October 30, 2009,)

The main cause of imbalance in our lives is the disparity between our work and personal life.

There is a sense of inflated competition and everyone wants to beat the other and be the best. The 'best', however, is never achieved because someone else is always perceived as better. Lifestyle stress is also brought about by an attitude of risk-taking, especially where it concerns health. People tend to think their health is infallible and pay the price.

Lifestyle stress manifests at different levels. At a somatic level the body physiology changes, causing a disturbance in sleep patterns and appetite, unexplained aches and pains and fatigue. Stress impacts the mind and brain function, reducing the attention span, increased forgetfulness and causing a tendency to brood unnecessarily on matters which are sometimes trivial.

The behaviour of someone who is stressed tends to be erratic.

Increased tea or coffee intake, a constant desire to appear busy, which means longer than average hours spent at work or, conversely, detachment from work altogether, are some indications.

A stressed individual may also manifest the external symptoms of stress such as self isolation, unexplained bouts of anger or irritation at trivial matters and depression or negative thinking.

The lack of a proper sleep-wake schedule is one of the biggest causes of health problems of our times and an effort should be made to follow the dictum of 'early to bed, early to rise', as closely as possible.

The corporate world tends to compromise on this in the pursuit of a higher paycheck. The best time to wake in the morning is as near to sunrise as possible, and to sleep is four hours after sunset. The optimum sleep requirement is six hours of undisturbed sleep, give or take an hour.

The second most important priority in a person's life should be his meals. People are either too complacent about their health or tend to be overzealous.

Both attitudes are harmful.

Moderate exercise should be a part of our lives. Ideally, all of us should follow the 'rule of 4'; four times a week, four km in 40 minutes is the ideal amount of exercise.

Along with proper sleep, diet and exercise, every individual must incorporate ways of relaxing using methods that range from physical exercise, deep breathing and meditation, to indulging in hobbies, social service activities and spending quality time with family.

Unconditional involvement in social service is actually a great de-stressor because of the undiluted appreciation one receives in return.

Quality time alone, that offers room for introspection is also something one should keep aside 10 minutes to half an hour every day. If despite all these measures stress cannot be negated, professional help should be sought.

STRIKE A BETTER WORK-LIFE BALANCE

As long as you're working, juggling the demands of career and personal life will probably be an ongoing challenge. Use these ideas to help you find the work-life balance that's best for you:

- **Track your time.** Track everything you do for one week, including work-related and personal activities. Decide what's necessary and what satisfies you the most. Cut or delegate activities you don't enjoy or can't handle — or share your concerns and possible solutions with your employer or others.
- **Take advantage of your options.** Ask your employer about flex hours, a compressed workweek, job sharing, telecommuting or other scheduling flexibility. The more control you have over your hours, the less stressed you're likely to be.
- **Learn to say no.** Whether it's a co-worker asking you to spearhead an extra project or your child's teacher asking you to manage the class play, remember that it's OK to respectfully say no. When you quit doing the things you do only out of guilt or a false sense of obligation, you'll make more room in your life for the activities that are meaningful to you and bring you joy.

- **Leave work at work.** With the technology to connect to anyone at any time from virtually anywhere, there may be no boundary between work and home — unless you create it. Make a conscious decision to separate work time from personal time. When you're with your family, for instance, turn off your cell phone and put away your laptop computer.
- **Manage your time.** Organize household tasks efficiently, such as running errands in batches or doing a load of laundry every day, rather than saving it all for your day off. Put family events on a weekly family calendar and keep a daily to-do list. Do what needs to be done and let the rest go. Limit time-consuming misunderstandings by communicating clearly and listening carefully. Take notes if necessary.
- **Bolster your support system.** At work, join forces with co-workers who can cover for you — and vice versa — when family conflicts arise. At home, enlist trusted friends and loved ones to pitch in with child care or household responsibilities when you need to work overtime or travel.
- **Nurture yourself.** Eat healthy foods, include physical activity in your daily routine and get enough sleep. Set aside time each day for an activity that you enjoy, such as practicing yoga or reading. Better yet, discover activities you can do with your partner, family or friends — such as hiking, dancing or taking cooking classes.

KNOW WHEN TO SEEK PROFESSIONAL HELP

Everyone needs help from time to time. If your life feels too chaotic to manage and you're spinning your wheels worrying about it, talk with a professional — such as a counselor or other mental health professional. If your employer offers an employee assistance program (EAP), take advantage of available services. (Source By Mayo Clinic staff- Work-life balance: Tips to reclaim control- Use these practical strategies to restore harmony.)

Logically, "work-life balance" will remain a mere concept (useful for debates and workshops) unless there is a collective change in Corporate India. There has to be serious management buy-in and it has to be a wave that should ripple across all levels, and all domains.

Managers should be made accountable every time they request an employee to stay back. Clients should be embarrassed to consistently demand service at crazy hours. Employees should be less passive and question the need to work extra hours except in a crisis. Employers should create a culture across the company that puts all this in place and then shout from their rooftops if they have achieved this. (Work-life balance (HINDU-Sunday, Jan 20, 2008), Hema Subramaniam)

Striking a healthy work-life balance isn't a one-shot deal. Creating work-life balance is a continuous process as your family, interests and work life change. Periodically examine your priorities — and make changes, if necessary — to make sure you're keeping on track.

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GREEN MARKETING: INDIAN CONSUMER AWARENESS AND MARKETING INFLUENCE ON BUYING DECISION

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ABSTRACT

Attitudes are changing toward the environment to encourage innovation for conservation, and the benefits from this source of innovation are certain to outlive our current generation. This paper investigates consumer beliefs and attitude on environment protection and their purchasing behavior of eco friendly products. Also focuses on the success of efforts put by marketers in bringing green brands awareness in consumer mind. It further reviews consumer behaviour and impact of marketing communication to identify how consumers are persuaded to opt for greener products. It reports the results of a consumer product survey using a questionnaire based on the Dunlap and van Liere HEP-NEP environmental survey and the Roper Starch Worldwide environmental behaviour survey. This paper identifies that consumers are not exposed enough to green product marketing communication and suggests the greater use of marketing and brands to promote and sell products that are environmentally friendly and function effectively. The paper suggests that the Indian market for greener products could be exploited more within consumer groups that have proenvironmental values.

KEYWORDS

Green marketing, Beliefs, Consumer behaviour, Trust, HEP-NEP environmental survey.

INTRODUCTION

The green movement has been expanding rapidly in the world. With regards to this consumers are taking responsibility and doing the right things. Consumer awareness and motivation continue to drive change in the marketplace—notably through the introduction of more eco-friendly products. Compared to consumers in the developed countries, the Indian consumer has much less awareness of global warming issues. Initiatives from industry and the government are still ice blue.

Successful marketing has always been about recognizing trends and positioning products, services and brand in a manner that supports buyer intentions. Today, "Green" marketing has moved from a trend to a way of doing business - and businesses that sell should recognize (1) the value of going green and (2) incorporating this message into their marketing program and communicating enough to the consumers.

Green is slowly and steadily becoming the symbolic color of eco-consciousness in India. The growing consumer awareness about the origin of products and the concern over impending global environmental crisis there are increasing opportunities to marketers to convince consumers. Firms have increasingly introduced GPIs (Green Product Innovations) into their product developments over recent decades. Studies on the consumption of environmentally sustainable products have demonstrated that perceived product performance is a significant barrier to their selection. For example, Ottman (1998) shows that some consumers do not buy "green" products because of their perceived inferiority, citing a study of observable and product-specific information (e.g. use of biodegradable and recycling behaviour) by Roper Starch Worldwide (RSW). Alston and Prince Roberts (1999) found, in their research on environmental strategy and new product development, that there was a willingness to pay slightly more for environmental improvement.

However, in his research on green product innovation strategy, Driessen (2005) finds that in order to maintain a competitive advantage, an optimum level of greenness needs to be identified between innovation performance and greenness, thus avoiding merely capturing the niche green market. So, if the market for environmentally sustainable products is to become main stream, it is important to look at what factors influence the consumer's selection process. This paper examined how consumers' values/beliefs and attitudes, as well as their exposure to influences and information, shape their behaviour and perceptions of product performance, with a particular focus on the influential role of marketing.

ENVIRONMENTALLY SUSTAINABLE PRODUCTS

Defining environmentally sustainable products is complex. In a strict sense, there is no such thing as a truly sustainable or green product, as all products we buy, own, use and discard in our everyday lives will have negative environmental impacts at some stage in their lifecycles. However, products can be classified according to the scale of these impacts, and a quality threshold can be drawn (Cooper, 2000). If a product has a low environmental impact, it is regarded as an environmentally sustainable product. Another definition of an environmentally sustainable product, for consideration in this paper, is that products should be readily available for purchase and include those supplied by companies with a reputation for reducing environmental impacts from their manufacturing processes.

LITERATURE REVIEW

EVOLUTION OF GREEN MARKETING

Charter and Polonsky (1999) state that green marketing is the marketing or promotion of a product based on its environmental performance or an improvement thereof. The decade of the late 1980s marked the first stage of green marketing, when the concept of "green marketing" was newly introduced and discussed in industry (Peattie and Crane, 2005). An anticipated emergence of a green tide galvanized many marketers to engage in different forms of green marketing at the beginning of this first stage (Vandermerwe and Oliff, 1990). Numerous marketers expected to generate positive consumer response which would be translated into an increase in goodwill, market shares or sales from their acts of green marketing.

However, notwithstanding reports that environmental problems constituted one of the uppermost public concerns, market growth for green products disappointingly fell short of marketers' expectations (Wong et al., 1996). The dramatic growth in green marketing excitements at the beginning of the 1990s has gradually subsided (Peattie and Crane, 2005). Green marketing entered its second stage in the 1990s, when marketers started to experience a backlash (Wong et al., 1996). Gradually, marketers realised that consumer concern for the environment and a related desire for green products did not translate into purchasing behaviour (Schrum et al., 1995). Among all the major hindrances, the main aspect contributing to the backlash against green marketing was consumer cynicism about green products, green claims and the companies' intention as well as practices (Mendleson and Polonsky, 1995; Peattie and Crane, 2005; Wong et al., 1996). From the mid-1990s, consumers started to become more and more environmentally and socially aware (Strong, 1996). Critical consumers began to emerge as a new force of green consumerism during that period whereby they require social responsibility from corporations (Gura and Ranchhod, 2005). Green consumers are defined as those who: [. . .] avoid products that are likely to endanger the health of the consumer or others; cause significant damage to the environment during manufacture, use or disposal; consume a disproportionate amount of energy; cause unnecessary waste; use materials derived from threatened species or environments (Strong, 1996, p. 5).

Gradually, the rise of green consumerism has led to an even broadened consumption concept called ethical consumerism (Uusitalo and Oksanen, 2004). According to Uusitalo and Oksanen (2004), ethical consumerism refers to buyer behaviour that reflects a concern with the problems that arise from unethical and unjust global trades, such as child and low-paid labour, infringement of human rights, animal testing, labour union suppressions, inequalities in trading relations with the Third World and pollution of the environment (Strong, 1996). Both green consumerism and its subsequent ethical consumerism are forms of symbolic consumption because consumers consider not only individual but also social values, ideals and ideologies (Uusitalo and Oksanen, 2004). Since, the emergence of the green consumerism and ethical consumerism which arose in the mid-1990s, consumers have started to demand a say in the production, processing and resourcing of the products.

Anticipating the continuous uprising forces of consumerism, scholars started to call for "sustainability marketing" in the late-1990s (Charter and Polonsky, 1999). Sustainability marketing refers to the building and maintaining of sustainable relationships with customers, social environment and the natural environment (Charter and Polonsky, 1999). In the face of the challenges, green marketing entered a "self-adjusting" mode, whereby only corporations with a true intention for long-term sustainable business development continued to stay and improve on their products. Since 2000, green marketing has evolved into a third stage. With the implementation of more advanced technology, stricter state enforcement on deceptive claims, government regulations and incentives as well as closer scrutiny from various environmental organisations and the media, many green products have greatly improved and regained consumer confidence in the 2000s (Gura'u and Ranchhod, 2005; Ottman, 2007). Together, with the continuous rise of growing global concern about the environmental quality, green marketing has gradually picked up momentum again. Some researchers postulate (Stafford, 2003) that green marketing is now "making a comeback" (Ottman et al., 2006, p. 26).

CONSUMER BELIEFS AND BEHAVIOURS

Hoyer and MacInnis (2004) state that consumers' values and beliefs need to be considered when examining the influences that affect purchasing decisions. Values are enduring beliefs that a given behaviour is desirable or good and include valuing the environment. Environmental values play a primary role in pro-environmental behaviour: values affect people's beliefs, which then have influences on personal norms that lead to consumers' pro-environmental behaviours (Reser and Bentrupperbaumer, 2005; Stern, 2000). Similarly, Ajzen's (1991) Theory of Planned Behavior shows that (environmental) beliefs form attitudes towards behaviour, which is then translated into intention of behaviour. The Global Environmental Survey (GOES) finds a gradual intergenerational value shift in the post-war generation towards post-materialist priorities, likely to result in more pro-environmental behaviour (Bennulf and Holmberg, 1990; Betz, 1990; Hoffmann-Martinet, 1991; Inglehart, 1990). So, although pro-environmental values do not guarantee pro-environmental behaviour, it is likely that pro-environmental values lead to pro-environmental behaviour. However, an individual concerned about the environment does not necessarily behave in a green way in general, or in their purchasing. This is known as the value-action gap. Kollmuss and Agyeman (2002) explored a range of analytical frameworks and external and internal factors that promote pro-environmental behaviour and found conflicting and competing factors related to consumers' daily decisions. They concluded that no single definitive model adequately explains the gap between environmental knowledge and pro-environmental behaviour. A recent study finds that people who are environmentally conscious do not necessarily behave pro-environmentally: for example, people might throw rubbish away when most people around them do so (reactive process, as opposed to intentional decision making; Ohtomo and Hirose, 2007).

CONSUMER EXPOSURE TO PRODUCT MARKETING COMMUNICATION:

The average consumer has less opportunity to form an attitude about a green product than about a main stream product, unless they have made a special effort to get to know the green product, as manufacturers of environmentally improved products often make little or no green claims in their advertising (Rand Corporation, 2004). Aspirational and associative reference groups have a strong influence on general consumption (Dittmar, 1992; Hoyer and MacInnis, 2004). Pooley and O'Connor (2000) argue that providing information on environmental issues does not necessarily foster pro-environmental attitudes. Their research suggests that the key to environmental education is the affective domain. It is reasonable to assume that advertising green products using emotional content would be more successful. Advertising works well when it tries to appeal to those values that drive consumer decision processes (WFA et al., 2002). As consumers often start from a low information base on sustainable consumption, their internal search may fail to supply the information necessary for decision making. If an external search is necessary, this involves high effort (Hoyer and MacInnis, 2004).

OBJECTIVES

The market of ecological products is growing rapidly at global level. The main objectives of this paper were to investigate the

- consumer beliefs and attitudes on green products,
- consumer awareness on the availability of environmentally friendly products and
- the influence of marketing efforts put by marketers with reference to consumer non-durables

METHODOLOGY

In order to investigate the research objectives stated above in purpose, both secondary and primary data have been collected and analysed.

The first stage of the research process was an extensive search of articles, reports and professional information concerning eco-consumer studies and eco-marketing strategies in general using the internet and academic databases. The analysis of secondary information provided the general context for initiating the collection, analysis and the interpretation of primary data. The study was carried out in the five metro cities of India.

The primary data was collected through questionnaire contains the HEP-NEP questions (Dunlap and van Liere, 1978) to measure consumer general environmental beliefs with the possible responses of strongly agree to totally disagree. The next part of the questionnaire covered marketing and branding issues related to consumer awareness and again, the HEP-NEP environmental questions were used to contextualize the responses to the consumer product questions with the suggested responses from strongly aware to totally unaware.

Five point Likert scale (4, 3, 2, 1, 0) technique was used to quantify the variables. Each proposition is considered as a variable and most of the propositions are framed in a positive scale. Respondents were also asked to name any green product types that they had experience of using. In the empirical analysis for all positive propositions, if one gets on an average a high score (above 2) i.e. towards agreement indicates that the respondents are in right perspectives.

METHODS USED

The statistical methods used in the analysis were: Means, coefficient of Variation - to analyze the Average level of perception of the Respondents means and standard deviations; Student's t-test - is used to explain equality of average level of perceptions; Factor analysis - is used to reduce the number of variables into a few in numbers without losing the inherent qualitative information; Multiple regression method - is used to explain the variation in the dependent variable, given a set of independent variables.

SAMPLES

A quota sampling design was followed and mall intercept method was used for data collection. One hundred and twenty women consumers (Ottman, 1998 reports that the consumers most receptive to environmentally-oriented marketing appeals are women; as mothers, they would be motivated to secure their children's futures.), with an age ranging from 30 to 60 years, chosen from the visitors of mall/ shopping centre were approached with a structured questionnaire.

DATA ANALYSIS

QUESTIONNAIRE AND DATA ANALYSIS METHODS

The first part of the questionnaire contains HEP-NEP questions (Dunlap and van Liere, 1978) to measure general environmental beliefs with the possible responses of strongly agree, mildly agree, mildly disagree, and strongly disagree (Annexure-I).

TABLE – 1: GENERAL ENVIRONMENTAL BELIEFS

Propositions relating to General Environmental Beliefs(GEB)	Mean	Standard Deviation (SD)	Coefficient of Variation(CV)
1. Our population size is growing to the limit of the number of people the earth can bear	2.33	0.91	39.19
2. The equilibrium of nature is very delicate and easily gets upset	3.17	0.69	21.88
3. Humans have the right to modify the natural environment to suit their needs	3.20	0.82	25.60
4. When humans interfere with nature it often has disastrous consequences	2.85	0.97	34.08
5. Man kind created to rule over the nature.	2.83	0.91	31.94
6. Plants and animals exist primarily to be used by humans	3.40	0.59	17.29
7. To maintain a healthy economy, we will have to control industrial growth	3.25	0.63	19.32
8. Humans must live in harmony with nature in order to survive	3.35	0.78	23.20
9. The earth is like a spaceship with only limited room and resources	2.97	0.76	25.56
10. There are limits to which our industrialized society can expand	2.33	1.11	47.78
11. Mankind is severely abusing the environment	3.28	0.64	19.50

Out of eleven propositions on Consumer General Environmental Beliefs (GEB), 6 propositions mean score is 3 or above on likert-5 point scale (coded as 0,1,2,3 & 4) for propositions 2,3,6,7,8 and 11 which means most of the respondents are having strongly agreed for these propositions and same is supported by relatively less SD and lower values of CV. For the Propositions 4, 5 and 9 respondents gave good mean score ranging from 2.83 to 2.95 (coded as 0,1,2,3 & 4), which implies respondents more or less agreed on these propositions. For proposition 1 and 10 most of the respondents gave average mean score and they are slightly agreeing on these propositions the same is reflected in CV also. That means respondents have varied opinions on these propositions which is well supported by its SD.

The second part included questions about environmental behaviour, with seven questions related to purchasing behaviour based on previous HEP-NEP general environmental beliefs questions. Green Gauge questions (Ottman, 1998), which segment green consumers by behaviours. The results were measured on a 5 point scale of never, situationally, sometimes, frequently, and always used as a benchmark for comparison of all other data in this study

TABLE – 2: CONSUMER ENVIRONMENTAL BEHAVIOUR

Propositions relating to Environmental Behaviour Questions(EBQ)	Mean	Standard Deviation(SD)	Coefficient of Variation(CV)
1. Use biodegradable products	2.90	0.86	29.57
2. Avoid buying aerosol products	2.85	0.90	31.53
3. Read labels to see if contents are environmentally safe	2.75	0.75	27.30
4. Buy products made or packaged in recycled materials	2.87	0.79	27.60
5. Buy products in packages that can be refilled	2.80	0.75	26.95
6. Take your own bags to the supermarket	2.45	1.00	40.76
7. Cut down on car use	2.88	0.83	28.62

Out of seven propositions on Consumer Environmental Behaviour Questions EBQ), all the propositions except 6th one are in the range of 2.75 to 2.90 (coded as 0,1,2,3 & 4), that means all the respondents more or less agreed and 6th proposition respondents gave average mean score but this proposition the opinion of respondents varied a lot as SD is one with high C.V.

The third part of the questionnaire covered marketing issues related to attitudes towards green products, designed to explore topics identified in the consumer behaviour and advertising industry opinion sections. Again, the HEP-NEP environmental questions were used to contextualize the responses to the consumer product questions. The suggested responses were: strongly agree, mildly agree, mildly disagree, and strongly disagree (Annexure - I). Respondents were also asked to name any green product types that they had experience of using.

TABLE – 3: CONSUMER BUYING BEHAVIOUR

Proposition Consumer Product Questions(CPQ)	Mean	Standard Deviation(SD)	Coefficient of Variation(CV)
1. I feel good about buying brands which are less damaging to the environment.	3.15	0.73	23.25
2. It is easy for me to identify these products.	3.18	0.85	26.81
3. Green products are inferior in performance to non-green products	2.72	0.94	34.62
4. I have formed this opinion because people I know and trust told me so	2.83	0.81	28.45
5. I have formed this opinion because of my own recent experience of a product	3.18	0.68	21.24
6. I trust well-known brands to make products which work	3.45	0.70	20.27
7. In the marketing communication about a product, I expect to be informed of new improved formulas/design.	2.68	0.89	33.26
8. In the marketing communication about a product, I expect to be informed of how environmentally friendly a product is	2.07	1.04	50.29
9. Green products are marketed to me in a way which I never notice	3.08	0.72	23.35
10. Green products are marketed to me in a way which I find really engaging and relevant to my lifestyle	2.23	1.06	47.62

Out of Ten propositions on Consumer Product Questions(CPQ), 5 propositions mean score is 3 or above on likert-5 point scale (coded as 0,1,2,3 & 4) for propositions 1,2,5,6 and 9 which means most of the respondents have strongly agreed for these propositions and same is supported by relatively less SD and less C.V.

For the propositions 3, 4 and 7 respondents gave above average mean score 3 which means they all agreed on these propositions and for remaining 8 and 10th propositions respondents gave poor score and on these two propositions respondents opines varies a lot which is clear from these proposition SDs and C.Vs respectively.

The data collected was coded with least indicates 0 and maximum indicates 4 on Likert 5-point scale (likert-5 point scale coded as 0,1,2,3 & 4). Coded data was analysed using factor analysis through statistical software. Each component is considered in factor analysis using maximum likelihood method to generate combined index of all propositions in that component. Using all three indexes of three components regressions is calculated. The results are presented and interpreted in the following way.

TABLE -4: RESULTS OF REGRESSION MODEL BETWEEN CONSUMER ENVIRONMENTAL BEHAVIOUR AND ENVIRONMENTAL BELIEFS

Regression Statistics
 Multiple R=0.02492458
 R Square= 0.00062123
 Adjusted R Square=.....
 Standard Error= 0.90664
 Observations= 120

	Coefficients	Standard Error	t stat	p-value
Intercept	0.0000	0.1170	0.0000	1.0000
X Variable 1	-.0251	0.1321	-0.1899	0.8501

Correlation between Environmental beliefs and Green behaviour:

The degrees of freedom $v=n-2=58$

Critical region at 1% is $|r| >$

The observed value of $r= 0.02492458$ falls outside the critical region

P-value is -0.1899

There fore, green behaviours are not significantly affected by environmental beliefs.

TABLE -5: RESULTS OF REGRESSION MODEL BETWEEN CONSUMER ENVIRONMENTAL BEHAVIOUR AND CONSUMER BUYING BEHAVIOUR

Regression Statistics
 Multiple R=0.00189771
 R Square= 0.00000360
 Adjusted R Square=.....
 Standard Error= 0.90692
 Observations= 120

	Coefficients	Standard Error	t stat	p-value
Intercept	0.0000	0.1171	0.0000	1.0000
X Variable 1	-.00020	0.1384	-0.0145	0.9885

Correlation between Environmental beliefs and Consumer buying behaviour:

The degrees of freedom $v=n-2=58$

Critical region at 1% is $|r| >$

The observed value of $r= 0.00189771$ falls outside the critical region

P-value is 0.9885

There fore, Consumer buying behaviour (beliefs in green product performance) is not significantly affected by environmental beliefs.

Regression analysis results show that environmental behaviours are not significantly affected by environmental behaviour against environmental belief ($p=0.1665$; table-4). It clearly indicates the gap between environmental beliefs and environmental behaviours in green consumption.

The Theory of Reasoned Action (Ajzen and Fishbein, 1980) claims that a person's behaviour is determined by his/ her belief of the outcome of that particular behaviour and by the opinions of his/her social environment, which then Table-5 linear regression of belief in green product performance against environmental belief influences behavioural intentions ($p=0.9885$; table-5). However, what people think is different from what they do specially in the a good idea does not always predict what they actually do, especially in the case of environmental values and behaviours. From this, inferences can be drawn as values are often too general to lead a certain environmental behaviour (e.g. the purchase of green products) and environmental behaviours are also influenced by subjective interests, such as pro-environmental self-images. When such subjective interests are not met by a particular behaviour, values do not get translated into behaviour. The environmental behaviour that the respondents participated in most was the recycling products. First, information about recycling has been reasonably consistent for a number of years, and reaches most of the population.

Consumer response to marketing being pro-environmental respondents said that they were more likely to choose brands which they knew were manufactured by companies whose products and processes were more environmentally friendly (mean aggregate score of 3.18 out of 4). No one strongly disagreed and nearly half the respondents strongly agreed that they would choose brands from these companies. Respondents replied positively to feeling good about buying brands which are less damaging to the environment (mean aggregated score of 3.15 out of 4). If our consumer group has pro-environmental attitudes they may have self-concepts of themselves as environmentally responsible. And it act as CSR. The source of green product performance belief was based on recent experience of a green product (2.75 out of 4; table-2), least often in the least environmentally concerned sector of respondents and most often in the most environmentally concerned sector of respondents.

The most environmentally concerned sector reported that they were unaware (3.08 out of 4; table-3) of green product marketing, and found it mildly engaging and also moderately relevant to their lifestyles. This result is not surprising, as it is mostly the green niche market that is being targeted by current marketing strategies. They reported that green products were not generally marketed in a way that particularly engaged them. Of the respondents, 72 per cent were unable to name a specific product, or product type, on which their opinion of product performance might be based. However, This outcome may have been influenced by the sample group chosen (women who shop at supermarkets), as those products that are regularly stocked by supermarkets would have sprung to mind. Product marketing communication Respondents agreed that they expected to be informed about new and improved product formulas and design (mean aggregate scores of 2.68 and 2.07 out of 4; table-3).

SURVEY FINDINGS

- Consumer's values/beliefs, attitudes towards environmentally friendly Products: No one strongly disagree, where three-fourth of the respondents strongly agree that they would choose eco friendly brands. Respondents reacted positively about buying brands which are less damaging to environment (80 per cent). However, the expectation of the customer is not away from the effective functioning of green brands as that of non green products.
- Trust and product performance: Survey reveals that the green product performance was significantly affected by environmental beliefs. Further, it is expressed by as large as of 88 per cent of the respondents that they are likely to trust well known products and judge green products basing on their previous experience. This supports Hong-Youl and Perks' (2005) argument that brand trust is based on experience, information and satisfaction.
- Consumer awareness: Majority (60 percent) consumers expressed that identifying environmentally products on the shelves of the store is slightly difficult. When asked, majority of the respondents are unable to name a specific product or product type which are ecofriendly. This speaks about the consumer unawareness of green brands.
- Efforts of marketing: Marketing plays a pivotal role in bringing consumer awareness. As the response show consumers would be more likely to choose environmentally friendly brands and were unable to recall green products/brands. This speaks about the gap in marketing effort put by the green marketers in bringing consumer awareness.

CONCLUSION

Given India's rapid GDP growth rate and the highly negative environmental impact, demand for eco-labeled products may create the necessary consumer pressure to ensure a cleaner environment.

This study confirms the existence of an environmental value-action gap, a gap between consumers' beliefs and behaviours over being green. This paper has highlighted various aspects of consumer behaviour and shown that consumer preference for greener goods could be influenced by marketing. Products given greater exposure will be more likely to sell in greater numbers. Pro-environmental values are more likely to result in more pro-environmental behaviour when values and beliefs are specific enough, the green action aligns with consumers' subjective interests, and product attributes are positively perceived. A major barrier to the purchasing of green products is concern over whether the product will perform as expected. However, consumers generally trust the performance of well known brands, so green products that work well and do not make over inflated green claims could sell successfully under well-known brands.

The current low levels of consumer awareness about global warming, India's brands need to help raise consumer consciousness. Indian manufacturers have yet to find a market for green products, even as consumers have a low awareness of them because of the insufficient efforts made by the marketers. But by embracing the green imperative, and investing in green initiatives and consumer education, Indian brands can break this vicious cycle.

Overall, it is clear that the Indian market for greener products is under-exploited by marketers within consumer groups with pro-environmental values. This finding suggests the greater use of marketing and brands to sell green products that are genuinely environmentally friendly.

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ANNEXURE

QUESTIONNAIRE USED FOR THIS STUDY

1ST PART - GENERAL ENVIRONMENTAL BELIEFS

(With the possible responses ranging from strongly agree, agree, slightly agree, disagree and strongly disagree.)

1. Our population size is growing to the limit of the number of people the earth can bear
2. The equilibrium of nature is very delicate and easily gets upset
3. Humans have the right to modify the natural environment to suit their needs
4. When humans interfere with nature it often has disastrous consequences
5. Plants and animals exist primarily to be used by humans
6. To maintain a healthy economy, we will have to control industrial growth
7. Humans must live in harmony with nature in order to survive
8. The earth is like a spaceship with only limited room and resources
9. There are limits to which our industrialised society can expand
10. Mankind is severely abusing the environment

2ND PART - ENVIRONMENTAL BEHAVIOUR QUESTIONS

(With possible responses ranging from never, situationally, sometimes, frequently, and always)

1. Do you use biodegradable products?
2. Will you avoid buying aerosol products
3. Normally do you read labels to find contents are environmentally safe?
4. Do you prefer to buy products made or packaged in recycled material?
5. Do you buy products in packages that can be refilled?
6. Will you carry your own bags to the supermarket?
7. Do you think of cut down on car use?

3RD PART - CONSUMER PRODUCT QUESTIONS

(With the possible responses ranging from strongly agree, agree, slightly agree, disagree and strongly disagree.)

1. I prefer to buy brands which will damage the environment very less
2. I can easily identify the eco-friendly products available in the market
3. Comparatively Green products are inferior in performance to non-green products
4. I have formed this opinion because people I know and trust told me so
5. I have formed this opinion because of my own recent experience of a product
6. I trust well-known brands to make products which work
7. In the marketing communication about a product, I expect to be informed of new improved formulas/design.
8. In the marketing communication about a product, I expect to be informed of how environmentally friendly a product is
9. Green products are marketed in an unnoticeable way
10. Green products are marketed to me in a way which I find really engaging and relevant to my lifestyle.

ANALYSIS OF HUMAN RESOURCE PRACTICES FOR HEALTH CARE REFORMS: A CASE STUDY OF JALGAON DISTRICT

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ABSTRACT

This research investigates the influence of human resource management practices to improve the job satisfaction level among the nursing professions. The study covers nurses employed in both private sector hospitals and government sector hospitals. The sample size of the research study is 130, out of which 100 doctors are from private hospitals and 30 doctors are from government hospitals. HRM practices slightly differ significantly between the nurses working in the private sector hospital and those working in the government sector hospitals. Findings of the research supported both these hypotheses. These findings are discussed and suggestions have made to improve the performance of HRM practices. The paper addresses issues of the Human resource planning and development of Organization, Working Conditions and Recognition of nursing staff. These can focus on, training and development needs of the staff more likely to achieve sustained improvements in organizational performances.

KEYWORDS

Government sector hospital, HRM practices, Private sector hospital.

INTRODUCTION

The public health system requires effective human resource management for quality health system performance.¹ How providers delivers services to patients depends on the processes that define, deploy and organize the workforce². In any sector, the workforce must be motivated, well-staffed and appropriate skilled to do their job well.¹ In the recent years it has been increasingly recognized that getting HR policy and management "right" has to be at the core of any sustainable solution to health system performance^{3,4}. A well-motivated and appropriately skilled and deployed workforce is crucial to the success of health system delivery. The actual methods used to manage human resources in health care may in themselves be a major constraint or facilitator in achieving the objectives of health sector reform.^{5,6}

"GOOD PRACTICE" IN HUMAN RESOURCE MANAGEMENT

In order to place the evidence based on HRM in health care in context, this section considers how "good practice" in human resource management have been defined and evaluated in other sectors. Essentially there are two sub-themes: how have HRM interventions been defined? And, how have the effects of these interventions are most effective? In other words what is "good" HRM. A review of English-language publication highlights that there is a growing evidence base on these issues. Much of it focuses on organizational performance and output. Productivity is defined as the ratio of outputs to inputs or as the relationship between inputs and outputs.⁷ In light of traditional economic definitions of productivity as the numeric cost ratio of outputs to inputs, administrators in health care have focused on quantifying nurse's work in economic input-output terms. Within the discipline of nursing, some viewed nurse productivity as a measure of the efficiency with which the input of nursing tasks and other labourers' tasks, materials and equipment were converted into goods and services delivered within the health care system.⁸ Also, nursing productivity was defined as equilibrium between demand for and supply of services and managing cost structure of a system by integration of financial and clinical processes and providing good care in a cost-effective manner. Some researchers have defined productivity and managing staffing to meet budgeted standards.

Employee productivity was also measured by the hours of care per day and salary dollars per procedure. Sometimes acuity also was factored in. Productivity was also measured by budgetary standards set by organization or through community or national norms. Among the most quoted groups of studies are those by Pfeffer^{10, 11}. He was summarized seven characteristics that identifies as the core practices that "characterize most if not all system producing profits through people".

These seven characteristics are:

- An emphasis on providing employment security
- The use of self managed teams
- Decentralization of decision making and extensive training
- Selective hiring of new personnel
- Reduced status distinctions and barriers
- Extensive provisions of training
- Compensation linked to performance.

Recent research also highlighted a so called "prime block" of HRM- the principle of "OCR". There must be sufficient employees with the ORGANIZATION, WORKING CONDITIONS to apply, the RECOGNITION must be well defined and strictly to follow there must be a selection for the appropriate candidates. To make a choices about how their job is done. The author suggests that organizations wishing to maximize the contribution of their workforce need to have workable policies in these three broad areas. The various HRM dimensions, which is made up of variables and hence contribute to HRM that have been studied by previous investigators include.

RESEARCH METHODOLOGY

This research aims at examining the HRM practices within the frame work of job satisfaction of nurses. Doctors work both in the government hospitals and private hospitals in Jalgaon District. Using the sampling methods, 130 doctors are selected from both government and private sector hospitals to complete the designed questionnaire. Working condition differs in both these two hospitals and HRM is influence by the working environment. Hence, this research would make the comparison between doctors worked done in the government hospitals and the private hospital. The working conditions like scope of participation in

decision-making and autonomy differ across this hierarchy. 100 doctors from private sector hospitals and 30 doctors from government sector hospitals completed the questionnaire.

This research investigated the impact of two independent variables:

- 1) Human Resource Planning/Organization Development and
- 2) Recruitment and selection

Human Resource planning refers to private sector and government sector.

This research has included:

- Doctors employed in private hospitals located in Jalgaon district.
- Doctors employed in government hospitals located in Jalgaon district.

This research studied whether the proper HRM practices are available and implemented for better patient care along with job satisfaction of nurses. This research has studied the impact of two independent variables on job satisfaction level of nurses working in government and private hospitals.

INSTRUMENT PARAMETERS

The instrument used in this study is composed of 8 parts which includes factors of HRM practices. It contains HR planning, recruitment & selection, personnel policies, practices for employee benefits, workplace management, relations & communication, training & development and employee welfare & compensation. The response categories were: (1) yes (2) no. The measures used were tested for validity and reliability.

HYPOTHESIS

This research tested the following hypothesis:

1. HRM practices differs significantly between the employee working in hospitals in the private and government hospitals
2. HRM differs significantly between the nurses working planning, recruitment and selection, training and development, Employee communication, Employee welfare and compensation.

FINDINGS

The study findings have validates both these hypothesis.

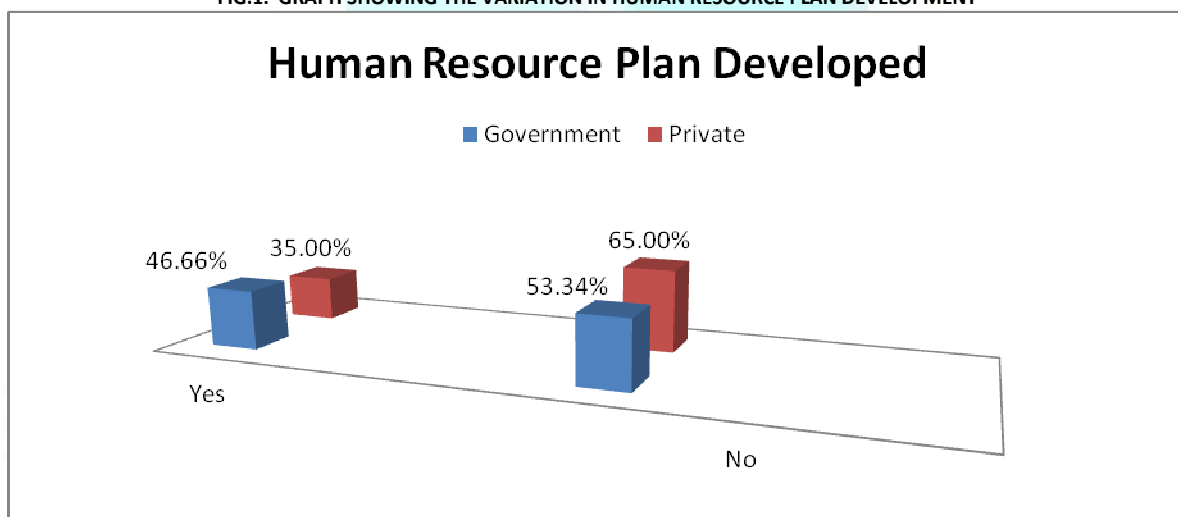
A. HUMAN RESOURCE PLANNING/ORGANIZATION DEVELOPMENT

In order to determine whether there is a significant difference in nurse of Government and private hospital about agreement of development of human resource plan in their hospital.

TABLE 1 : RELATIONSHIP BETWEEN HUMAN RESOURCE PLAN DEVELOPMENT

Is respective human resource plan was developed		Type of hospital		Total
		Government	Private	
Yes	Count	14	35	49
	% within Type of hospital	46.66%	35.0%	37.70%
No	Count	16	65	81
	% within Type of hospital	53.34%	65.0%	62.30%
Total	Count	30	100	130
	% within Type of hospital	100.0%	100.0%	100.0%

FIG.1: GRAPH SHOWING THE VARIATION IN HUMAN RESOURCE PLAN DEVELOPMENT



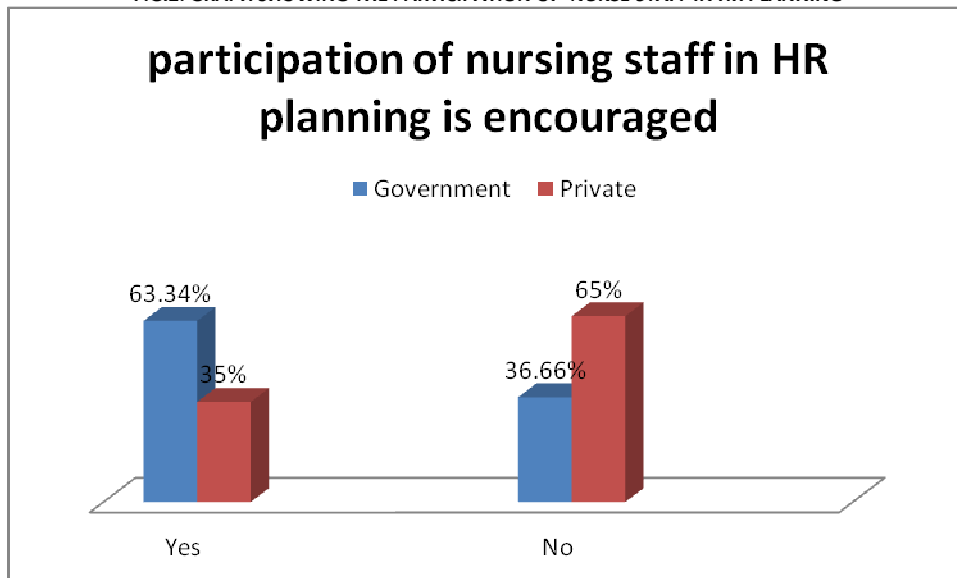
B. WHETHER PARTICIPATION OF NURSING STAFF IN HR PLANNING IS ENCOURAGED

In order to determine whether there is a significant difference in nurse of Government and private hospital about agreement in encouraging the nursing staff in HR planning in their hospital

TABLE 2: RELATIONSHIP BETWEEN THE NURSING STAFF AND HR

Whether participation of nursing staff in HR planning is encouraged		Type of hospital		Total
		Government	Private	
Yes	Count	19	35	54
	% within Type of hospital	63.34%	35%	41.54%
No	Count	11	65	76
	% within Type of hospital	36.66%	65%	58.46%
Total	Count	30	100	130
	% within Type of hospital	100.0	100.0%	100.0%

FIG.2: GRAPH SHOWING THE PARTICIPATION OF NURSE STAFF IN HR PLANNING



C. RECRUITMENT AND SELECTION

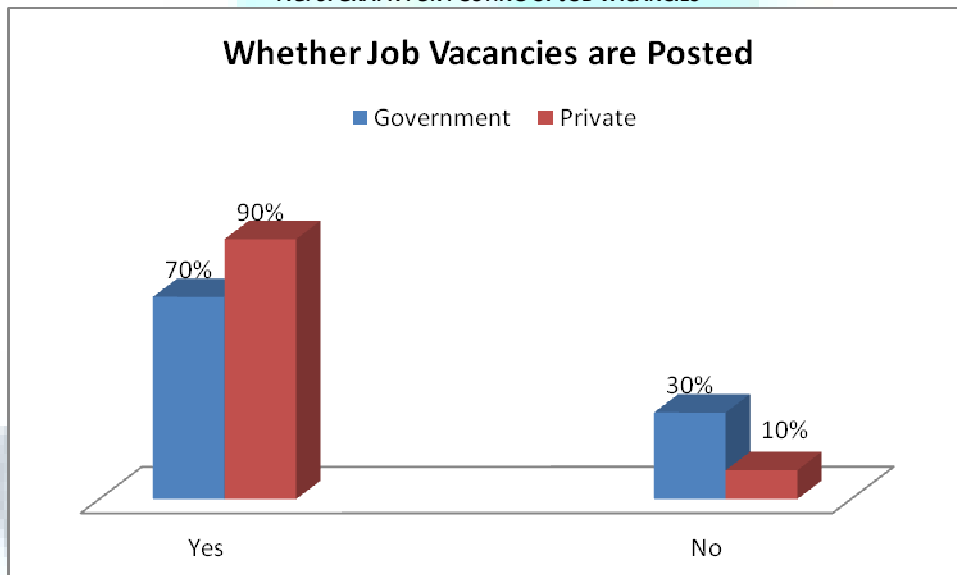
C1. WHETHER JOB VACANCIES ARE POSTED

In order to determine whether there is a significant difference in type of hospital and whether job functions are posted in their hospital.

TABLE 3: FOR THE POSTING OF JOB VACANCIES

Whether job vacancies are posted		Type of hospital		Total
		Government	Private	
Yes	Count	21	90	111
	% within Type of hospital	70%	90%	85.40%
NO	Count	9	10	19
	% within Type of hospital	30%	10%	14.6%
Total	Count	30	100	130
	% within Type of hospital	100.0%	100.0%	100.0%

FIG. 3: GRAPH FOR POSTING OF JOB VACANCIES



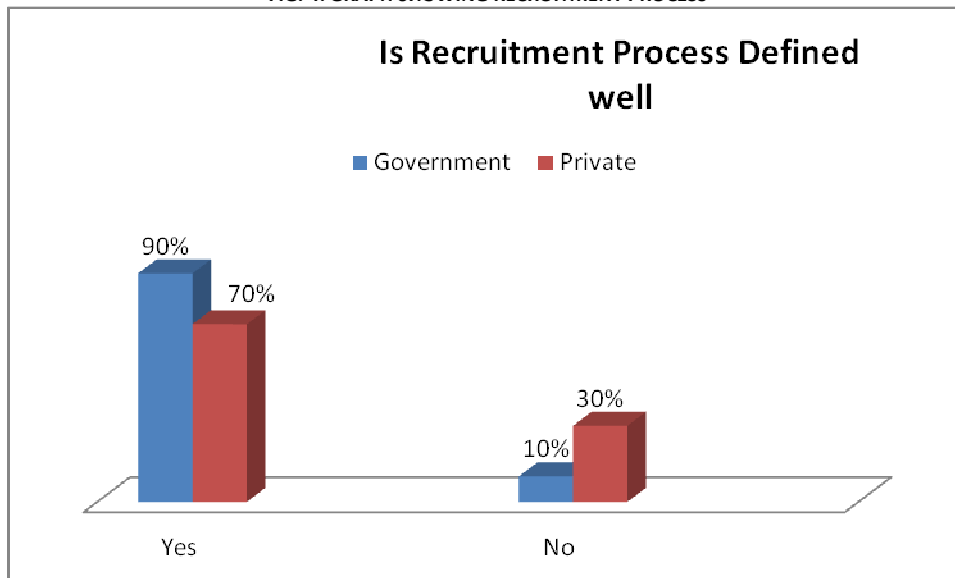
C2. IS RECRUITMENT PROCESS WELL DEFINED?

In order to determine whether there is a significant difference in type of hospital and agreement of nurses whether recruitment process defined well in their hospital.

TABLE 4: RECRUITMENT IS DEFINED WELL

Is recruitment process defined well		Type of Hospital		Total
		Government	Private	
Yes	Count	27	70	97
	% within Type of hospital	90%	70%	74.62%
No	Count	3	30	33
	% within Type of hospital	10%	30%	25.38%
Total	Count	30	100	130
	% within Type of hospital	100.0%	100.0%	100.0%

FIG. 4: GRAPH SHOWING RECRUITMENT PROCESS



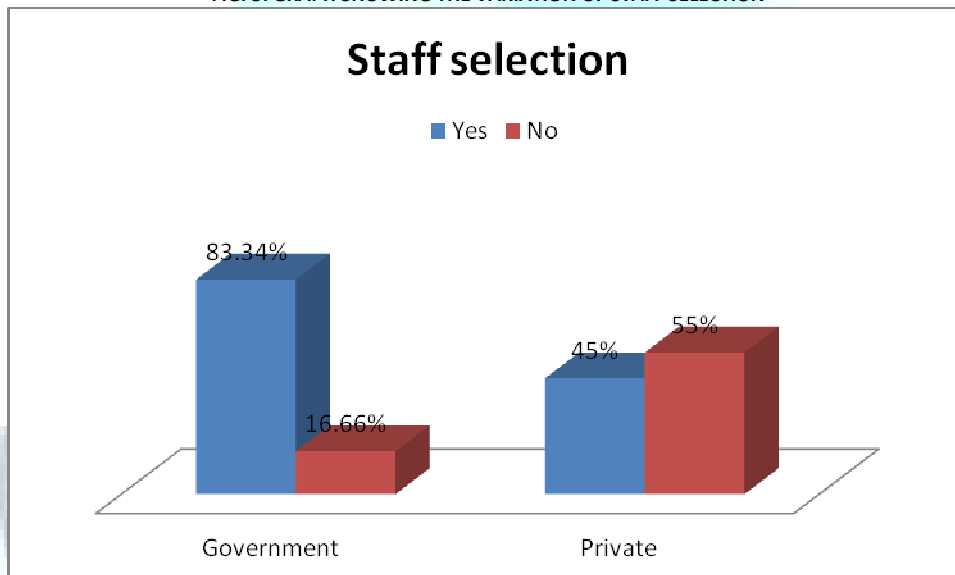
D. THE STAFF SELECTION IS FAIR & CLEARLY SET OUT THE CRITERIA OF SELECTION

In order to determine whether there is a significant difference in type of hospital and agreement of nurses for the staff selection is fair and clearly set out the criteria of selection in their hospital.

TABLE 5: RELATION BETWEEN STAFF SELECTION

The staff selection is fair & clearly set out the criteria of selection.		Type of hospital		Total
		Government	Private	
Yes	Count	25	45	70
	% within Type of hospital	83.34%	45%	53.84%
No	Count	5	55	60
	% within Type of hospital	16.66%	55%	46.16%
Total	Count	30	100	130
	% within Type of hospital	100.0%	100.0%	100.0%

FIG. 5: GRAPH SHOWING THE VARIATION OF STAFF SELECTION



1. From the above Table.1 we observe that 46.66% of the doctors in government hospital and 35.0% of the private nurses agree that human resource plan was developed. It is disappointing to note that nurses by an large feel that HR plans were not developed. Management take a serious view of this.
2. From the above Table. 2, we observe that 63.34% of the doctors in government hospital and 35.0% of the private doctors agree that hospital is encouraging nursing staff in HR planning. The private hospital doctors in a larger proportion feel that hospitals are encouraging nursing staff in HR planning.
3. From the above Table 3, we observe that 70.0% of the doctors in government hospital and 90.0% of the private doctors agreed that job functions are posted in their hospital.
4. From the above Table 4, we observe that 90% of the doctors in government hospital and 70.0% of the private doctors agree that recruitment process defined well in their hospital.
5. From the above tables, we observe that 80.34% of the doctors in government hospital and 45.0% of the private doctors agree that the staff selection is fair and clearly set out the criteria of selection in their hospital. Staff selection in private sector also is governed by the definite norms mandated by the government. The private hospitals must look into this matter to keep their images fair.

CONCLUSION

Government hospitals doctors are more willing in developing the human resource management plan than those of in private hospitals. Nurse staff in private hospitals are lesser encouraged in HR plan than the government hospitals. Training of nurses, vacant job posted, pay packages are better in government hospital than the private hospitals. Pay structure, Recruitment process is well defined in government hospitals. Career development scheme are same in both the private and government hospital. Education and Experience are used mostly in government hospital rather in private hospitals. Skill development activities, interdisciplinary relationship, nurses are participating in hospital management in their hospital is higher in government hospital than in private hospitals. Opportunities for continuing educations available in their hospital are equal in both hospitals.

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THE IMPACT OF GLOBAL FINANCIAL CRISIS ON INDIAN STOCK MARKETS**DR. B. J. QUEENSLY JEYANTHI****ASSOCIATE PROFESSOR****JAYARAJ ANNAPACKIAM COLLEGE FOR WOMEN (AUTONOMOUS)****PERIYAKULAM****DR. ALBERT WILLIAM SJ****VICE PRINCIPAL****LOYOLA COLLEGE****CHENNAI****S. TITUS KALAVATHY****LECTURER (SL. GRADE)****JAYARAJ ANNAPACKIAM COLLEGE FOR WOMEN (AUTONOMOUS)****PERIYAKULAM****ABSTRACT**

The study examines the impact of the Global Financial Crisis on the Indian Stock Exchange. The study employs T-test and Binary regression test and Non – parametric test Kruskal - Wallis H –test Wilcoxon rank sum test to examine the short term and long term impact on the return of the Indian stock markets. Parkinson Model and Garman and Klass model are used to know the impact of financial crisis on the volatility of the Indian stock exchange. We document that there was no short term as well as long term negative impact on the Indian Stock Exchange. This study shows that Indian Stock market appear to under react to the news regarding financial crisis.

KEYWORDS

Stock market, Financial crisis.

INTRODUCTION

The capital market never been as closely linked as it seems today. The credit crunch in one nation has created turmoil in other economies whether big or small. The financial crisis had its immediate reverberations in developing countries which were closely linked to the global financial markets. The financial crisis turned into a crisis of the real economy with the deepening of the financial crisis, freezing of credit, and the sharp fall in the market value of private wealth. It has taken global proportions today and has spread far and wide now. Broadly speaking, financial crises are protracted affairs. The aftermath of severe financial crises share four characteristics. First, asset market collapses are deep and prolonged. Second, the aftermath of banking crises is associated with profound declines in output and employment. Third, the real value of government debt tends to explode. The global economic crisis has led to a sharp reduction in world trade and rapid decline in commodity prices. The economic crisis has led to a sharp deterioration in the fiscal position of all advanced economies which is expected to continue past 2010.

There is also still a great deal of uncertainty with regard to the depth and length of the economic recession in the advanced countries, and expectations with regard to the real economy continue to be revised downward (see, e.g., OECD, 2009).

The current world economic crisis originated in the financial sector of the advanced economies, beginning with sub-prime mortgage problem and the meltdown of mortgage backed securities in the US accelerated with the collapse of banking institutions such as Fortis in Europe, Merrill Lynch, Lehman Brothers, Fannie Mac, Freddie Mac and Washington Mutual in US and quickly spreading to affect financial institutions in Europe, has its roots in a combination of factors. These include easy and cheap credit (especially after the dot-com bubble burst in 2000), a bubble in house prices, excessive deregulation and inadequate supervision of financial institutions, rapid innovation in highly leveraged financial derivative instruments that only a few people understood (e.g., CDSs, CDOs, CMOs), expansion of sub-prime mortgage lending via predatory lending practices and skewed incentives, among others, that encouraged inappropriate risk-taking by financiers and traders as well as inappropriate ratings being awarded to securities. In early December 2008, the National Bureau of Economic Research (NBER) confirmed that the US economy was in recession, and a week later estimates were released showing that the UK economy was also contracting. Soon it became clear that other members of the EU, such as France, Germany, Ireland and Sweden amongst others, and other major markets such as Japan and Singapore, were also in recession.

The most immediate effect of this crisis on India has been an outflow of foreign institutional investors from the equity market. Foreign Institutional investors pulled out \$11.1 billion during the first nine and half months of calendar year 2008. The Indian stock markets had a dream run in 2007, with the 30-share BSE Sensex rising nearly 47% during this year. Foreign direct investment (FDI) flows which achieved their highest level in 2007 have been declining rapidly since the onset of the financial crisis. The global stock markets, after a sustained bull run of almost four years, have behaved erratically since the beginning of 2008. Indian indices fell sharply accompanied with a high degree of volatility when the sub-prime crisis hit the global markets. After a long spell of growth, the Indian economy experienced a downturn in the industrial growth and the current account deficit widened. Foreign exchange reserves depleted, the rupee plunged to 50.18 against dollar on November 21, 2008. In the capital market new investments through public issues were on hold.

Many researchers including Shekar Gopal (2008) Sam Gian (2008) S. Venkitaramanan (2008) Manohar M. Atreya (2008) John B. Taylor (2008) Carmen M. Reinhart (2008) Atif R. Mian and Amir Sufi (2008) Carmen M. Reinhart (2008 b) Naudé, W. A. (2009a). Stephany Griffith-Jones and José Antonio Ocampo (2009) have analysed the impact of US financial crisis. Some researchers Morris (2008), Eichengreen et al. (2009) and Taylor (2009) have focused on the causes of the US financial crisis

The literature concentrated mostly on well – developed equity markets in the US and Europe, and do not pay much attention to other stock markets. The objective of this paper is to measure the impact of the US financial crisis on the return and volatility of the Indian Stock market.

RETURN AND VOLATILITY

Return is the greatest factor that induces the investors to invest money in stock market. Return means the profit earned as a result of rise in share prices. Return helps the investor to compare the benefits available in the alternative investment avenue. Descriptive statistics are used to analyse the return of the various indices. Volatility refers to the amount of uncertainty or risk with regard to changes in a security's value. A higher volatility means that a security's value can potentially be spread over a larger range of values. This means that the price of the security can change radically over a period of time - in either direction. A lower volatility means that a security's value does not fluctuate severely, but changes in value at a steady pace over a period of time. High volatility is likely to

occur at times of market stress caused by major economic and political events, record crude oil prices, and military conflicts. On the other hand, low volatility, which generally occurs in quiet markets, can potentially offer better prices for buyers.

HYPOTHESIS AND DATA

In this study, we empirically examine the following null hypothesis (H_0): "The US financial crisis had no impact on the Indian stock market." Our alternative hypothesis (H_1): "The US financial crisis had a negative impact on the Indian stock market." To examine the hypothesis of the study we use the Nifty and Sensex stock indices. Sensex a basket of 30 constituent stocks representing a sample of large, liquid and representative companies and it is regarded the pulse of the Indian stock market. Likewise Nifty is a well diversified 50 stock index accounting for 24 sectors of the economy and represents approximately 55 per cent of the total market capitalization of the market as on 31st March 2009. These two indices are considered to be the leading indices by market experts and represent the Indian stock market. The daily closing values for these stock indices were obtained from the respective stock exchange web site from April 2005 to March 2010. To know the short term and long term effect on the market volatility the period is further sub divided in to two. To know the pre financial crisis effect the period is taken from April 2005 to June 2007 and the post financial crisis effect the period is taken from July 2007 to March 2010 and to know the impact of the financial crisis on the market return the period is taken only from April 2007 to March 2008.

METHODOLOGY

We calculated the daily returns on the two indices using the following method

$$r_t = (\log p_t - \log p_{t-1}) * 100$$

In the above equation, r_t is the return on the stock index for the day t , and p_t is the daily closing value of the index at the end of the day and p_{t-1} refers to the closing value of the previous day.

A. T-TESTS AND BINARY REGRESSION

We first examine the impact of the event using conventional t-tests and a binary variable regression. The regression is specified as under:

$$RET = \beta_0 + \beta_1 \text{Event Dummy} \dots (2)$$

In the above equation RET refers to the return on a particular index. β_0 is the intercept and Event Dummy is a dummy variable that takes a value of 1 if the calendar date is between July 1 2007 to March 2008 and zero if it is prior to July 1 2007. In case of long term return regressions, the Event dummy takes a value of 1 for the daily returns of July 2007 to March 2009 and a value of zero if it is prior to July 2007. The results of the regression analysis are presented in Table 2 below.

B. NON-PARAMETRIC TESTS

Kruskal - Wallis H -test

Kruskal- Wallis test is a nonparametric (distribution free) test, which is used to compare three or more groups of sample data. The measurement scale for Kruskal- Wallis test should be at least ordinal. It analyses the degree of separation between the two groups. Null hypothesis: In Kruskal- Wallis test, null hypothesis assumes that the samples are from identical populations.

Alternative hypothesis: In Kruskal- Wallis test, alternative hypothesis assumes that the sample comes from different populations. The statistic H can be calculated by applying the following formula.

$$H = [12 / N(N + 1) \sum_{i=1}^k R_i^2 / n_i] - 3(N + 1)$$

Where

K = the number of independent samples

n_i = the number of cases in the i^{th} sample

N = the total number of cases

R_i = the sum of the ranks in the i^{th} sample

Kruskal- Wallis test statistics is approximately a chi-square distribution, with $k-1$ degree of freedom where n_i should be greater than 5. If the calculated value of Kruskal- Wallis test is less than the chi-square table value, then the null hypothesis will be accepted. If the calculated value of Kruskal- Wallis test H is greater than the chi-square table value, then we will reject the null hypothesis and say that the sample comes from a different population.

WILCOXON RANK SUM TEST

The Wilcoxon rank-sum test is a nonparametric alternative to the two sample t-test. The null hypothesis assumes that there is no difference in the return of the pre and post financial crisis period. The alternative crisis is that the returns are significantly higher in pre financial crisis period. We can treat the distribution of

W_A as if it were Normal (μ_A, σ_A), where

$$\mu_A = \frac{n_A(n_A + n_B + 1)}{2}$$

$$\sigma_A = \sqrt{n_A n_B (n_A + n_B + 1) / 12}$$

The p value can be determined by comparing

$$Z = (w_A - \mu_A) / \sigma_A$$

and Z ~ Normal (0,1). Where w_A used to denote the observed rank sum A and W_A to represent the corresponding random variable.

The null hypothesis H_0 : (i.e., $\mu_1 = \mu_2$)

Alternative hypothesis H_1 : (i.e., $\mu_1 > \mu_2$)

C. INTRA-DAY VOLATILITY

Financial time series, unlike other economic series, usually exhibit a set of peculiar characteristics. Stock market returns display volatility clustering or volatility pooling, where large changes in these returns series tend to be followed by large changes and small changes by small changes leading to contiguous periods of volatility and stability.

The variation in share price return within the trading day is called intra-day volatility. It indicates how the indices and shares behave in a particular day. Intra-day volatility is calculated with the help of Parkinson Model and Garman and Klass model. To know the impact of the financial crisis on the volatility of the Indian stock market intraday volatility is calculated before and after the crisis.

PARKINSON MODEL

High-low volatility is calculated with the following formula:

$$\sigma = k \sqrt{1/n \sum \log(H_t / L_t)^2}$$

GARMAN AND KASS MODEL

The Garman and Klass model is used to calculate the open–close volatility. The formula for Garman and Klass model (1980) takes the following form.

$$\sigma = \sqrt{1/n \sum (1/2)[\log(H_t / L_t)]^2 - [2\log(2) - 1][\log(C_t / O_t)]^2}$$

GARCH

The impact of global financial crisis on the Indian stock market volatility is examined using a univariate GARCH (1,1) model. The basic and most widespread model GARCH (1,1) can be expressed as:

$$r_t = \alpha_0 + \alpha_1 r_{t-1} + \varepsilon_t$$

$$\varepsilon_t / \psi_{t-1} \approx N(0, h_t)$$

$$h_t = \gamma_0 + \gamma_1 \varepsilon_{t-1}^2 + \gamma_2 h_{t-1} + \gamma_3 D_t$$

γ_0 is the mean, ε_{t-1}^2 is the news about volatility from the previous period (the ARCH term), and h_{t-1} the conditional variance is the last period forecast variance (the GARCH term) and must be nonnegative. The GARCH model captures the tendency in financial data for volatility clustering. It therefore enables us to make the connection between information and volatility explicit, since any change in the rate of information arrival to the market will change the volatility in the market. In order to ascertain the impact of financial crisis on the Indian stock market volatility we have run a GARCH (1,1) estimation using dummy variable. Dummy variable takes a value of 1 for the daily returns of July 2007 to March 2009 and a value of zero if it is prior to July 2007. If the coefficient of the dummy is statistically significant then the financial crisis has an impact on the stock market volatility. A significant positive co-efficient would indicate an increase in volatility, a significant negative co-efficient would indicate a decrease in volatility.

EMPIRICAL EVIDENCE

We first examine the impact of the event using conventional t-tests and a binary variable regression. We compare the daily returns of the period of 189 days from July 2007 following the financial crisis up to 31 – 03 2008, with the daily returns of a 61 day period immediately preceding the financial crisis. We also compare the long term impact of the financial crisis by comparing the (562 Nifty, 556 Sensex) days return beginning with April 2005 and ending with June 2007 with (672 Nifty, 671 Sensex) days return beginning with July 2007 and ending with March 2010 from the same indices

TABLE 1: THE RESULTS OF THE T-TESTS

Index	Period	Comparison period mean (N, SD)	Event period mean (N, SD)	t- value
Nifty (Short)	2-4-2007 31-3-2008	0.283 (61, 0.998)	0.048 (189,2.232)	0.79
Sensex (Short)	2-4-2007 31-3-2008	0.266 (61, 0.961)	0.03510 (187, 2.134)	0.81
Nifty (Long)	1-4-2005 31-3-2010	0.133 (562, 1.427)	0.0289 (672, 2.289)	0.944
Sensex (Long)	1-4-2005 31-3-2010	0.143(556, 1.412)	0.026(671, 2.321)	1.035

The results of the t-tests in Table 1 above show that there is no difference in the mean returns between the pre-event comparison period and the event period. It appears that the financial crisis did not affect the Indian stock market return either in the short-run or in the long-run based on the t-tests. We next examine the impact of the financial crisis using a binary variable regression. The event dummy takes a value of zero for all days upto June 2007 for short and takes a value of 1 for trading days following June 2007. The results of the regression analysis are presented in Table 2.

TABLE 2: THE RESULTS OF THE BINARY VARIABLE REGRESSION

	Parameter Estimate	Standard Error	t-value
Regression 1 (Nifty Short term returns)			
(N = 250, R-sq = 0.0025)			
Intercept	0.2830	0.2567	1.012
Event Dummy	-0.2343	0.2952	-0.793
Regression 2 (Sensex Short term returns)			
(N = 248, R-sq = 0.0027)			
Intercept	0.2661	0.2452	1.084
Event Dummy	-0.231	0.2824	-0.817
Regression 3 (Nifty Long term returns)			
(N = 994, R-sq = 0.0030)			
Intercept	0.1338	0.0821	1.630
Event Dummy	-0.0010	0.1111	-0.944
Regression 4 (Sensex Long term returns)			
(N = 984, R-sq = 0.0098)			
Intercept	0.1431	0.0831	1.722
Event Dummy	-0.11657	0.1125	-1.035

The results of the regression analysis confirm the results of the t-tests presented in Table 1. The Event Dummy is not significant in any of the short term daily return or long term daily return regressions. This confirms that the financial crisis had no impact on any of the stock indices either in the short run or in the long run.

The results of the t-tests and the binary variable regressions have shown that the financial crisis did not impact the Indian stock markets return. While there appears to be no difference based on the results of the t-tests, we also checked the differences based on standard non-parametric tests. The statistical values of the Wilcoxon two-sample test and the Kruskal Wallis test, Chi-squares are given in Table 3 below:

TABLE 3: RESULTS OF NON-PARAMETRIC TESTS

Index	Wilcoxon Two Sample Test Statistic (Z)	Kruskal –Wallis Test Chi-Square
Nifty (Short)	0.6037	0.3646
Sensex (Short)	0.1804	0.3892
Nifty (Long)	1.489	2.217
Sensex (Long)	1.451	2.554

The results of the two non-parametric tests confirm the earlier results presented in Tables 1 and 2. As can be seen from the table, none of the test statistics are significant in either of the non-parametric tests. It appears that the Indian stock markets returns were completely unaffected by the financial crisis. Based on the results presented in the tables above, we fail to reject the null hypothesis that the financial crisis had no impact on the Indian stock markets Indian stock markets are not adversely affected either in the short term or in the long term after the financial crisis.

As mentioned earlier, in order to estimate the impact of the global financial crisis on the Indian stock market volatility, we introduce a Dummy variable in the conditional volatility equation. A significant positive co-efficient would indicate an increase in volatility; a significant negative coefficient would indicate a decrease in volatility. The results of the estimation for the impact of financial crisis are presented in table 4 and 5. The coefficient of the dummy $\gamma_3 D_t$ is not significantly different from zero, indicating no impact on volatility.

TABLE 4: ESTIMATES OF GARCH (1,1) MODEL WITH DUMMY FOR NIFTY (2005-2009)

VARIABLE	Particulars	Coefficients	t-value
α_0	Intercept	0.000359	0.577
α_1	Sensex lagged return	0.059545	1.877
γ_0	Arch 0	0.000359*	27.915*
γ_1	Arch 1	0.03251*	7.0179*
γ_2	Garch 1	0.02857	0.91147
$\gamma_3 D_t$	Dummy variable	0.00000	0.06124

TABLE 5: ESTIMATES OF GARCH (1,1) MODEL WITH DUMMY FOR SENSEX (2005-2009)

VARIABLE	Particulars	Coefficients	t-value
α_0	Intercept	0.000158	0.5748
α_1	Sensex lagged return	0.076621*	2.4075
γ_0	Arch 0	0.00006*	27.67
γ_1	Arch 1	0.01898*	4.717
γ_2	Garch 1	0.031808	1.8449
$\gamma_3 D_t$	Dummy variable	0.000000	0.58600

The results thus far suggest that the financial crisis has had no effect on the Indian stock market volatility. However, in reality one might expect a lot of uncertainty in the market due to this financial crisis, but our cut-off dates are unable to capture in the model. Table 6 presents results of intraday volatility before and after the crisis.

TABLE 6: ESTIMATES OF THE INTRA-DAY VOLATILITY BEFORE AND AFTER THE FINANCIAL CRISIS (Percentage)

Indices	Parkinson		Garman and Klass	
	Before	After	Before	After
Nifty (short)	0.884	1.726	0.853	1.694
Sensex (short)	1.097	2.118	1.039	2.080
Nifty (long)	1.37	2.08	1.22	2.00
Sensex (long)	1.19	1.77	1.19	1.70

The results suggest that the intraday volatility has increased after the global financial crisis. This was also an extremely volatility period in world stock markets, especially the US stock markets. The increase in volatility in the Indian market might have been a consequence of financial crisis. In conclusion we find little evidence that the stock market volatility changed significantly as a result of financial crisis.

It is interesting to examine further whether the nature of GARCH process was altered as a result of the financial crisis. We therefore estimate the GARCH model separately for the pre-crisis and post- crisis period separately. The results are presented in Table 7 and 8. But it doesn't make any difference, before and after the crisis, only ARCH effect was significant, suggesting that recent news had a lingering on the market volatility; GARCH variable is no longer significant, suggesting that old news has no impact on today's stock price changes.

TABLE 7: ESTIMATES OF THE GARCH (1, 1) MODEL BEFORE AND AFTER THE FINANCIAL CRISIS SENSEX

VARIABLE	Particulars	BEFORE		AFTER	
		Coefficients	t-value	Coefficients	t-value
α_0	Intercept	0.00058*	2.248	-0.00039	-0.7392
α_1	Sensex lagged return	0.056985	1.341	0.079606	1.645
γ_0	Arch 0	0.0003*	21.183	0.00011*	18.678
γ_1	Arch 1	0.035294*	4.981	0.009496*	2.0258
γ_2	Garch 1	0.021437	0.5079	0.07335	1.507

TABLE 8: ESTIMATES OF THE GARCH (1, 1) MODEL BEFORE AND AFTER THE FINANCIAL CRISIS NIFTY

VARIABLE	Particulars	BEFORE		AFTER	
		Coefficients	t-value	Coefficients	t-value
α_0	Intercept	0.00125*	2.0693	-0.00077	-0.64505
α_1	Sensex lagged return	0.043665	1.0351	0.06232	1.2928
γ_0	Arch 0	0.0001	19.845	0.000575*	19.08901
γ_1	Arch 1	0.05675	6.908*	0.2168*	3.722
γ_2	Garch 1	0.0254	0.3022	0.043148	0.897988

CONCLUSION

In this study, we look at the impact of the global financial crisis on the Indian stock market return and volatility. We hypothesized that the Indian stock market return and volatility would not be adversely affected by the financial crisis. Our results indicate that the Indian stock market was unaffected by the global financial crisis. A study of this type would enable the investment community to have a clear knowledge about the financial crisis. We further examined the effects of financial crisis on the market volatility using a model that captures the heteroskedasticity in returns that characterize stock market returns. The results indicate that financial crisis has had no significant impact market volatility. This result is robust to different model specification.

We then estimated the model separately for the pre and post financial crisis period and find that the nature of the GARCH process has not changed after the financial crisis. Both in pre financial and post financial crisis shock to today's volatility has an effect on tomorrow's volatility. However, we prefer to treat our results here with some caution since we are estimating the GARCH model with only two and a half years of data. Further, it should be noted that a relatively long time series, is required to obtain reliable GARCH parameter estimates. For the model estimated over the entire sample period April 2005 to March 2009, this might not be a problem. In summary we find that Indian stock market was not affected by the financial crisis either in the short term or in long term.

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INVENTORY AND WORKING CAPITAL MANAGEMENT: A CASE STUDY OF PHARMACEUTICAL SECTOR

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ABSTRACT

The study of the inventory and working capital management occupies an important place in financial management. Working capital management indicates the management of day to day activities and the liquidity level of business enterprises. Thus, the working capital refers to a firm's investment in short-term assets-cash, short-term securities, accounts receivable and inventories. On the other hand, inventory reflects the investment of a firm's fund. So, it is necessary to manage inventories efficiently in order to avoid unnecessary investments. A firm, which neglects the management of inventories, will have to face serious problems relating to long term profit ability and may fail to survive. Therefore, the amount of investment in inventories should be at a level which is neither more nor less than required. Here, in this paper an attempt has been made to analyse the inventory and working capital management of the two selected companies i.e. Cipla Limited, and Dr. Reddy's Laboratories Limited with the help of various inventory and working capital ratios and Motaal's Comprehensive Ranking Test. The statistical techniques like Growth rate, Mean, Standard Deviation, Coefficient of Variation, and Correlation coefficient, and Student's 't' test have been used. The study covers a period of ten years and based on secondary data which has been collected through the Prowess CMIE. The study found that the liquidity position of the Dr. Reddy's Laboratories Ltd. is sound and inventory properly managed during the study period compared to the Cipla Ltd. Further, the results indicate that there is a high degree association between the inventories and working capital in Cipla Ltd., whereas, there is a low degree negative association between these two variables in case of Dr. Reddy's Laboratories Ltd.

KEYWORDS

Absolute Liquid Ratio, CATA, Gross Working Capital, Inventory, Inventory Holding Period.

INTRODUCTION

Working capital management is usually described as involving the administration of current assets such as cash and marketable securities, receivables and inventories and the administration of current liabilities. The task of the management is to optimize the levels of cash and marketable securities, receivables and inventories. The investment in current assets changes so frequently that it requires a constant exercise on the part of financial manager to maintain it within reasonable limits. The decisions are to be taken every now and then and promptly also so that the management is efficient and there is neither inadequate working capital nor excessive working capital. Excessive working capital affects the firm's profitability adversely and inadequate working capital affects the firm's solvency adversely. Thus, the study of the working capital behavior occupies an important place in financial management. Working capital or circulating capital indicates circular flow of funds in the day to-day or routine activities of business. 'Working capital means current assets' (Mead, Baker, Malott). The sum of the current assets is the working capital of a business (Mills). Any acquisition of funds which increases the current assets increases working capital also, for they are one and the same (Bonneville). Working capital is description of that capital which is not fixed. But the more common use of the working capital is to consider it as the difference, between the book value of the current assets and the current liabilities (Hoagland). Working capital management is considered with the problems that arise in attempting to manage the current assets, the current liabilities and the inter-relationships that exist between them (Smith).

Thus, the working capital management policies have a great effect on a firm's profitability, and its structural health. Therefore, the basic goal of working capital management is to manage each of the firm's current assets and current liabilities in such a way that an acceptable level of net working capital is always maintained in the business.

On the other hand, inventory which is one of the important elements of current assets reflects the investment of firm's fund. The objective of inventory management is to minimise the costs associated with holding inventories without impairing operational efficiency. The problem in inventory management is to determine the optimum level of inventories and to maintain the same. The optimum level should ensure that the firm does not suffer on account of production and sales requirements, keeping in view the minimum possible costs in order to maximize profitability. Excessive investment in inventories and short investment in inventories may be equally harmful for the enterprise. On one hand, if more inventories are held unnecessarily, costs of holding inventories increase—there is a servicing cost consisting of storage, insurance, spoilage, interest costs etc. the longer the period and larger the size of inventory, the greater the servicing cost. If the inventories are kept at too low a level, production and sales are likely to be hampered, causing loss to the revenue of the business. Therefore, the amount of investment in inventories should be at a level which is neither more nor less than required. An efficient management in this direction is badly needed to subservise the main goal of financial management.

JUSTIFICATION OF THE STUDY

Working capital is just like the heart of business. If it becomes weak, the business can hardly prosper and survive. It is an index of the solvency of a concern. The importance of working capital can be very well explained in the words of Husband and Dockery, "The prime objective of management is to make a profit whether or not this is accomplished in most business depends largely on the manner in which the working capital is administered". Therefore, working capital should be maintained at an optimum level, so that it will fulfill the ultimate goal of the business enterprise i.e. maximization of the overall value of the firm. Hence, an attempt has been made in this study to analyse the size and composition of working capital and such an investment has increased or declined over a period.

Inventory is one of the major components of current assets, which requires huge investments. Management of inventory is designed to regulate the volume of investment in goods on fund and the types of goods carried in stock to meet the needs of production and sales while at the same time the investment in them is to be kept at a reasonable level. The main purpose of carrying inventory is to avoidance of over-investment or under investment in inventories and to provide the right quantity of standard raw material to the production department at the right time. Therefore, it is better to maintain an optimum level of inventories that is needed in an organization. While analyzing the working capital, it is necessary to analyse the various components of working capital especially inventory, because inventory is one of the major components of the current assets.

Here, an attempt has been made in this study to analyse the size and composition of working capital and inventory of the Cipla limited (CL) and Dr. Reddy's Laboratories limited (DRLL). Further the study also tries to examine the relationship between the inventory and working capital. The findings may help the researchers and scholars to develop new ideas, techniques and methods in respect of the inventory and working capital management of both the selected companies.

OBJECTIVES OF THE STUDY

The following are the main objectives of the study:

1. To analyse the inventory and inventory management of both the selected companies through the inventory ratios.

- To analyse the working capital management of both the selected units by using the working capital ratios.
- To examine the relationship between the inventory and working capital management by using correlation of coefficient and students' 't' test.
- To assess the liquidity position of the sample companies through the Motaal's comprehensive ranking test.

HYPOTHESIS OF THE STUDY

The study has the following hypothesis:

- H_0 : Null hypothesis - There is no significant relationship between the inventory and working capital in the selected companies.
- H_1 : Alternative hypothesis - There is a significant relationship between the inventory and working capital in selected companies.

LIMITATION OF THE STUDY

- The study is limited to only ten years (from 2000-2001 to 2009-10) performance of the sample units.
- The data used in the study have been taken from only the secondary sources of information. Primary data have not been taken.
- The study is limited to only two pharmaceutical companies i.e. Cipla Limited and Dr. Reddy's Laboratories Limited.
- Analysis and interpretation of the collected data has been made in the study through the correlation of coefficient, students' 't' test and Motaal's comprehensive ranking test.

RESEARCH METHODOLOGY

In the study, two pharmaceutical companies viz. Cipla Limited (CL) and Dr. Reddy' Laboratories Limited (DRLL) have been taken as sample. Both the companies in their respective business are the largest pharmaceutical companies in India as well as in the rest of the world. The study is based on the secondary sources of information. The relevant data used for analysis and interpretation has been taken from the published annual reports of both the companies and Prowess CMIE (the online data base facility of the centre for monitoring Indian economy). The study covers the period of ten years i.e. from 2000-01 to 2009-10. Editing, classification and tabulation of the financial data which has been collected from the above mentioned sources have been done as per the requirement of the study. For the purpose of analyzing the collected data of both the companies, the techniques of Ratio analysis, Motaal's comprehensive ranking test, and statistical techniques like growth rate, mean, standard deviation, coefficient of variation and correlation coefficient. For testing the significance, the method of students' 't' test has also been applied. The collected data have been analysed in the following manner:

- Analysis of the inventory and inventory management
- Analysis of the working capital and its management
- Analysis of the various components of the gross working capital
- Liquidity ranking
- Coefficient of correlation and testing the significance

ANALYSIS AND INTERPRETATION

INVENTORY RATIO ANALYSIS

- INVENTORY TURNOVER RATIO (ITR):** Inventory turnover ratio establishes the relationship between the sales and average stock held by the enterprise during a period. It helps in determining the liquidity position of a concern. This ratio gives the rate at which inventories are converted into sales and then into cash. A higher ITR shows higher efficiency of the management and vice-versa. Table 1 depicts the ITR of both the selected companies which reveals that the inventory turnover ratios registered a fluctuating trend during the study period. In case of Cipla Ltd. this ratio varied between 3.19 times in 2002-03 and 4.36 times in the year 2000-01. The overall average of this ratio is 3.85 times with a negative growth rate of 10.55 %. The standard deviation is .34 and coefficient of variation is 8.83 %. On the other hand, ITR of Dr. Reddy's Ltd. is also showing the fluctuating trend. It changed from 5.77 times in 2005-06 to 9.28 times in 2001-02. The overall average is 7.22 times with a negative growth rate of 31.8 %. The standard deviation is 1.29 and coefficient of variation is 17.85 % which is more than the Cipla Ltd. Therefore, the result shows that both the companies have a similar position about the fluctuation in ITR. However, there is more consistency and stability in the ratio in Cipla Ltd. compared to Dr. Reddy's Ltd.
- INVENTORY HOLDING RATIO (IHR):** Inventory holding ratio represents how many days, on an average, an item remain in the firm's inventory. The shorter the age of firm's inventory, the better the liquidity position and vice-versa. Table 1 evidences that the age of inventory in case of Cipla Ltd. fluctuated between 84 days in 2000-01 and 114 days in 2002-03 with the overall mean of 96 days. However, on the other hand, in case of Dr. Reddy's Ltd., the IHR fluctuated between 39 days in 2001-02 and 63 days in 2004-05 and 2005-06 with the overall average of 52 days which shows that the control over inventory is more than the Cipla Ltd. The growth rate of this ratio in Dr. Reddy's Ltd. is 45.24 % which is more than the growth rate of 11.90 % of Cipla Ltd. The S.D. and the C.V. is .34 and 8.83 % respectively, however, in case of Cipla Ltd. it is 8.83 and 16.95 % respectively, which shows more variation in the inventory holding period. Thus, the results show that both the selected companies tried to control the inventory level throughout the study period, which in turn, positively influenced the liquidity position of the companies.
- INVENTORY TO WORKING CAPITAL RATIO (IWCR):** This ratio establishes the relationship between the inventory and working capital. It shows the operational efficiency and profitability of the concern. Table 1 reveals that the minimum IWCR of Cipla Ltd. is 63.20 % in the year 2007-08 and the maximum ratio is 145.09 % in 2000-01 with an overall average of 102.49 % during the study period. In case of Dr. Reddy's Ltd. the minimum ratio is only 21.58 % during the year 2001-02 and maximum ratio is 492.27 % in the year 2009-10 with overall mean of 83.17 % during the study period. The growth rate of Cipla Ltd. is negative of -33.48 % against the 1098.03 % of Dr. Reddy's Ltd. In case of Cipla Ltd. the S.D. and C.V. is 26.94 and 26.28 % respectively compared to 137.22 and 164.99 % respectively of Dr. Reddy's Ltd., which indicates that there is high variance in inventory and working capital ratio in case of Dr. Reddy's Ltd. Thus the lower proportion of inventory in working capital indicates that the liquid position of Dr. Reddy's Ltd. is good and inventory properly managed during the period under reference compared to the Cipla Ltd.
- INVENTORY TO CURRENT ASSETS RATIO (ICAR):** The inventory to current ratio shows the level of inventory in current assets. Inventory is one of the major components of the current assets, so it better to know the position of inventory as compared to current assets. In Cipla Ltd., the ICAR registered an increase from 36.61 % in 2007-08 to 56.73 % in the year 2000-01 with an average of 46.50 % during the study period. In case of Dr. Reddy's Ltd., the ICAR is varied between 16.15 % in 2001-02 to 34.23 % in the year 2009-10 with a mean of 23.24 % during the whole study period. In case of Cipla Ltd., the growth rate is -31.22 % as against of 11.50 % of Dr. Reddy's Ltd., which shows that the Cipla Ltd. has more control over the inventory compared to Dr. Reddy's Ltd. In case of Cipla Ltd., the value of coefficient of variation is less than Dr. Reddy's Ltd., which shows that there is more uniformity and consistency in the inventory and current assets of Cipla Ltd.

WORKING CAPITAL RATIO ANALYSIS

- CURRENT RATIO (CR):** Current ratio shows the relationship between the current assets and current liabilities. This ratio is measure of the firm's short term solvency. This ratio according to accepted standards or idle ratio should be 2:1, it is an index of sound working capital position for the business and in case it is less than 2:1, there is need to further investigate about the short term solvency. The higher the CR, greater the margin of safety and vice versa. The current ratios of both the selected companies have been exhibited in Table 2. The current ratio of Cipla Ltd. is varied between 1.64 times in 200-01 and 2.38 times in the year 2007-08. It is clear from the analysis that this ratio is almost below than the ideal standard of 2:1, except during the year from 2005-06 to 2007-08. The average ratio is 1.93 times with a growth rate of 2.44 %. The S.D. is .32 and the value of C.V. is 16.58 %. In case of Dr. Reddy's Ltd. this ratio is always more than the idle ratio of 2:1, except in the last two years of the study. The overall average is 2.74 times with a negative growth rate of -32.98 %, which shows that the current assets of the company have decreased during the last two years of the study. The S.D. is .93 and the value of C.V. is

- 33.94 %. Since the value of coefficient of variation of Cipla Ltd. is less than the value of C.V. of Dr. Reddy's Ltd., hence, there is more consistency in this ratio in case of Cipla Ltd. compared to Dr. Reddy's Ltd.
2. **LIQUID RATIO (LR):** Liquid ratio is also known as acid test ratio, quick ratio or liquidity ratio. It can be calculated by dividing the current assets minus inventory and prepaid expenses by current liabilities. Normally, an idle quick ratio of 1:1 is considered satisfactory as a firm can easily meet its all current obligations. Liquid ratio provides a sense, a check on the liquidity position of a firm as shown by the current ratio. Quick ratio is more rigorous and penetrating test of the liquidity position of a business firm. Table 2 depicts the liquid ratio of both the selected companies. In case of Cipla Ltd., liquid ratio is in a satisfactory position in the last five years of the study because it is more than the idle standard of 1:1, but it is below the standard norm in the first five years of the study. Highest ratio during the study period is 1.51 times in the years 2006-07 and 2007-08 and the lowest ratio is .77 times in the year 200-01. On average, this ratio is 1.05 times, which is in a satisfactory position as per the norm. The Growth rate is 43.66 % which shows that the liquidity position of the company is in a positive direction during the study period. The S.D. is .27 and the value of C.V. is 25.71 %. In case of Dr. Reddy's Ltd., this ratio is fluctuated between .71 times in the year 2009-10 to 3.33 times in 2001-02. Moreover, this ratio is always more than the idle norm of 1:1 leaving only one exception i.e. .71 times in the year 2009-10. The average ratio is 2.74 times with a negative growth rate of -74.09 %. One of the important observations is that the current liabilities increased dramatically in the last years of the study period. Again, there is more consistency in the liquid assets and current liabilities of the Cipla Ltd. as evident by the value of C.V. (25.71 %) compared to the value of C.V. (36.92 %) of Dr. Reddy's Ltd. Thus, it can be concluded that the liquidity position of the Dr. Reddy's Ltd. is sound except the last year of the study compared to the liquidity position of the Cipla Ltd.
 3. **ABSOLUTE LIQUID RATIO (ALR):** This ratio is also regarded as cash position ratio or super quick ratio. It is a more rigorous test of the liquidity position of a firm. This is calculated by dividing cash and bank balances and marketable securities by the current liabilities. A high cash position ratio is good for the creditors but for management, it indicates poor investment policy. The idle standard for this ratio is 50 %; it means that if a business firm has 50 % cash to meet its current obligation, it is regarded that liquid position of the company is satisfactory. Table 2 depicts that this ratio is always less than the idle norm of 50 % or 0.5:1 in case of Cipla Ltd. It ranged from .01 times in the year 2003-04 and 2004-05 to .14 times in 2006-07. The overall average is .04 times with a growth rate of 50 %. The S.D. is .05 and the value of C.V. is 92.5 %. Thus, the cash position of Cipla Ltd. is not satisfactory during the study period, because the level of cash and bank balances maintained by the company is lower in current assets. On the other hand, in case of DRLL, this ratio is lower than the idle norm of .5:1 in total four years of the study i.e. .15 times in 2000-01, .47 times in 2007-08, .22 times 2008-09 and .16 times in the year 2009-10. The overall average is .92 times with a growth rate of 6.67 %. The value of S.D. is .61 and C.V. is 66.45 %, which indicates that there is more uniformity in this ratio compared to the Cipla Ltd. (C.V. 92.5 %). Thus, the overall cash position of the DRLL is sounder compared to the Cipla Ltd.
 4. **DEBTORS TURNOVER RATIO (DTR):** The turnover of debtors is also a measure of their liquidity or activity. It is determined by dividing the net credit sales by the average debtors. This ratio measures how rapidly debts are collected. A high ratio is indicative of shorter time lag between credit sales and cash collection. A low ratio shows that debts are not being collected rapidly. Pandey opined that the higher the value of DTR, the more efficient is the management of assets. On the other hand, low DTR implies inefficient management of debtors/ sales and less liquid debtors. DTR of the both the selected companies are shown in the Table 2. In case of Cipla Ltd., DTR is 3.11 times in the beginning of the study and reached to 1.65 times at the end of the study. It is highest (3.11 times) in the year 2000-01 and lowest (1.43 times) in the year 2008-09 with a mean of 1.95 times. There is a negative growth rate of -46.95 %, which is not a good sign from the liquidity point of view. The standard deviation is .48 and the value of coefficient of variation is 24.62 %. But in case of DRLL, the situation is changed because the DTR is increased from 1.70 times in 2000-01 to 2.08 times in the year 2009-10 with a positive growth rate of 22.35 %. On the average, the DTR in the company is 1.80 times during the period under reference. The value of S.D. is .13 and C.V. is 7.22 %, which shows that there is more stability and uniformity in this ratio compared to Cipla Ltd.
 5. **WORKING CAPITAL TURNOVER RATIO (WCTR):** The working capital turnover ratio establishes relationship of sales to net working capital. Sales in respect of working capital should be normal. Too high or too low sales in comparison to working capital means either over trading or under trading, none of which is good for the business. In case of Cipla Ltd., Table 2 exhibits that the WCTR is decreased from 5.60 times in 2000-01 to 3.62 times at the end of the study period i.e. the year 2009-10 with a negative growth rate of -35.36 %. The Standard deviation is .96 and the value of C.V. is 26.82 %. On the other hand, in case of DRLL, this ratio increased from 2.60 times in 2000-01 to 26.78 times at the end of the study period i.e. in the year 2009-10. One of the important observations is that working capital increased rapidly in the year 2009-10. The overall mean is 4.82 times with a growth rate of 930 %, which is much more than the growth rate of Cipla Ltd. The value of Standard Deviation is 7.37 and coefficient of variation is 152.90 %, which indicate that there is more inconsistency in this ratio as compared to Cipla Ltd. In other words, in case of Cipla Ltd., there is more consistency and stability in this ratio compared to the DRLL.
 6. **CURRENT ASSETS TURNOVER RATIO (CATR):** This ratio is used to measure the turnover and profitability of the total current assets. This ratio is calculated by dividing the sales by the current assets. The lower the value of CATR, the worse is the utilization of current assets. The higher the turnover, the better is the use of current assets. So, this shows the overall efficiency of the working capital management of a business firm. Table 2 exhibits the current assets turnover ratio of both the selected company. In respect of Cipla Ltd., the current assets turnover ratio registered a decrease from 2.19 times in 2000-01 to 1.40 times in the year 2008-09 with a negative growth rate of -32.88 %. The S.D. is .29 and the value of C.V. is 17.79 %. Thus, the decrease in the CATR shows that the overall efficiency of the working capital management is poor. In respect of DRLL, this ratio ranged between 0.97 times in 2004-05 to 1.94 times in the year 2000-01. The overall mean is 1.45 times with a negative growth rate of -4.12 %. The S.D. is .30 and the value of C.V. is 20.69 %. Thus, due to the decreasing trend in this ratio, it can be concluded that the current assets are not utilized efficiently. But again there is more homogeneity and uniformity in this ratio in case of Cipla Ltd. compared to DRLL as proved by the value of the standard deviation and coefficient of variation.
 7. **CURRENT ASSETS TO TOTAL ASSETS RATIO (CATA):** This ratio establishes the relationship between the current assets and the total assets. This ratio indicates the extent of funds invested for working capital purpose. In case of Cipla Ltd., Table 2 shows that CATA recorded a fluctuating trend during the study period. It is higher .59 times in 2005-06 and lower .46 times in the year 2009-10 with a negative growth rate of -2.13 %. On the average, Cipla Ltd. invested 53 % of the total assets in the form of current assets and the remaining 47 % are invested in permanent assets during the study period. Thus, it indicates that the major portion of the total investment is made for working capital purpose. Hence, the higher investment in current assets will increase the liquidity but it will decrease the profitability. On the other hand, CATA of DRLL shows the more fluctuating trend during the study period. This ratio varied between .29 times in 2009-10 to .64 times in the year 2001-02 with a negative growth rate of -39.58 %. On the average, the company invested only 47 % of the total assets in the form of current assets and the remaining 53 % is invested in permanent assets during the study period. Thus, low investment in current assets will decrease the liquidity but will increase the profitability of the company. But the CATA of Cipla Ltd shows that there is more uniformity in this ratio compared to DRLL, because the value of S.D. (0.04) and C.V. (7.55 %) is less than the value of S.D. (.11) and C.V. (22.92 %) of DRLL.

GROSS WORKING CAPITAL ANALYSIS

The components of gross working capital have been shown in Table 3 and 4 for the Cipla Ltd. and DRLL respectively. Here, an attempt has been made to examine the contribution of different components of current assets to the gross working capital during the study period for the both the selected companies. Gross working capital included of four components viz; inventory, Sundry debtors, cash & bank balances and loan & advances.

In case of CL, it is evident from the Table 3 that the inventor contributed highest to the gross working capital. It changed from 33.6 % in 2008-09 to 50.4 % in the year 2002-03 with an average of 40.37 %. The growth rate of inventor over the study period is 449.24 %, which shows that the working capital of CL is largely affected by the size of the inventory. Sundry debtors occupied the second position toward the contribution in gross working capital and it is varied from 24.3 % in 2000-01 to 37.6 % in the year 2005-06 with an overall mean of 32.34 %. The growth rate of sundry debtors is 733.30 % at the end of the study period. Loan and advances ranked third position towards the contribution in gross working capital. Loan and advances increased from 12.8 % in the year 2005-06 to 37.2 % in 2009-10. The overall average is 25.78 % with a growth rate of 981.90% at the end of the study period. The share of cash and bank balances in the gross working capital increased from .50 % in 2003-04 to 2.7 % in the year 2007-08. The overall average is 1.60 % with a growth rate of 948.28 % during the study period. This

shows that position of the cash & banks balances is good in the middle of the study period but it is poorly managed during the year 2003-04 and 2004-05 and also poor position at the end of the study period i.e. 2009-10.

On the other hand, in respect of DRLL, out of four factors of gross working capital, loan & advances contributed highest to the gross working capital. The position of loan & advances in gross working capital increased from 10.1 % in 2000-01 to 43.6 % in the year 2009-10. The overall average is 28.95 % with a healthy growth rate of 3617.08 % during the study period. Sundry debtors occupied second position in contribution towards the gross working capital. It fluctuated from 21.0 % in 2004-05 to 52.6 % in the year 2000-01 with an average of 27.74 % during the period under reference. The growth rate is 307.38 %. Thus, it is clear that the debtors of the company decrease sharply during the middle of the study period, which indicate that the company's credit policy is good. The highest contribution of cash and bank balances in gross working capital is 48.6 % in the year 2004-05 and the lowest contribution is 4.1 % in the beginning of the study period i.e. 2000-01. The overall average is Rs. 59.23 cr. (24.96 %) with a growth rate of 1950.52 %. The contribution of inventory in gross working capital is the lowest from all the components. It increased from 12.8 % in 2006-07 to 33.2 % in the year 2000-01 with an average of 18.34 %. The growth rate of inventory during the study period is 469.42 %. Thus, it is clear from the study that the overall aggregated position of the inventory is 40.37 % in case of CL, while it is only 18.34 % in case of DRLL, which indicates that the working capital of CL largely affected from the size of the inventory.

The sundry debtors of CL contributed about 32.34 % towards the gross working capital whereas the contribution of DRLL is about 27.74 %, which shows that DRLL has a better receivable management practices during the study period. The contribution of loan & advances towards the gross working capital is almost equal in respect of both the selected companies. But one of the important trends observed is that loan & advances has increased sharply in case of DRLL compared to the CL during the period under reference. It is also clear from the study that the contribution of cash & bank balances in respect of DRLL is 24.96 % compared to the contribution of CL (1.60 %), which indicates that position of DRLL is better than the CL. Guthman and Dougall observed that in a comfortably financial business, cash and bank balances will probably run not less than 5 to 10 % of the current assets. Since the current liabilities are not expected to exceed half of the current assets, the cash percentage should run not below 10 to 20 % of the same. Thus, the CL is not maintained sufficient cash and bank balances during the whole study period, however, DRLL maintains the same in all most all the study period leaving only few exceptions.

LIQUIDITY RANKING

The liquidity position of a firm is largely affected by the composition of working capital in as much as considerable shift from the relatively great current assets to the relatively little current assets or vice versa will materially affect a firm's ability to pay its current debts promptly (Khan & Jain). Thus, in order to evaluate the liquidity position of both the selected companies, Motaal's comprehensive test has been used. In this test, a method of ranking has been applied to find out the more comprehensive assessment of liquidity. In this method, four different factors such as inventory to current assets ratio, debtors to current assets ratio, cash & bank to current assets ratio and loan & advances to current assets ratio have been calculated and combined in a points score. A low value of inventory to current assets ratio indicates a more favourable liquidity position and hence, ranking has been done in that order. In other words, lower the value of this ratio higher the rank and vice versa. On the other hand, a high value of debtors to current assets ratio, cash & bank balances to current assets ratio and loans & advances to current assets ratio show a relatively favourable liquidity position and ranking has been made in that order (Higher the values of these ratios, higher the rank and vice versa). At last, ultimate ranking has been made on the principle that the lower the total of the individual ranks, the more favourable is the liquidity position of the company and vice versa (Lower the value of the individual ranks, higher the rank has been given and vice versa).

Table 4 exhibits the liquidity position and its ranks of the Cipla Ltd. The company registered the most sound liquidity position in the year 2007-08, 2008-09 and 2009-10 respectively and then it is followed by the years 2005-06, 2001-02, 2006-07, 2003-04, 2000-01, 2002-03 and 2004-05 respectively in the order of ranking. Thus, it shows the fluctuation in the liquidity position over the different years of the study period. The study also shows that in the last three years the company has the more sound and stability in the liquidity position compared to the other years of the study period.

Table 5 reveals the ranking about the liquidity position of the DRLL. The company recorded the most sound liquidity position equally in the year 2001-02 and 2006-07 and then it is followed by the years 2002-03, 2008-09, 2003-04, 2004-05, 2007-08, 2005-06, 2009-10 and 2000-01 respectively in order of ranking of the liquidity position. So, it is clear that the liquidity position of the company is sound in the most of the years of the study period. However, the liquidity position is not sound in the beginning and at end of the study period. Thus, the study indicates that there is low fluctuation in the liquidity position of the DRLL compared to the liquidity position of the CL.

COEFFICIENT OF CORRELATION AND TESTING THE SIGNIFICANCE

An attempt has been made to study the relationship between the inventory and working capital of both the selected companies with the help of the correlation coefficient in Table 6 with a view of judging the significance of this relationship, the Student's 't' test has been used. In case of CL, coefficient of correlation between the inventory and working capital is 0.93, which indicates that there is a high positive correlation between these two variables.

The significance of this correlation ($r = 0.93$) is examined by the Student's 't' test. The null hypothesis is that there is no significant relation between the inventory and working capital.

The value of 't' has been calculated with the help of the following formula of Student's 't' test:-

$$t = \frac{r}{\sqrt{\frac{n-2}{n}}} \times \sqrt{n-2}$$

$$\text{Thus } t = 7.11 \quad t_{.05} = 2.31$$

The calculated value of $t = 7.11$ is more than the Table value ($t_{.05} = 2.31$) at 5 % level of significance. Hence, the null hypothesis is rejected that there is no significant relation between the inventory and working capital. In other words, there is a significant relation between the inventory and working capital.

On the other hand, in case of DRLL, the coefficient of correlation between the inventory and working capital is -0.04 . This shows that there is a low negative correlation between the inventory and working capital. The significance of this correlation (-0.04) is examined by using the Student's 't' test.

$$t = \frac{r}{\sqrt{\frac{n-2}{n}}} \times \sqrt{n-2}$$

$$\text{Thus } t = .11 \quad \text{and } t_{.05} = 2.31$$

The calculated value of t is less than the table value at 5 % level of significance. Hence, the null hypothesis is accepted, which means that there is no significant correlation between the inventory and working capital.

CONCLUSIONS

On the basis of foregoing analysis, the following conclusions can be made:

1. Inventory ratios of both the selected companies have improved during the study period but the position of DRLL is far better than the CL.
2. The inventory holding period is fluctuated in both the selected company during the study period. On average, inventory holding period is 52 days for DRLL and 96 days of CL, which shows that the DRLL has more control over the inventory compared to the CL.
3. In case of DRLL, there is lower proportion of inventory in working capital, which indicates that the liquid position of the company is good and inventory properly managed during the study period as compared to the CL.
4. All the working capital ratios are in a sound position in DRLL, but in case of the CL only few working capital ratios are in a sound position.
5. The overall cash position of the DRLL is sounder as compared to the CL as indicated by the absolute liquidity ratio.
6. The CATA indicates that the CL invested 53 % of the total assets in form of current assets and the remaining 47 % in permanent assets which shows that there is more liquidity in the company but it will decrease the profitability. However, DRLL invested only 47 % in current assets and the remaining of 53 % in permanent assets. This shows that the low investment in current assets will decrease the liquidity but it will increase the profitability of the company.
7. The structural determinants of the working capital of the CL indicates that the inventory contributed highest to 40.37 %, the sundry debtors 32.34 %, loans & advances 25.78 % and cash & bank balances only 1.60 % to the gross working capital. However, in DRLL loans & advances contributed highest to 28.95 %, sundry debtors 27.74 %, cash & bank balances 24.96 % and inventory 18.34 % to the gross working capital.

8. As per the Motaal's comprehensive ranking test, the CL has more sound liquidity position in the last three years because rank one to three was secured in these last three years. However, the liquidity position of the DRLL was sound in the most of the years except the years 2000-01 and 2009-10 (Beginning and end of the study period).
9. In case of the Cipla Limited, there is a high degree positive correlation between the inventory and working capital ($r = 0.93$). However, there is a low degree of negative correlation ($r = -0.04$) between the inventory and working capital in respect of Dr. Reddy's Laboratories Limited.

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TABLES

TABLE 1: STATEMENT SHOWING INVENTORY RATIOS OF CIPLA LIMITED AND DR. REDDY'S LABORATORIES LIMITED

Years	Cipla Limited				DR. Reddy's Laboratories Limited			
	ITR (Times)	IHR(Days)	IWCR (%)	ICAR (%)	ITR (Times)	IHR(Days)	IWCR (%)	ICAR (%)
2000-01	4.36	84	145.09	56.73	8.77	42	41.09	30.70
2001-02	4.17	88	133.39	53.04	9.28	39	21.58	16.15
2002-03	3.19	114	130.07	56.14	7.48	49	23.40	16.74
2003-04	3.55	103	116.00	48.62	7.05	52	37.85	21.59
2004-05	3.65	100	105.80	50.27	5.83	63	26.64	18.01
2005-06	3.64	100	85.10	47.08	5.77	63	38.56	24.79
2006-07	3.78	97	66.94	40.72	9.02	40	22.98	15.52
2007-08	4.09	89	63.20	36.61	6.41	57	54.42	27.74
2008-09	4.22	86	82.82	36.79	6.59	55	72.91	26.96
2009-10	3.90	94	96.52	39.02	5.98	61	492.27	34.23
Growth Rate (%)	-10.55	11.90	-33.48	-31.81	-31.81	45	1098.03	11.50
Mean	3.85	96	102.49	7.22	7.22	52.10	83.17	23.24
S.D.	.34	8.74	26.94	1.29	1.29	8.83	137.22	6.29
C.V. (%)	8.83	9.15	26.28	17.85	17.85	16.95	164.99	27.07

Sources: Compiled from the Annual Reports

TABLE 2: STATEMENT SHOWING WORKING CAPITAL RATIOS OF CIPLA LIMITED AND DR. REDDY'S LABORATORIES LIMITED

Years	Cipla Limited							DR. Reddy's Laboratories Limited						
	CR	LR	ALR	DTR	WCTR	CATR	CATA	CR	LR	ALR	DTR	WCTR	CATR	CATA
2000-01	1.64	.71	.02	3.11	5.60	2.19	.47	3.96	2.74	.15	1.70	2.60	1.94	.48
2001-02	1.66	.78	.03	2.45	4.71	1.87	.53	3.97	3.33	1.65	1.75	1.83	1.37	.64
2002-03	1.76	.77	.02	2.01	3.47	1.50	.58	3.51	2.92	1.68	1.74	1.57	1.12	.62
2003-04	1.72	.88	.01	1.93	4.19	1.76	.53	2.33	1.82	.79	1.86	2.57	1.47	.45
2004-05	1.91	.95	.01	1.95	3.41	1.62	.57	3.09	2.53	1.63	1.87	1.44	.97	.57
2005-06	2.24	1.18	.05	1.73	2.76	1.53	.59	2.80	2.11	1.02	1.71	1.87	1.21	.46
2006-07	2.55	1.51	.14	1.76	2.50	1.52	.54	3.08	2.60	1.43	1.90	1.98	1.34	.54
2007-08	2.38	1.51	.06	1.45	2.42	1.40	.53	2.04	1.47	.47	1.81	3.07	1.57	.35
2008-09	1.80	1.14	.03	1.43	3.14	1.40	.50	1.59	1.16	.22	1.59	4.50	1.66	.35
2009-10	1.68	1.02	.03	1.65	3.62	1.47	.46	1.07	.71	.16	2.08	26.78	1.86	.29
Growth Rate (%)	2.44	43.66	50.00	-46.95	-35.36	-32.88	-2.13	-72.98	-74.09	6.67	22.35	930	-4.12	-39.58
Mean	1.93	1.05	.04	1.95	3.58	1.63	.53	2.74	2.14	.92	1.80	4.82	1.45	.475
S.D.	.32	.27	.04	.48	.96	.29	.04	.93	.79	.61	.13	7.37	.30	.11
C.V. (%)	16.58	25.71	92.5	24.62	26.82	17.79	7.55	33.94	36.92	66.45	7.22	152.90	20.69	22.92

Sources: Compiled from the Annual Reports

TABLE 3: STATEMENT SHOWING WORKING CAPITAL COMPONENTS OF CIPLA LIMITED AND DR. REDDY'S LABORATORIES LIMITED (Rs. in crores)

Years	Cipla Limited					DR. Reddy's Laboratories Limited				
	Inventory	Debtors	Cash & Bank	Loan & Advances	GWC	Inventory	Debtors	Cash & Bank	Loan & Advances	GWC
2000-01	27.54 (48.7)	13.77(24.3)	.58 (1.0)	14.69(26.0)	56.58	15.76(33.2)	24.93 (52.6)	1.94(4.1)	4.8 (10.1)	47.43
2001-02	39.63 (45.5)	23.53(27.0)	1.56(1.8)	22.34(25.7)	87.06	18.98(15.1)	42.25 (33.6)	48.86(38.8)	15.8 (12.5)	125.85
2002-03	58.92 (50.4)	32.42(27.8)	1.31 (1.1)	24.15(20.7)	116.8	24.01(15.2)	41.88 (26.5)	68.84(43.6)	23.2 (14.7)	157.90
2003-04	56.89 (43.4)	47.06(35.8)	.62 (0.5)	26.62(20.3)	131.19	25.80(19.0)	41.20 (30.3)	40.81(30.1)	27.9 (20.6)	135.74
2004-05	74.57 (48.7)	50.74(33.2)	1.12 (0.7)	26.58(17.4)	153.01	30.38(16.5)	38.63 (21.0)	89.17(48.6)	25.5 (13.9)	183.66
2005-06	95.70 (47.3)	76.08(37.6)	4.45 (2.3)	25.95(12.8)	202.18	44.31(19.7)	56.68 (25.1)	65.10(28.9)	59.4 (26.3)	225.44
2006-07	97.86 (44.1)	78.05(35.1)	3.15 (1.4)	43.16(19.4)	222.22	48.76(12.8)	101.02(26.6)	145.7(38.3)	84.6 (22.3)	380.06
2007-08	112.05(37.4)	111.15(37.1)	7.93 (2.7)	68.34(22.8)	299.42	64.09(21.0)	86.28 (28.2)	53.67(17.5)	101.9(33.3)	305.90
2008-09	139.83(33.6)	137.27(33.1)	5.30 (1.3)	132.7(32.0)	415.05	73.51(18.3)	123.86(30.8)	38.44 (9.6)	165.6(41.3)	401.39
2009-10	151.26(35.0)	114.47(26.4)	6.08 (1.4)	160.8(37.2)	432.58	89.74(21.9)	101.56(24.8)	39.78 (9.7)	178.4(43.6)	409.50
Growth Rate (%)	449.24	731.30	948.28	14608.00	664.55	469.42	307.38	1950.52	3617.08	763.38
Mean	85.4	68.5	3.2	54.5	211.6	43.5	65.86	59.2	68.7	237.3

Sources: Compiled from the Annual Reports of CL and DRLL.

Note: Figures in brackets show percentage with Gross Working Capital (GWC).

TABLE 4: STATEMENT SHOWING MOTAAL'S COMPREHENSIVE RANKING TEST OF CIPLA LIMITED

Years	Inventory to GWC (%)	Debtors to GWC (%)	Cash & Bank to GWC (%)	Loan & Advances to GWC (%)	Liquidity Ranking				Total Ranking	Ultimate Ranking
	A	B	C	D	A	B	C	D	A+B+C+D	
2000-01	48.7	24.3	1.0	26.9	8.5	10	8	3	29.5	8
2001-02	45.5	27.0	1.8	25.7	6	8	3	4	21	5
2002-03	50.4	27.8	1.1	20.7	10	7	7	6	30	9
2003-04	43.4	35.8	0.5	20.3	4	3	10	7	24	7
2004-05	48.7	33.2	0.7	17.4	8.5	5	9	9	31.5	10
2005-06	47.3	37.6	2.2	12.8	7	1	2	10	20	4
2006-07	44.1	35.1	1.4	19.4	5	4	4.5	8	21.5	6
2007-08	37.4	37.1	2.7	22.8	3	2	1	5	11	1
2008-09	33.6	33.1	1.3	32.0	1	6	6	2	15	2
2009-10	35.0	26.4	1.4	37.2	2	9	4.5	1	16.5	3

Sources: Compiled from the Annual Reports of Cipla Limited.

TABLE 5: STATEMENT SHOWING MOTAAL'S COMPREHENSIVE RANKING TEST OF DR. REDDY'S LABORATORIES LIMITED

Years	Inventory to GWC (%)	Debtors to GWC (%)	Cash & Bank to GWC (%)	Loan & Advances to GWC (%)	Liquidity Ranking				Total Ranking	Ultimate Ranking
	A	B	C	D	A	B	C	D	A+B+C+D	
2000-01	33.2	52.6	4.1	10.1	10	1	10	10	31	10
2001-02	15.1	33.6	38.8	12.5	2	2	3	9	16	1.5
2002-03	15.2	26.5	43.6	14.7	3	7	2	7	19	3.5
2003-04	19.0	30.3	30.1	20.6	6	4	5	6	21	5
2004-05	16.5	21.0	48.6	13.9	4	10	1	8	23	6.5
2005-06	19.7	25.1	28.9	26.3	7	8	6	4	25	8
2006-07	12.8	26.6	38.3	22.3	1	6	4	5	16	1.5
2007-08	21.0	28.2	17.5	33.3	8	5	7	3	23	6.5
2008-09	18.3	30.8	9.6	41.3	5	3	9	2	19	3.5
2009-10	21.9	24.8	9.7	43.6	9	9	8	1	27	9

Sources: Compiled from the Annual Reports of Dr. Reddy's Laboratories Limited.

PERFORMANCE OF RRBs: POST TRANSFORMATION

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ABSTRACT

In this paper an attempt has been made to study the performance of the RRBs since 1980 to 2009. In order to know the implications of transformation of RRBs in 2004, the study focuses financial results before and after amalgamation. RRBs were established "with a view to developing the rural economy by providing, for the purpose of development of agriculture, trade, commerce, industry and other productive activities in the rural areas, credit and other facilities, particularly to small and marginal farmers, agricultural laborers, artisans and small entrepreneurs, and for matters connected therewith and incidental thereto" (RRBs Act, 1976). RRBs alone have organized roughly 12 lakh self-help groups, 45 per cent of the total self-help groups in the country. RRBs have also issued over 40 lakh Kisan Credit Cards to the farmers and organized over 5,000 out of 11,000 farmers' clubs under NABARD scheme. Though the growth in credit when seen in isolation gives an impression of the impressive strides made by RRBs in disbursing credit, they account for a very small proportion (around 3 per cent) of the total assets of the Indian banking sector, despite their significant branch network. While C-D ratio for 50 RRBs was more than 60 per cent that for 87 banks was less than 40 per cent in March 2004. The Government of India (Ministry of Finance) issued notifications on September 12, 2005 for amalgamation of 28 RRBs into nine new RRBs sponsored by nine banks in six States. These amalgamations have become effective from September 12, 2005. After amalgamation, RRBs transformation has resulted in a 200 per cent increase in net profits, a 100 per cent increase in business, a gradual reduction in the number of loss-making banks and addition of 1,000 outlets. All this has been because of consolidation among RRBs. The Central government initiated the process of amalgamating RRBs in September, 2005. Then there were 196 RRBs. The study reveals that, RRBs seem to have better Non-Performing Assets (NPA) management with net NPA coming down every year after the amalgamation. In 2005-06, the net NPA stood at 3.96 per cent. It declined to 1.98 per cent in 2008-09. RRBs are extending loans to non-agricultural sector in rural areas also. They are broad-basing their credit pattern. Malaprabha Grameen Bank went ahead to finance vehicles for rural transport system. Financing of vehicles for rural transportation helped villagers, as they sold their produce in urban areas. The reduction in number of RRBs has not resulted in any sudden reduction in staff strength since there was no termination of services of employees after amalgamation. Unlike commercial banks no voluntary retirement schemes were introduced in RRBs.

KEYWORDS

RRBs, Finance, Rural economy development.

INTRODUCTION

Regional Rural Banks have been in existence for around three decades in the Indian financial scene. Inception of regional rural banks (RRBs) can be seen as a unique experiment as well as experience in improving the efficacy of rural credit delivery mechanism in India. With joint share holding by Central Government, the concerned State Government and the sponsoring bank, an effort was made to integrate commercial banking within the broad policy thrust towards social banking keeping in view the local peculiarities. The genesis of the RRBs can be traced to the need for a stronger institutional arrangement for providing rural credit. The Narsimham committee conceptualized the creation of RRBs in 1975 as a new set of regionally oriented rural banks, which would combine the local feel and familiarity of rural problems characteristic of cooperatives with the professionalism and large resource base of commercial banks. Subsequently, the RRBs were set up through the promulgation of RRB Act 1 of 1976. Their equity is held by the Central Government, concerned State Government and the Sponsor Bank in the proportion of 50:15:35. RRBs were supposed to evolve as specialized rural financial institutions for developing the rural economy by providing credit to small and marginal farmers, agricultural labourers, artisans and small entrepreneurs. Over the years, the RRBs, which are often viewed as the small man's bank, have taken deep roots and have become a sort of inseparable part of the rural credit structure. They have played a key role in rural institutional financing in terms of geographical coverage, clientele outreach and business volume as also contribution to development of the rural economy. A remarkable feature of their performance over the past three decades has been the massive expansion of their retail network in rural areas. From a modest beginning of 6 RRBs with 17 branches covering 12 districts in December 1975, the numbers have grown into 196 RRBs with 14,446 branches working in 518 districts across the country in March 2004. RRBs have a large branch network in the rural area forming around 43 per cent of the total rural branches of commercial banks. The rural orientation of RRBs is formidable with rural and semi urban branches constituting over 97 per cent of their branch network. The growth in the branch network has enabled the RRBs to expand banking activities in the unbanked areas and mobilize rural savings. The mandate of promoting banking with a rural focus, however, would be an enduring phenomenon only when the financial health of the RRBs is sound. With built-in restrictions on their operations, it is common to expect that the financial health of the RRBs itself would be a matter of concern.

REVIEW OF LITERATURE

RRBs though operate with a rural focus are primarily scheduled commercial banks with a commercial orientation. Beginning with the seminal contribution of Haslem (1968), the literature probing into factors influencing performance of banks recognizes two broad sets of factors, *i.e.*, internal factors and factors external to the bank. The internal determinants originate from the balance sheets and/or profit and loss accounts of the bank concerned and are often termed as micro or bank-specific determinants of profitability. The external determinants are systemic forces that reflect the economic environment which conditions the operation and performance of financial institutions. A number of explanatory variables have been suggested in the literature for both the internal and external determinants. Goddard *et al.* (2004) given the nature of banking business, the need for risk management is of crucial importance for a bank's financial health. Risk management is a reflection of the quality of the assets with a bank and availability of liquidity with it. During periods of uncertainty and economic slowdown, banks may prefer a more diversified portfolio to avoid adverse selection and may also raise their liquid holdings in order to reduce risk. Credit risk is found to have a negative impact on profitability (Millerand Noulas, 1997). This result may be explained by taking into account the fact that more the financial institutions are exposed to high-risk loans; the higher is the accumulation of unpaid loans implying that these loan losses have produced lower returns to many commercial banks (Athanasoglou, Brissimis and Delis, 2005). The literature on RRBs recognizes a host of reasons responsible for their poor financial health. According to the Narasimham Committee, RRBs have low earning capacity. They have not been able to earn much profit in view of their policy of restricting their

operations to target groups. The recovery position of RRBs is not satisfactory. There are a large number of defaulters. Their cost of operation has been high on account of the increase in the salary scales of the employees in line with the salary structure of the employees of commercial banks. In most cases, these banks followed the same methods of operation and procedures as followed by commercial banks. Therefore, these procedures have not found favor with the rural masses. In many cases, banks have not been located at the right place. For instance, the sponsoring banks are also running their branches in the same areas where RRBs are operating. The issue whether location matters for the performance has been addressed in some detail by Malhotra (2002). Considering 22 different parameters that impact on the functioning of RRBs for the year 2000, Malhotra asserts that geographical location of RRBs is not the limiting factor for their performance. He further finds that 'it is the specific nourishment which each RRB receives from its sponsor bank, is cardinal to its performance'. In other words, the umbilical cord had its effect on the performance of RRBs. The limitation of the study is that the financial health of the sponsor bank was not considered directly to infer about the umbilical cord hypothesis. Nitin and Thorat (2004) on a different note provide a penetrating analysis as to how constraints in the institutional dimension⁵ have seriously impaired the governance of the RRBs. They have argued that perverse institutional arrangements that gave rise to incompatible incentive structures for key stakeholders such as political leaders, policy makers, bank staff and clients have acted as constraints on their performance. The lackluster performance of the RRBs during the last two decades, according to the authors can be largely attributed to their lack of commercial orientation. An appropriate restructuring strategy would require identifying the problems leading to the non satisfactory performance of the RRBs.

RESTRUCTURING STRATEGIES

The financial viability of RRBs has engaged the attention of the policy makers from time to time. In fact, as early as 1981, the Committee to Review Arrangements for Institutional Credit for Agriculture and Rural Development (CRATICARD) addressed the issue of financial viability of the RRBs. The CRATICARD recommended that 'the loss incurred by a RRB should be made good annually by the shareholders in the same proportion of their shareholdings'. Though this recommendation was not accepted, under a scheme of recapitalization, financial support was provided by the shareholders in the proportion of their shareholdings. Subsequently, a number of committees have come out with different suggestions to address the financial non-viability of RRBs. For instance, the Working Group on RRBs (Kelkar Committee) in 1984 recommended that small and uneconomic RRBs should be merged in the interest of economic viability. Five years down the line, in a similar vein, the Agricultural Credit Review Committee (Khusro Committee), 1989 pointed out that 'the weaknesses of RRBs are endemic to the system and non-viability is built into it, and the only option was to merge the RRBs with the sponsor banks. The objective of serving the weaker sections effectively could be achieved only by self-sustaining credit institutions'. The Committee on Restructuring of RRBs, 1994 (Bhandari Committee) identified 49 RRBs for comprehensive restructuring. It recommended greater devolution of decision-making powers to the Boards of RRBs in the matters of business development and staff matters. The option of liquidation again was mooted by the Committee on Revamping of RRBs, 1996 (Basu Committee). The Expert Group on RRBs in 1997 (Thingalaya Committee) held that very weak RRBs should be viewed separately and possibility of their liquidation be recognized. They might be merged with neighboring RRBs. The Expert Committee on Rural Credit, 2001 (Vyas Committee I) was of the view that the sponsor bank should ensure necessary autonomy for RRBs in their credit and other portfolio management system. Subsequently, another committee under the Chairmanship of Chalapathy Rao in 2003 (Chalapathy Rao Committee) recommended that the entire system of RRBs may be consolidated while retaining the advantages of regional character of these institutions. As part of the process, some sponsor banks may be eased out. The sponsoring institutions may include other approved financial institutions as well, in addition to commercial banks. The Group of CMDs of Select Public Sector Banks, 2004 (Purwar Committee) recommended the amalgamation of RRBs on regional basis into six commercial banks - one each for the Northern, Southern, Eastern, Western, Central and North-Eastern Regions. Thus one finds that a host of options have been suggested starting with vertical merger (with sponsor banks), horizontal merger (amongst RRBs operating in a particular region) to liquidation by different committees that have gone into the issue of financial viability and restructuring strategies for the RRBs. More recently, a committee under the Chairmanship of A.V Sardesai revisited the issue of restructuring the RRBs (Sardesai Committee, 2005). The Sardesai committee held that 'to improve the operational viability of RRBs and take advantage of the economies of scale, the route of merger/amalgamation of RRBs may be considered taking into account the views of the various stakeholders'. Merger of RRBs with the sponsor bank is not provided in the RRB Act 1976. Mergers, even if allowed, would not be a desirable way of restructuring. The Committee was of the view that merging a RRB with its sponsor bank would go against the very spirit of setting up of RRBs as local entities and for providing credit primarily to weaker sections. Having discussed various options for restructuring, the Committee was of the view that 'a change in sponsor banks may, in some cases help in improving the performance of RRBs. A change in sponsorship may, *inter alia*; improve the competitiveness, work culture, management and efficiency of the concerned RRBs'. Against this backdrop, an empirical study has been conducted to know the performance of RRBs before and after reconstruction.

PERFORMANCE OF RRBs BEFORE RECONSTRUCTION

The RRBs, over the years have made impressive strides on various business indicators. For instance, deposits of RRBs have grown by 18 times and advances by 13 times between 1980 and 1990. Between 1990 and 2004, deposits and advances grew by 14 times and 7 times, respectively (Table 1). Between the year 2000 and 2004, loans disbursed by RRBs more than doubled reflecting the efforts taken by the banks to improve credit flow to the rural sector. The average per branch advances also increased from Rs.25 lakh in March 1990 to Rs.154 lakh in March 2003. When one considers the deployment of credit relative to the mobilization of resources, the credit-deposit (C-D) ratio of RRBs were more than 100 per cent during the first decade of their operations up to 1987. Though the C-D ratio subsequently became lower, of late, it has shown an improvement and went up from around 39 per cent in March 2000 to 44.5 per cent in March 2004.

As regards their financial status, during the year 2003-04, 163 RRBs earned profits amounting to Rs.953 crore while 33 RRBs incurred losses to the tune of Rs.184 crore. Ninety RRBs had accumulated losses as on March 31, 2004. Aggregate accumulated loss of RRBs amounted to Rs. 2,725 crore during the year 2003-04. Of the 90 RRBs having accumulated loss, 53 RRBs had eroded their entire owned funds as also a part of their deposits. Furthermore, non-performing assets (NPAs) of the RRBs in absolute terms stood at Rs.3, 299 crore as on March 31, 2004. The percentage of gross NPAs was 12.6 during the year ending March 31, 2004. While 103 RRBs had gross NPAs less than the national average, 93 had NPAs more than it.

TABLE 1: PERFORMANCE OF RRBs BEFORE RECONSTRUCTION: SELECT INDICATORS (Rs. Crore)

Parameters	1980	1985	1990	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
No of RRBs	85	188	196	196	196	196	196	196	196	196	196	196	196
Capital	21	46	91	166	358	705	1118	1380	1959	2049	2143	2141	2221
Deposits	222	1315	4023	11,141	14,171	17,976	22,191	27,059	32,226	38,294	44,539	49,582	56,295
Investments	20	164	60	1348	2879	3891	5280	6680	7760	8800	9471	17,138	21,286
Advances	262	1405	3384	5987	7057	7908	9021	10,559	12,427	15,050	17,710	20,934	25,038
Total assets	426	2320	6081	14,886	18,969	24,376	29,468	35,820	42,236	49,596	56,802	62,500	70,195
Interest Earned	NA	NA	480	1158	1421	2033	2624	3281	3938	4619	5191	5391	5535
Other income	NA	NA	113	72	89	103	136	151	207	240	370	430	697
Total income	NA	NA	593	1230	1511	2136	2760	3432	4145	4859	5561	5821	6231
Interest expended	NA	NA	326	851	1065	1462	1773	2131	2565	2966	3329	3440	3363
Operating expenses	NA	NA	254	657	726	804	845	982	1056	1165	1459	1667	1825
Provisions and contingencies	NA	NA	NA	120	171	673	72	99	96	128	163	132	289
Total expenses	NA	NA	581	1509	1791	2265	2617	3113	3621	4130	4787	5107	5187
Operating profit	NA	NA	12	-279	-280	-129	143	319	524	729	774	714	1044

Source: RBI Bulletin

REGIONAL RURAL BANKS- CONSOLIDATING AFTER TRANSFORMATION

Over the past five years, RRBs transformation has resulted in a 200 per cent increase in net profits, a 100 per cent increase in business, a gradual reduction in the number of loss-making banks and addition of 1,000 outlets. All this has been because of consolidation among RRBs. The Central government initiated the process of amalgamating RRBs in September, 2005. Then there were 196 RRBs. At the end of March 2006, the number came down to 133, and it consolidated to 82 by the end of March 2010. Though the number of RRBs has come down by more than half, their branch network has seen modest growth of about 6 per cent. At the end of the last fiscal, the number of branches reached 15,475 as against 14,489 in 2005-06. Amalgamation and reduction of number resulted in rationalization to a great extent. This helped merge the weak RRBs with the stronger ones. For the strong RRBs, amalgamation gave the benefit of extending business operation to new areas without much cost. It helped increase customer base, reduce credit concentration risks by spreading the risk to more sectors and more agricultural crops. KVGB (Karnataka Vikas Grameen Bank) was formed by amalgamating Malaprabha Grameena Bank, Bijapur Grameen Bank, Nethravathi Grameen Bank and Varada Grameen Banks. The first two were big banks and the latter two small. The management completed the merger in fifteen days and was able to bring in the strong points of Malaprabha Grameen Bank and Bijapur Grameen Bank. If weak bank adopts the policies of strong banks, the amalgamated entity becomes stronger.

NET PROFITS RISE

From the above table, it is clear that there were as many as 133 RRBs that posted a profit of Rs 617 crore in 2005-06 with 22 making loss that year. However with consolidation in the subsequent years, the net profit jumped to Rs 1,884 crore in 2009-10 with the number of RRBs being reduced to 82. Of them, only three incurred a loss. The Trend and Progress of Banking in India 2009-10, shows that all RRBs taken together reported a net profit of Rs 1,884 crore showing a growth of 41.1 per cent in 2009-10. As a result, there was a marginal rise in the Return on Assets (ROA) of RRBs from 1 per cent in 2008-09 to 1.1 per cent in 2009-10. The RoA of RRBs in 2009-10 thus worked out to be relatively higher than that of scheduled commercial banks. This trend mainly because of expansion of service area after amalgamation has helped increase net profits. Earlier, RRBs were confined to one or two districts. The amalgamation of different RRBs of the same sponsor bank in a State helped the combined entity increase business and profits and also RRBs were permitted to open branches at taluk headquarters.

TABLE-II: PERFORMANCE OF RRBs AFTER CONSOLIDATING

Net profit (in Rs crores)	2005-06	2006-07	2007-08	2008-09	2009-10
	617	625	1027	1335	1884
No. of RRBs	133	96	90	86	82
(Profit / loss making RRBs)	111/22	81/15	82/8	80/6	79/3
No. of branches	14,489	14,563	14,790	15,524	15,475
Deposits (in Rs crores)	71,329	83,144	99,093	1,20,189	1,45,035
Loans & advances (in Rs crores)	38,520	47,326	57,568	65,609	79,157
NII (in Rs crores)	2852	3407	3982	4479	5570
Other income (in Rs crores)	433	540	667	810	890
Wage bill (in Rs crores)	1848	2051	2054	2291	2676
CD ratio (in %)	55.7	58.3	59.5	56.4	57.6
Share of CASA in deposits (in %)	59.14	61.21	59.63	58.35	57.90
Share of priority sector adv in total advances (in %)	81	82.2	82.9	83.4	82.2
Share of agri advances to total (in %)	54.2	56.6	56.3	55.1	54.8
Gross NPA (in p.c)	7.3	6.55	6.1	4.2	NA
Net NPA (in p.c)	3.96	3.46	3.4	1.8	NA

Source: RRBs reports on trend and progress of banking in India 2010

Increase incompetency of the staff, management quality, supports from sponsor banks and National Bank for Agriculture and Rural Development through refinancing at reasonable rates, comparatively large share of low cost deposits (current accounts, savings accounts, or CASA), lower operational costs, expertise acquired in asset management over time, effective investment management etc., were instrumental in the growth in net profit. RRBs are now allowed to do para-banking activities such as life and non-life insurance business, helping them increase their non-interest income. Additionally, increased computerization of RRBs, including introduction of core banking solution in some RRBs has resulted in reduced operational expenses. The total business of KVGB, which was around Rs 3,000 crore during its formation in 2005, crossed Rs 8,000 crore in 2009-10. The bank recorded a net profit of Rs 72.14 crore in 2009-10.

NPA MANAGEMENT GETS BETTER

RRBs seem to have better non-performing assets (NPA) management with net NPA coming down every year after the amalgamation. In 2005-06, the net NPA stood at 3.96 per cent. It declined to 1.98 per cent in 2008-09. For better NPA management, RRBs are concentrating on rural credit, and the major portion of this is agricultural credit. The average size of a loan account is low and in certain RRBs, it is as low as Rs 50,000. Credit risk is thus well spread over several accounts, unlike commercial banks where the size of the loan account is much bigger and risk is more. RRBs keep good rapport and liaison with rural borrowers and the follow-up of advances is effective. Problems of the borrowers are addressed promptly and remedial steps are taken timely. Rural borrowers are more amicable, and they accept RRBs as 'friend, philosopher and guide'.

CASA PERFORMANCE BETTER

For RRBs, the ratio of low-cost deposits to the total deposits continues to remain above their big brothers. However, the share of CASA has also witnessed gradual decline in the recent years. RRBs that managed to mobilize 61.21 per cent of CASA of total deposits in 2006-07 could not continue that further. In 2009-10, the share of CASA was at 57.9 per cent. They can take solace in the fact that their CASA share is more than that of their sponsoring public sector banks. The RRBs that managed to mobilize around Rs 38,233 crore in their savings accounts in 2005-06 took it to the level of Rs 75,906 crore in 2009-10. Experts felt that being the bankers for the villagers has helped RRBs garner more CASA than the commercial banks.

AGRICULTURE ADVANCES RATIO

The Report on Trend and Progress of Banking in India 2009-10 is concerned the share of agricultural credit from RRBs, was on a decline in the recent years. While agricultural credit to total credit was 54.2 per cent in 2005-06 it increased to just 54.8 per cent in 2009-10. Considering the increase in the volume of business over the years, this appears to be a bit low. Although, RRBs managed to take this share to 56.6 per cent in 2006-07, that did not continue for long. RRBs are extending loans to non-agricultural sector in rural areas also. They are broad-basing their credit pattern. Malaprabha Grameen Bank went ahead to finance vehicles for rural transport system. Financing of vehicles for rural transportation helped villagers, as they sold their produce in urban areas. On the return journey, they would bring items required by the villagers and sell them at their door steps.

WAGE BILL

The component of wage bill in the expenditure of RRBs continues to increase with every year. While wage bills stood at Rs 1,848 crore in 2005-06, it reached Rs 2,646 crore in 2009-10. The reduction in number of RRBs has not resulted in any sudden reduction in staff strength since there was no termination of services of

employees after amalgamation. Unlike commercial banks no voluntary retirement schemes were introduced in RRBs. Earlier, the wages RRB staffs were not on par with that of officers and employees of commercial bank/public sector banks. The wage revision effected in commercial/public sector banks is now extended to RRB staff also. There has been substantial increase in dearness allowance component, which has also contributed towards the increased wage bill. It is believed that passion for working in rural banks is the most important factor that drives efficient working in RRBs. Employees coming to the RRBs on deputation from the sponsor banks should have inclination for working in those banks and be partners in progress. In most cases, nearly 90 per cent staff at the RRBs is locals having better contact in their areas of operation. This is also essential for the successful running of an RRB. This builds team spirit among staff members.

MAJOR OBSERVATION

1. RRBs were established "with a view to developing the rural economy by providing, for the purpose of development of agriculture, trade, commerce, industry and other productive activities in the rural areas, credit and other facilities, particularly to small and marginal farmers, agricultural laborers, artisans and small entrepreneurs, and for matters connected therewith and incidental thereto"(RRBs Act, 1976).
2. RRBs alone have organized roughly 12 lakh self-help groups, 45 per cent of the total self-help groups in the country. RRBs have also issued over 40 lakh Kisan Credit Cards to the farmers and organized over 5,000 out of 11,000 farmers' clubs under NABARD scheme.
3. Lack of a single owner with clear ownership and control, and no prospects for profits, diffused accountability and weakened oversight of the RRBs.
4. Though the growth in credit when seen in isolation gives an impression of the impressive strides made by RRBs in disbursing credit, they account for a very small proportion (around 3 per cent) of the total assets of the Indian banking sector, despite their significant branch network.
5. While C-D ratio for 50 RRBs was more than 60 per cent that for 87 banks was less than 40 per cent in March 2004.
6. Specifically, the sponsor bank contributes thirty-five per cent of issued capital of a RRB, appoints its chairman, advises on decisions regarding investments, monitor its progress and suggest corrective measures to be taken by the RRB.
7. The Government of India (Ministry of Finance) issued nine notifications on September 12, 2005 for amalgamation of 28 RRBs into nine new RRBs sponsored by nine banks in six States. These amalgamations have become effective from September 12, 2005.
8. After amalgamation, RRBs transformation has resulted in a 200 per cent increase in net profits, a 100 per cent increase in business, a gradual reduction in the number of loss-making banks and addition of 1,000 outlets. All this has been because of consolidation among RRBs. The Central government initiated the process of amalgamating RRBs in September, 2005. Then there were 196 RRBs.
9. At the end of the last fiscal 2009-10, the number of branches reached 15,475 as against 14,489 in 2005-06. Amalgamation and reduction of number resulted in rationalization to a great extent. This helped merge the weak RRBs with the stronger ones.
10. The amalgamation of different RRBs of the same sponsor bank in a State helped the combined entity increase business and profits and also RRBs were permitted to open branches at taluk headquarters.
11. RRBs seem to have better Non-Performing Assets (NPA) management with net NPA coming down every year after the amalgamation. In 2005-06, the net NPA stood at 3.96 per cent. It declined to 1.98 per in 2008-09.
12. It is proved that being the bankers for the villagers has helped RRBs garner more CASA than the commercial banks.
13. RRBs are extending loans to non-agricultural sector in rural areas also. They are broad-basing their credit pattern. Malaprabha Grameen Bank went ahead to finance vehicles for rural transport system. Financing of vehicles for rural transportation helped villagers, as they sold their produce in urban areas.
14. The reduction in number of RRBs has not resulted in any sudden reduction in staff strength since there was no termination of services of employees after amalgamation. Unlike commercial banks no voluntary retirement schemes were introduced in RRBs.

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MANAGEMENT BY OBJECTIVES (MBO): A RATIONAL MODEL FOR STRESS MANAGEMENT

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ABSTRACT

The term stress is not a new phenomenon. Now a days, the stress is a part of everybody's life. On the other hand, the job/work related stress is the psycho-physiological response to excessive emotional challenges occurred in an organization. Due to rapid globalization of production and marketing activities across the globe, the workers are tend to work with stress, live with stress and die with stress. The target pressure will tempt the superiors to go with stress and now a days it is the passion of the present managers also. As a result, the stress will become a part of work. Therefore, the organization and its system is the main transformer of stress rather than the workers themselves. The paper analysis how the modern enterprises ought to carry out MBO process to manage the stress rationally.

KEYWORDS

Stress, objectives, mission, management.

INTRODUCTION

Stress in the work place is continues to be a major concern in modern days. The job or work related stress is the phyco-physiological response to excessive emotional challenges. With reference to the business organization, "Management" as per Harold Koontz refers to "the art of getting things done through others". But, getting things done through others by creating stress among the subordinates is the passion of the present managers. In order to achieve the unreachable targets fixed by the top level management, the subordinates are need to work on a war-footing manner. As a result of this, workers are liable to adopt the stress in their work life inevitably. Moreover, the modern business organizations are expecting all the executives to work in this manner. Due to rapid globalization of production and marketing activities across the globe, the subordinates are tend to "work with stress, live with stress and die with stress".

Indeed, the structure, mission, vision and objectives of the organization will pave the way for the development of stress. It means that the organization and its system is the major transformer of stress compared to the other factors.

STATEMENT OF THE PROBLEM

Stress is not only confined to workers at lower level. It is spread throughout the unit/industry irrespective of level of management. In fact, work related stress needs to be managed by all executives. Conversion of stress into positive manner is need of the hour. The present competitive environment enforces executives at all levels to meet their individual targets with stress. Therefore, analysis and evaluation of stress at initial stage at all levels of management is inevitable in the present context. Thus, the vision, mission and targets of the organisation also contribute for the development of stress at all levels. In this direction, an effort is being made to assess the work related stress and its effects on various levels of management.

LITERATURE REVIEW

Eminent Behavioural Scientist Stephen **Robins (2008)** defined, stress as "a dynamic condition in which an individual is confronted with an opportunity, constraint or demand related to which he or she desires and for which the outcome is perceived to be both in certain and important". Apart from the educational background, work related problems like family support, addiction to alcohol also plays an important role in increase or decrease in occupational stress (Michailidis M & Georgion Y) (2005).

According to **Sridhar Rao (2006)**, "Stress is a perceived state of disturbed harmony (homeostasis) produced by a stimuli condition or event called stressor. The disturbance results from the person's inability to meet the threats posed by the stressor or from his inadequacy to satisfy the demands imposed by it".

Kumar (2006) has conducted a study on Job Stress on nationalized and Non-nationalized Banks, the study has ended with a novel conclusion that, workload pressure, role of authority, support of the executives and stress created by the co-workers decides the level of job/work related stress. This stress variation is more among non-nationalised employees against nationalized bank employees.

Usha & Geetha (2010) have attempted to identify the factors responsible for high stress among working women. The discriminate analysis was used in the study to identify the variables that distinguish the high stress from those of low stress respondents. The study has concentrated on three types of women working in odd hours.

Menon (2010) has conducted a study of stress in employees of selected banks in Mumbai. The study is particularly focusing on the job stress at work place and recession. The author has observed the correlation between stress management and stress. The important observation made in the study is that stress management techniques and job satisfaction has showed that absence of stress management measures has not affected job satisfaction of employees. However, there is a positive correlation between male employees and job working hours. This shows that male employees are satisfied with working hours as compared to female employees. At the end, the study has suggested the employers to go with certain measures to curb work related stress such as organization of regular stress reducing sessions like yoga, meditation, regular feedback from employees on job related aspects. At the end, the study has disclosed a novel suggestion that the positive outlook towards life is the ultimate solution for stress management.

Singh and Datta (2011) have observed the level of stress among the employees working in banking sector. The study has suggested certain measures to control at work such as proper selection and training, wellness programmes, equitable performance appraisal, employee assistance programmes, etc.

OBJECTIVES OF THE STUDY

The following objectives have been set for the present study:

1. To know the nature of work related stress in the organisation.
2. To assess the impact of work related stress on job, and
3. To analyze the Management By Objectives process – a management method to curb the job stress.

METHODOLOGY

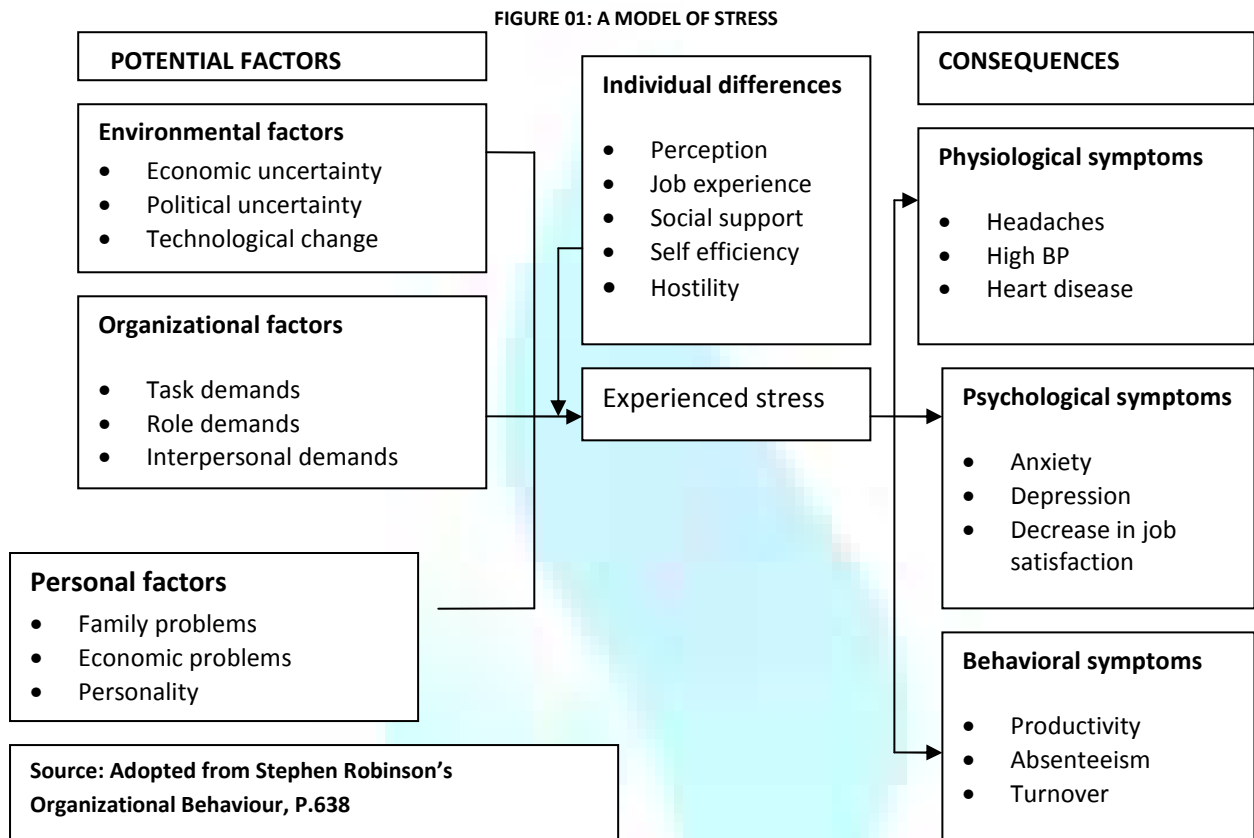
The secondary data in a published form in various forms is used to trace the reasons for work related stress and to analyze the MBO process as a rational model for stress management.

DEFINITION

In another way, it is to be said that the “stress is not necessarily bad in and of itself”. Although stress is typically discussed in a negative context, it also has a positive value. Thus stress may be positive or negative, as studied by Baltiwala, (1990) it may be both a friend and a foe. Seyle (1956) has stated if “stress is not necessarily something bad it all depends on how you take it. The stress of exhilarating, creative, successful work is beneficial while that of failure, humiliation or infection is detrimental”. For example, many professionals see the pressures of heavy workloads and deadlines as positive challenges that enhance the quality of their work and the satisfaction they get from their job.

MODEL OF STRESS

There are number of elements influence on worker. It may be the collective of many factors. Normally, (as stated in figure: 01) the factors like environmental, organizational and personal factors will pave the way for more stress.



THE STRESSORS

1. ENVIRONMENTAL FACTORS

The environmental threats are out of the control of the organizational members. Therefore, the reasons like economic, political and technological reasons certainly affects on individual life. Particularly, the technological changes will bring more stress for unskilled and semiskilled employees.

2. ORGANIZATIONAL FACTORS

The organizational factors are the results of the decisions of the executives. Pressure to work hard, pressure to complete the work within a deadline; non-cooperative co-workers are few examples under which the worker needs to spend their more time.

3. PERSONAL FACTORS

Personal factors are rather more dangerous issues which affects on the behavior of a worker. For example, family problems, economic and socio conditions of the employee and similar factors affect on individual's life intern on the productivity of the firm. Utmost care should be taken to keep away personal problems from the organizational problems because, the organizational problems are routine in nature.

4. INDIVIDUAL DIFFERENCES

Future plans of the organization with regard to layoffs, job redesigning, personal biases will cause stress on the workers. Since, the perception about the firm varies from individual to individual. The consequences of stress can be observed mainly under three heads, namely, physiological, psychological and behavioral. The employee suffering from stress will always wants to away from the risky jobs, wants to escape from the responsibility and wants to avail more leaves. His contribution to the organizational productivity will drastically decrease. He always wants to concentrate on his personal problems rather than the organizational. More importantly, even the moderate stress is also need to be resolved initially. The other causes for the stress including the structure of the organization, system of the hierarchy prevailing in the organization, schemes for employee benefits, non-recognition for his dedication etc.

STRESS MANAGEMENT

In order to carry out the tasks efficiently and effectively within a stipulated time period, the stress occurred at all levels need to be managed properly. But, the thing is how the employee perceives even a small amount of stress in a positive manner is important. Most of the business organizations will have their own stress coping strategies. The techniques and strategies of one company to manage stress may be designed on the basis of the stress factors prevailing in that organization. Therefore, the stress coping strategies may vary from firm to firm and individual to individual. Here, an organizational arrangement plays an important role in managing the stress.

Based on the organizational and individual limitations, most of the firms will have the following joint and collective methods to manage stress.

- Meditation programs
- Time management programs
- Physical fitness programs
- Social support programs

- Training programs
- Team building programs
- Wellness programs
- Career counseling

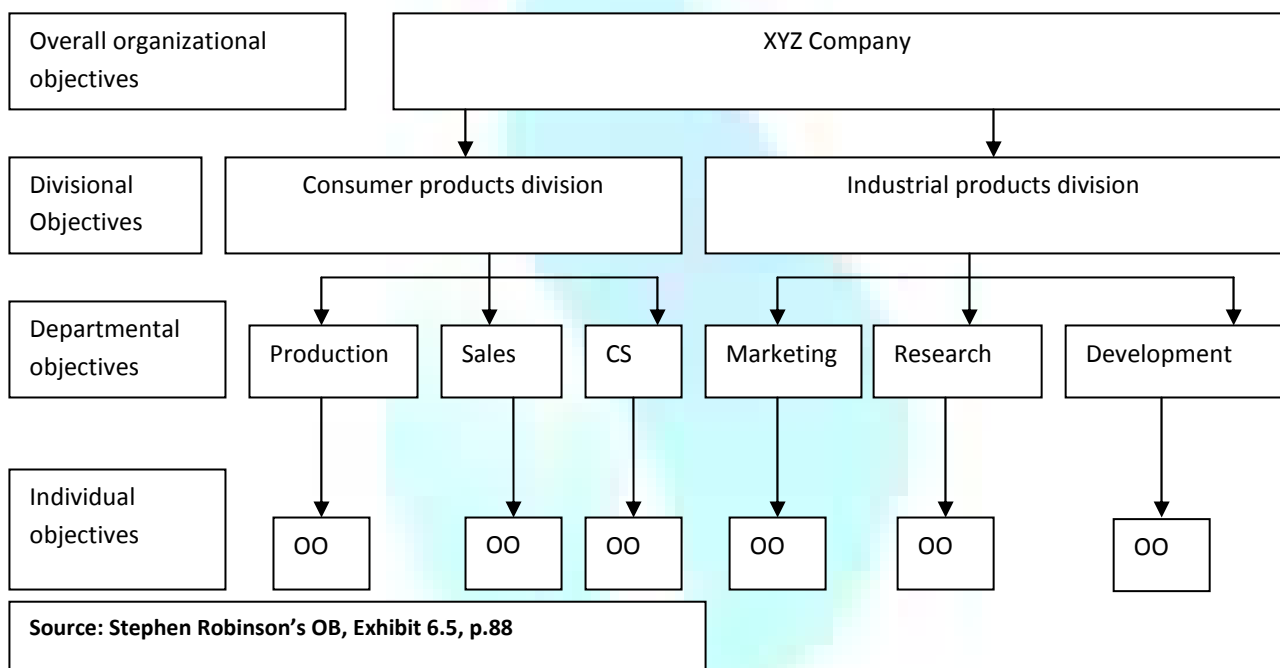
As we told in the earlier section, that the organizational system and environmental is the major element cause for stress, therefore, the organizational members need to frame certain strategies at their level. Most of the firms will go for the following methods as organizational exercises which focus on individual worker.

- Changes in working environment
- Redesigning of jobs
- Redefining dead lines
- Redefining workloads
- Changes in work schedules
- Management By Objectives (MBO)- A goal setting programme
- Workers participation in management

Among all these, MBO has its own importance in curbing the work related stress.

Workers participation in management allows individuals to take part in decision making process. So that there is a greater sense of control over their jobs. When the worker is allowed to take part in the managerial decisions, naturally sense of belongingness, self confidence will improves and he will get motivated automatically. And such employees always think in favor of the organization. When the decisions and targets are transparent and well-known to the organizational members, naturally, such firm will face minimum problems in respect of employees with de-motivation factors. Among others things, allocation of objectives among the organizational members is very important. Before, going for analyzing the process of MBO in detail, let us glance on the division of objectives among all level of management. (Fig: 02)

FIGURE 02: CASCADING OF OBJECTIVES

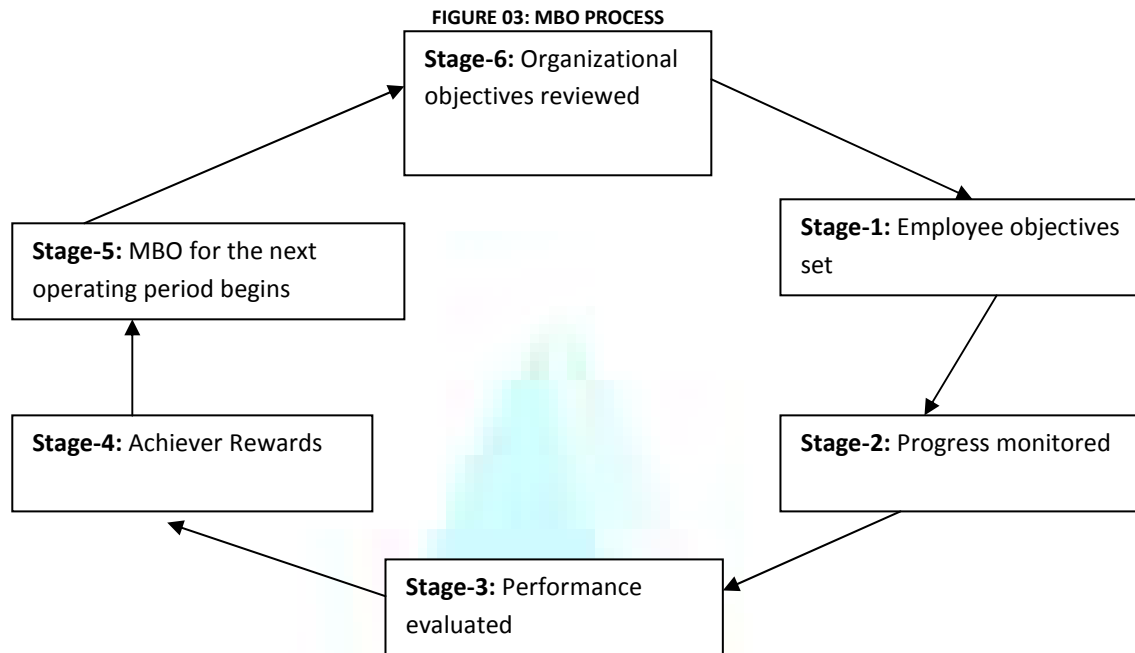


Among the stress coping strategies under the organizational approaches, Management By Objective has its own importance. MBO will help to manage the stress for three layers of employees in the organization viz. Top level management, low level management and middle level management. MBO has been accepted as one of the most successful approaches to management to date. The term "Management By Objectives (MBO)" was introduced by Peter Drucker. Management By Objectives is a process of setting mutually agree upon goals between management and employees and using those goals to evaluate the employee performance (Stephen Robinson, 2009) Management By Objectives emphasizes participative set goals that are tangible, verifiable and measurable.

In order to carry out the MBO process systematically, the following prerequisites are required to follow.

1. Support from Management at all levels
2. Top executives should create commitment and involvement atmosphere for subordinates
3. MBO requires a proper training and orientation for those who resist change
4. Adequate time and resources needs to be provided by the top executives
5. A timely feedback and counseling are the mandatory for the success of MBO
6. Active participation from all participants is essential.
7. The participants should recognize the importance of MBO for stress management.

THE PROCESS OF MBO IS AS UNDER



MBO works on both the ends “bottom up and top down”. Therefore, in this process, the targeted and specific target and specific persons will try to meet their goals on their own and intern tries to reduce work related stress at their level. MBO checks the validity of objectives by using SMART method:

- S -Specific
- M -Measurable
- A - Achievable
- R -Reasonable
- T -Time related

STRESS COPING STRATEGY UNDER MBO AT VARIOUS LEVELS OF MANAGEMENT

As we told in the earlier sections, in the organizational development process, every member is responsible for target achievements. Since, goals are being divided among all members. Thus, the members at all layers will strive to minimize the stress at three levels as stated below:

Sl.No.	Level of management	Risk areas	Areas to be attended	Solution in MBO (As a stress minimizing method)
01	Operational	<ul style="list-style-type: none"> • Deadline • Target pressure 	<ul style="list-style-type: none"> • Time concept • Quantity concept 	<ul style="list-style-type: none"> • Goals /targets will set in consultation with the concerned persons. • Time factor and Quantity targets will be clarified initially with mutual agreements • More scope for self evaluation
02.	Middle level	<ul style="list-style-type: none"> • Communication • Controlling • Periodic appraisal of work and workers 	<ul style="list-style-type: none"> • Monitoring the progress • Performance evaluation • Appreciation • Evaluation of work 	<ul style="list-style-type: none"> • Little role • Individuals aware their limitations • Two way communication between and among workers • Easy for assessment of mutually targeted goals and workers.
03	Top level	<ul style="list-style-type: none"> • Delegation • Decentralization • Integration of individual Performance with organizational goals • Pressure of achieving goals during specific time period 	<ul style="list-style-type: none"> • Planning • Motivation • Personality development of the employees • controlling 	<ul style="list-style-type: none"> • Departmental goals are being divided on hierarchical basis. • It is self-motivation process. Each member will enjoy under this process. • High targets will be fixed to make them more self sufficient • Concentrate on only mutually agreed and accepted targets

MBO- A RATIONAL MODEL FOR STRESS MANAGEMENT: AN ASSESSMENT

In case of **operational level**, the risk factors to be attended are target pressures and deadline pressures. The employees in the operational level are the major victims for stress. Therefore, fixation of measurable goals will hold them to concentrate on committed goals. Even, the time factor is also being decided on the basis of mutual agreement. Therefore, in this stage, there is more scope for self evaluation. Thus, the individuals can know their limitations. It enables to evaluate themselves with regard to their level of acceptance of goals and thus they can become the stress curbing tools. Individuals perform better their jobs in more meaningful way when they have targeted goals.

Middle level layer links the executives working in top and bottom layer. Their important tasks include monitoring the work of the subordinates, appreciation, evaluation of work. As the subordinates are well aware about their goals and targets, a mutual communication between the co-workers will help to resolve the work related problems.

Whereas, in case of **top level management**, the issues like planning, motivation, and personality development among the employees are the crucial areas to be monitored cautiously. As the departmental goals are being divided among the organizational members systematically, the top level executives can divert their attention on other issues which attracts strategic solution. Even the high targets in the process will help to the operational level employees to become self sufficient.

Since, the entire system of MBO is based on mutually set, verifiable objectives, each individual can get clarifications at their level without an extra effort. A lot of scope is there for all the concerned to get out of stress. The identification of the status of stress need to be a primary objective of the concerned executives. The

executives can minimize the stress even at the time of recruiting the employees for the organization. The rigid organizational system could make employees demanding more and intern lead to stress. On the other hand, making performance indexes, an extra caution is needed. Because through over ambitious performance index, an employee will be pressurized to achieve the targets. Therefore, every employee in the organization would feel stress one or the other way. But, what is important is how best we are converting the stress into positive drive.

RESULTS

Results out of this discussion are:

1. Fixation of measurable goals will reduce conflicts between the superiors and subordinates.
2. Better delegation will keep both the executives as well as subordinates happy.
3. Participation of subordinates in goal setting will bring harmony among the participants.
4. Measurable goals set in participative manner will reduce the stress.

CONCLUSION

Primarily, the stress is it is to be managed with a proper plan at the workers level. Among the others, the organizational factors like fixation of achievable goals in consultation with the stakeholders through a goal setting mechanism will hold the workers from getting stress.

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A STUDY ON INFLUENCING FACTORS IMPACTING CONSUMERS FOOD CHOICE WITH REFERENCE TO READY-TO-EAT SEGMENT IN SOUTHERN INDIA

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ABSTRACT

The purpose of this study is to explore and study the determinants (demographics and psychographics) impacting consumers food choice towards Ready-to-eat in southern India. Food choice variables have been explored using literature reviews and exploratory survey of young consumers in the age group of 20-40. Data obtained from the reliable sources (e.g. the World Health Organisation, Euromonitor International and Datamonitor International) has been used to study the implications of consumer food choice and growing trend towards Ready-to-eat food. Based on literature reviews and exploratory surveys, the key determinants impacting consumers food choice are lifestyle modifications, socialize, quick cooking and taste for school and college goers and convenience for dual-income families in urban India. Findings indicate that Ready-to-eat segment companies can no longer rely on convenience as USP in India, unless the implications of same on consumers health is given equal importance in the years to come. Data obtained from the convenience sample and literature reviews has been generalized for inferring consumption patterns of Indian consumers (population). This study focus on growing trends towards Ready-to-eat food due to lifestyle pressure and dual income in India and also entry of multinational companies in food sector. This paper focus on determining a food choice model in wake of changing food and eating habits in India, using literature reviews, exploratory surveys and reliable data sources.

KEYWORDS

Ready-to-eat, Consumer food choice variables, implications, organic food.

INTRODUCTION

Sixty three years after independence, Indian lifestyle has undergone many changes. Food and taste habits are no exception to this. Indian households today welcome food with convenience in cooking and purchase. The food corporates have been very successful in replacing fresh and healthy food from consumer's diet with Ready-to-eat or processed food. According to the English Dictionary "Ready-to-eat is a type of meal that is often preprepared and served quickly. According to Merriam-Webster online dictionary Ready-to-eat is "designed for ready availability, use, or consumption and with little consideration given to quality or significance". In data Monitor's (2005) survey the Ready-to-eat market is defined as the sale of food and drinks for immediate consumption either in packed form or cup model.

Ready-to-eat has become one of the fastest growing industries in world as well in India over the years. However, with rising global obesity, there has been a gradual demand for the food that is neither processed nor produced using genetically modified organisms.

Consequently, ethical consumerism involving human health, animal welfare, environmental safety and ethical trade worldwide, more so in the west has silently traced a market for fresh, organic and vegetarian food. Organic food is perceived as food without "chemicals" and "growth hormones", food that is "not intensively" produced and is grown as "natural" (Soil Association, 2000; Makatouni, 1999; Davies et al, 1995). The share of organic food sales amounts to 1-2% of the total world food market (Pazur, 2002). Western Europe is the largest regional market for packaged organic food. The market for organic foods is still in the embryonic stage in the most developing economies like India and China and is negligible in Africa and Middle East. Excellent analyses, published by international nongovernmental organizations in western countries has given insights on consumers food choice and healthy eating. However, there is a huge literature gap on consumers food preferences and its implications on health in Indian context. This study is an effort to explore consumer food choice variables in the wake of changing food and eating habits, its implications on health and a growing trend towards ready-to-eat in Indian context.

METHODOLOGY

The study is basically an exploratory research to give an insight into the determinants of consumer food choices for Ready-to-eat. An empirical investigation has been done to study the implications of Ready-to-eat consumption on health and healthy eating habits of the consumers using reliable data sources. The research has been carried out in two stages. In stage I, literature review has been done to study variables impacting consumers food choice worldwide, more precisely in India. In depth interviews have been done using demographic variables like age, income, education, profession, gender, stage in family life cycle and psychographic variables like changing lifestyles and activities. An exploratory questionnaire has been designed on parameters concerning food choice and a consumer survey has been conducted to study the extent to which consumer demographics and consumer psychographics has an impact on Ready-to-eat choice. Data obtained from the convenience sample and literature reviews has been generalized for inferring consumption patterns of Indian consumers (population). Young consumers in the age group of 20-40 from Bangalore, Chennai, Pondy-cherry, Trivandram, frequently buying the Ready-to-eat products, like MTR, Nestle, ITC, Haldirams, Pepsico, Amul and many others represent the population of interest. This segment of population has been collected keeping in view the difference in food choice behaviour exhibited by school and college going children and families with and without dual incomes towards eating ready-to-cook food from home according to the amount of work pressure and adoption of western life-styles. The criteria of stratification is demographic variables-age, income, education gender and stage in family life cycle and psychographic variables-sedentary lifestyles, activities, interest and opinion have also been used. Sample of size 100 has been used.

LITERATURE REVIEW

Veek (1997) in her research "Changing Tastes: Purchase Choice in Urban China" has investigated food purchase behaviour on the basis of ten-month period of field study in Nanjing, China wherein the adoption of time related food purchase behaviour was studied including use of processed food, restaurant use and frequency of food shopping trips. The objectives of the study was to examine why and how food purchase choice changes in rapidly growing economy. Food

purchase behaviour are examined as part of a "cultural ideology," which, while influenced by material and social needs, relies more on history, habit, inertia, and an aesthetic sensibility to shape consumption patterns.

Nelson (1992) in his research titled "A model of factors affecting consumer decision making regarding food products: A case study of United States and Japan" examined there are many factors like values, eating habits, family structure, tastes and preferences affecting consumer food choice decision making between the countries and even within countries. Multiple regression model has been developed using meat expenditure and cereal expenditure as independent variables and age, average number of earners, female participation as dependent variables. Results have indicated that age is not a significant factor in predicting meat or cereal expenditure in United States. Average number of earners is not significant in predicting meat expenditure in Japan, but was significant in cereal expenditures. Female participation in labor force (US) was marginally significant in predicting meat and cereal expenditures.

Cullen (1994) in his work, titled "Time, Tastes and Technology: the economic evolution of eating out" interpreted that the increasing americanisation of eating out has traced a culture of Ready-to-eat and snacking, giving more importance to convenience and eating out behaviour. Christopher (1994) in his study "A taste of tomorrow's food" has analysed the significance of fusion cuisines in the times ahead. Further to this Brian (2000) in his research work, titled "The taste of tomorrow: Globalisation is coming home to dinner" has indicated that the food of tomorrow will include international dishes and fusion cuisines, blending many national cuisines. Kitchens will disappear from many homes in the future and the concept of purchasing food, with no wish to cook food at all will come. Alternative theories of globalization are examined to determine how food choices are influenced by global forces.

Stephens, M. Pollard and Wardle (1995) in their research work, titled "Development of a Measure of the Motives underlying the selection of food: the Food Choice Questionnaire" have developed a food choice questionnaire using Factor Analysis of responses from a sample of 358 adults ranging in age from 18-87 years. The authors have determined Health, mood, convenience, sensory appeal, natural content, price, weight control, familiarity and ethical concern as the prime motives of food choice and have also evaluated the differences in these motives with respect to sex, age and income.

Binkley (2006) in his research titled "The effect of demographic, economic and nutrition factors on frequency of food away from home" has used a model explaining visits to table service and Ready-to-eat restaurants that are estimated with nutrition variables added to standard demographic measures, wherein nutrition factors have less impact on table service. However the frequency of consumers very conscious of nutrition factors is significantly very less to table service and Ready-to-eat restaurants vis-a-vis others. Manchester and Clauson (1995) in their work titled "1994 Spending for Food Away from Home outpaces Food at Home" have analysed how food expenditure has significantly increased on eating out. Nayga and Capps (1986-1998) in their study titled "Determinants of Food away From Home Consumption: An Update" identified several socio economic and demographic characteristics of individuals who have consumed food away from home using 1987-1988 national food consumption survey. The analysis was performed using logit analysis. The significant characteristics have been race, ethnicity, employment status, food stamp participation, seasonality, household size, age, income and frequency of consumption.

Jackson and McDaniel (1985) in their research, titled "food shopping and preparation: psychographic differences of working wives and housewives" explores various psychographic characteristics exhibited by working wives as opposed to housewives in food shopping and food preparation by comparing responses of 246 working wives and 181 housewives to several food shopping and preparation related psychographic statements. Results have revealed that working wives have a greater dislike for food shopping and cooking and also exhibited a tendency to be less concerned with the impact of their food shopping and preparation activities on other family members vis a vis non working wives.

Roberts and Wortzel (1979) in their study, titled "New Life-style determinants of women's food shopping behaviour" have used life-style variables as predictors of food shopping behaviour. It has been concluded that women's participation in the labour force have significantly focused attention on changing life-styles and consumption patterns. Schroder and McEachern (2005) in their research, titled "Ready-to-eats and ethical consumer value: a focus on McDonald's and KFC" aims to investigate the effect of communicating corporate social responsibility (CSR) initiatives to young consumers in the UK on their fast-food purchasing with reference to McDonald's and Kentucky Fried Chicken (KFC). It has been concluded by the authors that Ready-to-eat has been perceived as convenient but unhealthy and therefore Ready-to-eat companies can no longer rely on convenience as USP unless the implications of same on consumers health is given equal importance.

Lowell (2004) in his work, "The food industry and its impact on increasing global obesity: a case study" has looked at the current crisis which is set to engulf both the developed and developing world using a variety of reliable sources like WHO (World health organization) and IOTF (International obesity task force). The author has plotted the global increase in obesity over the last two decades and points out the problems associated with childhood, adolescent and adult obesity with growing liking for Ready-to-eat and snacking. The author has also pointed a finger at the food industry particularly the "fast-food industry", which over the few decades has perfected various marketing techniques which have been designed to make us eat more food (supersizing) and targeting more on schools and children.

Despite huge obesity epidemic, fat consumption however is very high in the western world and is increasing in countries undergoing industrial development (Lands et al., 1990; Trichopoulou & Efstathiadis, 1989). A lot of international research on changing consumption patterns and its impact on the western world has revealed that there is a relationship between the consumption of food, particularly Ready-to-eat and the state of obesity. According to the US National Bureau of Economic Research 65% of obesity is caused by Ready-to-eat and snacks.

Jones & Sheers, Hiliier, Comfort and Lowell (2003) in a study titled, "Return to traditional values? A case study of slow food" outlines the origin of slow food and the challenges involved in pointing a finger at deeply rooted Ready-to-eat industry for global obesity.

According to the report of Euromonitor International IMIS database "The Changing Face of Eating Habits" Obesity has become a major global problem with changing food and eating habits and therefore a trend towards vegetarianism and organic food has come seen more in western countries. Ethical consumerism has become an issue in developed countries, as the media increasingly highlights issues of exploitation, food safety and environmental concerns.

Organic food consumption is expected to grow significantly in future. Western Europe is the largest regional market for packaged organic food. The leading markets for organic packaged foods in Western Europe are Germany, UK and Italy, with estimated sales of US \$1.9 billion, US\$1.6 billion and US\$1.5 billion respectively. The market for organic foods is still in the embryonic stage in the most developing economies like India and China and is negligible in Africa and Middle East. Many empirical studies on consumer perceptions towards organic food in UK, USA, Spain, Australia, Croatia, Greece and many more across the globe concludes gradual switchover of consumer demand from Ready-to-eat and processed to slow food and organic food.

Regmi and Dyck in their study titled, "Effects of Urbanization on Global Food Demand" have analysed how urbanization accompanied by economic development and income growth has not just drastically impacted consumption patterns in developed countries but significantly impacting developing countries as well. Huang and Howarth (1996) in their research titled "Structural Changes in the Demand for Food in Asia" have projected that Asian countries are undergoing transformations in their economies backed by rapid urbanization and this trend would continue in the years to come.

As a result changes in tastes and lifestyles backed by urban living will significantly impact food demand and consumption patterns. Goyal and Singh (2007) in their research work, titled "Consumer Perceptions about Ready-to-eat in India: an exploratory study" have explored that the young Indian consumer has passion for visiting Ready-to-eat outlets for fun and change but they feel that home made food is better than convenience Ready-to-eat. Their findings have revealed that consumer acceptability for Ready-to-eat in the future would be decided only by the quality of food and customer service.

According to the findings of the latest on-line survey from ACNielsen 96% of the urban Indian consumes food from take-away restaurants once a month and 37% of this is adult Indian consumers doing so at least once a week making India one of the top ten countries amongst 28 surveyed across the globe in terms of frequency of eating Ready-to-eat. Nichanjan (2005) in her article "Urbanities in India junk health, turn Ready-to-eat" describes how changing lifestyle and work habits decides consumers food choice for Ready-to-eat. India has become one of the most promising markets for the international food manufacturing and retailing sector. According to Delhi Diabetes Research center, there are 33 million people with diabetes and India is forecast to have 75 million people with diabetes by 2025.

According to the WHO, India has been dubbed as Diabetic capital of the world with 37 million diabetics out of 150 million diabetics in the world. Raghavan (2003) in his research, titled "Food in a Globalised World" has concluded that food is a means of life but it has become meaningful investment for business. There is huge gap in food and health related research in Indian context despite obesity almost being an epidemic in metropolitan cities like Delhi, Mumbai,

Bangalore, Kolkata and gradually rising in other urban areas too. It is an attempt of mine to analyse in Indian context the determinants and implications of consumers food choice particularly towards Ready-to-eat and discussing policy implications for the same.

OBJECTIVES OF THE STUDY

In view of changing food and eating habits in India and its implications on health and healthy eating among the consumers, the key objectives of my study are:

1. To assess the factors influencing ready to eat food choices among consumers.
2. To find out the influence of western culture in making decisions of ready-to-eat products.
3. To study the implications of consumer food choice for Ready-to-eat on health and healthy eating.

THE READY-TO-EAT INDUSTRY IN INDIA AND CONSUMERS FOOD CHOICE

Indian Ready-to-eat industry has been divided into two main segments-regional Indian Ready-to-eat and the MNC Ready-to-eat. The entry of multinational Ready-to-eat giants such as McDonald's, Pizza Huts, Domino's, US Pizza, Kentucky Fried Chicken (KFC), etc. have brought a concept of burgers, pizzas, milkshakes and softdrinks which have been launched into the Indian markets as "Fusion cuisines" and Companies like HLL, ITC, Dabur, Godrej, Pepsico, Amul have pioneered processed food segments.

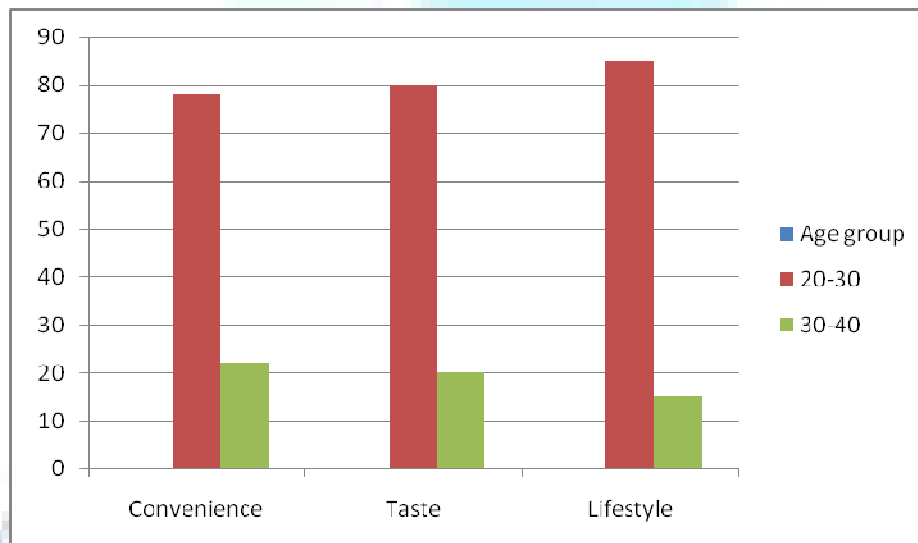
In the society with food combining lifestyle, trend for eating out and food away from home concept has emerged with Indian economy and culture going global in early 90s. Over the years global food giants like McDonald's, KFC, Pizza Huts and many more have been able to construct a huge consumer base in urban India. People now-a-days are cooking less at home and members of the family are often eating out and depending on processed foods for their daily intake due to lifestyle changes. More so, the frequency of eating out and intake of processed food has been rising with relative importance of more snacks, sandwiches, burgers and American-style Ready-to-eat and a relative decline in traditional food and eating habits. This trend is more visible in young consumer. There has also been an increase in take-aways and home deliveries.

Consumers are switching towards modern eating habits. Over 70% of the urban Indians consume food from take-away restaurants once a month or frequently. 24% of the Indians use quality of service as a decision criteria to eat Ready-to-eat and 22% does consider the health hazards associated with Ready-to-eat eating. The promotion strategies of the companies are infact targeting children, youngsters and small families in urban areas. As per ACNielsen's Informal Eating Out (IEO) survey of branded food chains in India, McDonald's was found to be the leader in Ready-to-eat chains. There are food chains like Haldirams, Bengali Sweets and many more in Delhi gradually expanding and competing with multinational Ready-to-eat chains. The local brands developed in India are also gaining a lot of ground such as Baristas and Pizza Corner. Some of the major homegrown Ready-to-eat brands who have successfully adopted western Ready-to-eat model in Indian markets have been HLL, ITC, Dabur, godrej, Pepsico, Amul atterjee's mainline China group, Hot Breads, Sarvana Bhavan and many more. Some of the new entrants in the Ready-to-eat industry being influenced by western Ready-to-eat model have been Amul, Mother Dairy, Nilgiri and many more in the process.

RESULTS AND DISCUSSION

FACTORS INFLUENCING READY-TO-EAT FOOD CHOICES

The below table shows the people in the age group of between 20-30 responded that the key determinants impacting consumers food choice towards ready-to-eat segment are convenience, taste and lifestyle.



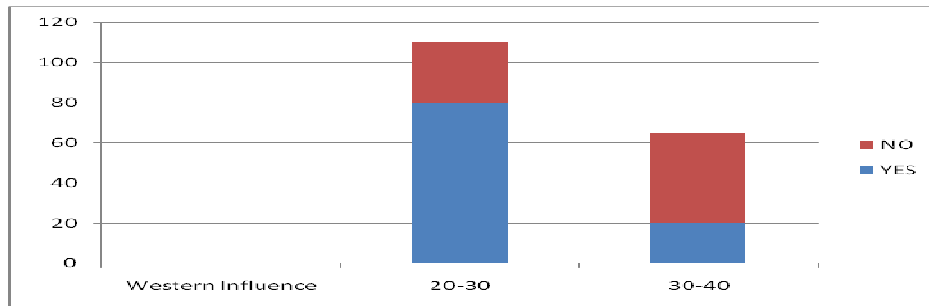
Food choice variables have been explored using literature review and indepth interviews of young consumers in the age group of 20-40, eating Ready-to-eat. The criteria for stratification is demographic variables - age, income, education, profession, gender, stage in family life cycle and psychographic variables - changing life-style and activities. It has been observed that the Indian food sector is teeming with activity. It has been explored that Faster urbanization backed by sedentary lifestyles, rising dual incomes, growing affluence, and independence of young people in modern societies have been driving a gradual change in the food basket.

Globalisation has also influenced the production and processing of food as well as its sales, preparations and consumption. Consumers around the world now find in their supermarkets the same food produced by the same corporates. The concept of processed food consuming less preparation time came much later with the coming of multinantional food chains in the post liberalization period in early 90's. And this brought a culture of convenience food in India. With convenience food came "Ready-to-eat culture" targeting youngsters and children with aggressive promos and tasty food. Eating out is perceived as a common way to socialize outside home with friends or a pastime or an outing with family in full service restaurant. People like eating out or purchase Ready-to-eat because it is cheap, convenient, tasty and above all heavily promoted.

The trend towards convenience is well evident in metropolitan cities and gradually seen in urban areas across the country. In a society with food combining lifestyles convenience, prestige, socialization, fun and ambience determines the food choice. Though this food combining lifestyles has not yet eroded in cities and town but does not exist completely as well. This declining traditionality in the food and eating habits with rising incomes and faster urbanization backed by socio economic reasons like reducing household size, increasing proportion of working women and increasing affluence has traced a market for Ready-to-eat culture and eating out. And the Ready-to-eat companies have successfully leveraged the opportunity with changing demographics and consumer's psychographics.

IDENTIFY THE INFLUENCE OF WESTERN CULTURE IN MAKING DECISIONS OF READY-TO-EAT PRODUCTS

The below chart shows that many of in the age group between 20-30 agreed that the western culture influences to buy ready-to-eat food product.

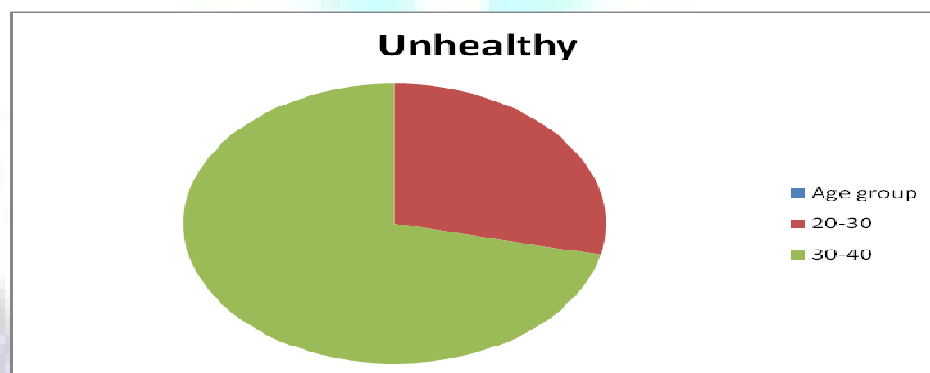
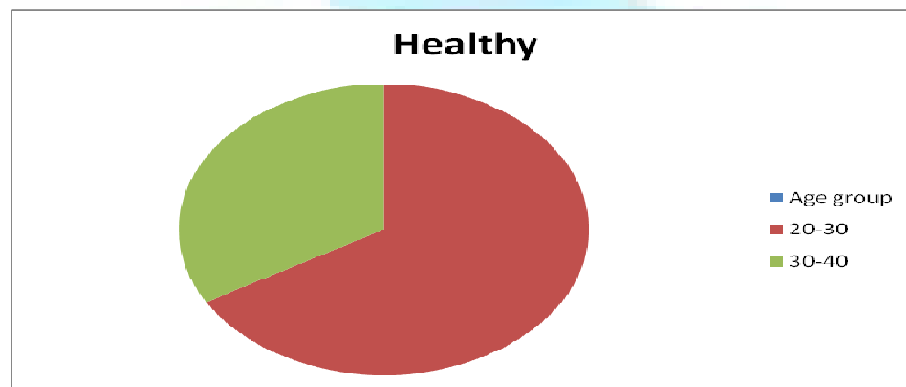


Undoubtedly the Ready-to-eat industry in India has been very successful in promoting fast food culture in India, more precisely in urban India. According to the players in the food industry “The Ready-to-eat industry is the fastest growing industry in India” and will be the world’s largest food factory in the times to come. However,with the faster expansion of Ready-to-eat chains like McDonald’s, KFC, Pizza Huts and others across the country, there has been an extremely rapid change in diet- not just in Delhi, Mumbai, but in smaller towns too. But here a large part of this shift in consumption pattern is driven by Ready-to-eat and the processed food marketers, thereby making people eat more and unhealthy. This is Pro-poor growth. They are currently tapping more than 30 million consumers. This trend towards Ready-to-eat,such as pizzas and burgers,and snacking on “junk foods”,such as confectionary, savoury snacks and carbohydrate drinks have led to consumption of more energy-dense,nutrient poor foods with high levels of sugar and saturated fats. This changing face of food and eating habits combined with reduced physical activity has sparked off epidemics of obesity and other life-style diseases leading to nutritional deficiencies, metabolism disorders, hypertension, diabetes and cardio-vascular diseases.

According to WHO an estimated 25 million Indians have diabetes and this would grow to 57 million by 2025. According to the statistics released by the Government of India tracing statewise health and nutritional status of men and women in India, with respect to BMI (Body Mass Index), year 2007 “Ministry of Health and family Welfare”, one can witness the country with over one billion population, millions of people are struggling hard for one square meal, people from urban, upper and upper middle-class are becoming obese like westerners. Neither of poor or rich is benefited.Policy implications of Ready-to-eat business in India needs immediate attention.Government intervention is required in addressing social dimensions of Ready-to-eat business in India.

READY-TO-EAT CONSUMPTION AND ITS IMPLICATIONS

The below pie-diagram shows the people in the age group of between 20-30 responded that the ready-to-eat product is healthy and people in the age group of between 30-40 are responded unhealthy. (Refer another chart)



For decades, Indian food system has been focusing on fresh fruits and vegetables and imbibing food related lifestyle and culture.Eating home cooked food together in the family after exerting a lot in food purchase and food preparation has been the culture traditionally, whereas today quick meals outside the home have become as an essential part of our lifestyle. Traditional food and eating habits are being destroyed under the guise of modern food and eating habits. Eating out earlier was confined to occasional eating. Whereas now—a-days eating out is a growing phenomena of our changing society. Families now spend more than ever on eating out food away from home according to national survey report.

The matter of concern has been the increasing trend to eat away from the home, and also to use burgers, snacks for nourishment rather than to have set meals. In view of changing food and eating habits,children no longer take lunch-boxes to school and rely more on Ready-to-eat and snacks.These Ready-to-eat chains are pulling out all the stops of modern marketing,targeting primarily children and young consumers.This unbalanced and fat rich food, low in nutritive fibres is leading to obesity in children and is a matter of concern. Recent surveys conducted by Delhi Diabetes Research on 3800 children from over 30 government and private schools reflects that 17% children are overweight and 62% like eating junk food.According to a survey conducted by All India Institute of Medical Sciences 76% of the females in Delhi are suffering from abdominal obesity and the risk of obesity is highest in 20% of the population that consumes 80% of the visible dietary fat.

Nevertheless, Obesity has reached epidemic proportions globally, with more than 1 billion people overweight and at least 300 million of them clinically obese and is a major contributor to the global burden of chronic disease and disability. Obesity and overweight pose a major risk for serious diet-related chronic diseases, including type 2 diabetes, cardiovascular disease, hypertension and stroke, and certain forms of cancer. According to the WHO, US has the world's highest obesity rate, with 34% of the population of over 15 years old recording a BMI of 30 or more in 2005, followed by Saudi Arabia and South Africa. Growing concerns over unhealthy food, fat content, exotic processing has widely addressed significance of food which is produced according to a set of principles and standards concerning food safety and quality. Recent food scares, as well as concern for the environment and animal safety and unethical practices has made consumers more aware of the origins of their food and led to growing demand for organic, vegetarian and additive-free food. According to the recent research on global organic food market segmentation regionwise (Datamonitor, 2008, Global-Food).

Americas global organic food market is leading with 49.10% market share, followed by Europe with 47% of the global organic food market value, revealing a significant trend towards organic food. The contribution of Asia-Pacific has been lowest with merely 4% market share of the global organic food market. The objective of the organic food industry is to bring "Green Consumerism in the Food Industry" and promote natural, additive free, fresh and organic food in the benefit of the consumer health, environment and animal welfare.

CONCLUDING REMARKS ON READY-TO-EAT CONSUMPTION AND ITS IMPLICATIONS

Development is not just expansion of food outlets and changing food and eating habits at the cost of consumer's health. There is a loss of identities in bringing uniform tastes and preferences. As a matter of fact, the country where millions of people are struggling for food, people from upper and upper middle class are becoming obese. Food is a means of life but it has become meaningful investment for business. Social dimensions of globalisation of food business deserve immediate attention. Rising global obesity and ethical consumerism concerning food scares, environment and unethical practices has put up a question mark on corporate social responsibility of food companies. Answer to the same lies in the organic food which is produced according to a set of principles and standards concerning food safety and quality, animal welfare and sustainability. Worldwide change in food and eating habits from processed food and fast to organic food and vegetarianism has forced the food industry to promote organic food. Therefore, organic food industry with a focus on "Green Consumerism" can be seen as a new business paradigm in the years to come in the food trade. Organic food in India is viewed as less harmful and more *saatvik* (promoting spiritual well being), and is expected to grow in importance over the long term. The future direction of consumer's food choice will largely depend on efforts by governments and the consumer awareness for fresh and healthy origin of the food. Policy implications of the Ready-to-eat business in India needs immediate attention.

LIMITATIONS OF THE STUDY

This study is exploratory and has some limitations that however doesn't liquidate the purpose of study. Data obtained from the convenience sample and literature reviews has been generalized for inferring consumption patterns of Indian consumers (population). Young consumers in the age group of 20-40 from Bangalore, Chennai, Pondy, Trivandram, frequently visiting the Ready-to-eat outlets like McDonald's, Nirulas, KFC, Pizza Huts and buying processed food like HLL, PepsiCo, MTR, Haldirams and many others represent the population of interest.

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QUALITY OF WORK LIFE AND ITS RELATION WITH JOB SATISFACTION AMONG INDIAN BANKS

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ABSTRACT

The Quality of Work Life remains commonly considered to be of an individual concern. However recognitions of the impact of QWL on organizational issues, such as labour turnover, absenteeism, low productivity and demotivated work force. In the present dynamic and competitive business environment the growth and survival of the corporate depends upon the trusted and committed work force. Some companies seek to retain their trusted and loyal employees by bringing about change in the attitude and working through improving quality of work life amongst its employees. The aim of this study is to find about the banks employee's perception towards their quality of work life and demographic variables. Survey was conducted and data was analysed on the basis of responses provided by 250 respondents. A well structured questionnaire was formulated, which was subjected to pilot testing and re-drafted. Data was analysed with the help of factor analysis, descriptive statistics, t-test and (one way) ANOVA. The Karl Pearson correlation was used to understand the relationship between QWL and job satisfaction. The analysis shows there were a significant gap among the bank employees with demographic variables w.r.t various factors of QWL. The test indicated that there is positive and direct relationship between QWL and job satisfaction. The results of this study may have some practical significance for Human Resource Managers of especially banks in designing their retention policies.

KEYWORDS

Banks, Quality of work life, Job satisfaction.

INTRODUCTION

The term QWL (Quality of work life) was introduced in the late 1960s as a way of focusing on the effects of employment on health and general well-being and ways to enhance the quality of a person's on the job experience. QWL is much broader and more diverse than organizational development, in ensuring adequate and fair compensation, safe and healthy working conditions, opportunities for personal growth and development, satisfaction of social needs at work, protection of employee rights, compatibility between work and non-work responsibilities and the social relevance of work-life. An organization's Quality of work life is a philosophy, a set of principles which holds that people are the most important resource in the organization as they are trustworthy, responsible and the capable of making valuable contribution and they should be treated with dignity and respect (Che et.al.2006a; Straw, 1984). Success depends on how an organization attracts recruits, motivates, and retains its workforce and how properly it is able to fulfill its duties and responsibilities towards its workforce (Sendrick, 2003). Organizations need to be more flexible so that they develop their talented workforce and gain their commitment. A satisfied worker is more likely to be creative, flexible, innovative, and loyal. Thus, organizations are required to retain employees by addressing their work life issues. Quality of work life is a dynamic multidimensional construct that currently includes such concepts as job security, reward systems, training and career advancement opportunities, and participation in decision (Lau & Bruce, 1998). The elements that are relevant to an individual's quality of work life include the task, the physical work environment, administrative system and relationship between life on and off the job (Eberla and Cunningham, 1990). QWL consists of opportunities for active involvement in group working arrangement or problem solving that are of mutual benefits to employees or employer, based on labor management cooperation. People also conceive of QWL as a set of methods, such as work groups, job enrichment, and high involvement aimed at boosting the satisfaction and productivity of workers (Feuer, 1989; Straw, 1984). The recent definition by Serey (2006) on QWL is quite conclusive and best meet the contemporary work environment. The definition is related to meaningful and satisfying work. It includes (i) an opportunity to exercise one's talents and capacities, to face challenges and situations that require independent initiative and self-direction; (ii) an activity thought to be worthwhile by the individuals involved; (iii) an activity in which one understands the role the individual plays in the achievement of some overall goals; and (iv) a sense of taking pride in what one is doing and in doing it well. This issue of meaningful and satisfying work is often merged with discussions of job satisfaction, and believed to be more favorable to QWL. Walton (1975) proposed eight major conceptual categories relating to QWL as (i) Adequate and fair compensation (ii) Safety and healthy work environment (iii) Opportunity to use and develop human capabilities (iv) Opportunities for continuous growth and security (v) Constitutionalism in the work organization (vi) Work life balance and Social integration at the work place (vii) Protection of individual rights and (viii) Pride in the work itself and in the organization.

The problem adopted for the research here is- "Quality of Work Life and its relation with Job Satisfaction among Indian Banks". This study is helpful in understanding the various factors of QWL which are considered important by the employees of banks. The study not only aim at examining the roles of various facets of QWL among banks, but also determining that there are certain combination of factors that influence QWL in a bank to a greater or lesser extent. Moreover the study further explored the effect of age, gender, tenure and salary on the QWL of employees; this study also tried to find out the relationship between QWL and job satisfaction.

HYPOTHESIS & THEORETICAL FRAMEWORK

The study (Larsen, 2008) suggests that male and female workers retirement plans affected differently by various aspects of the job. Indeed, job demands lower planned retirement age, while increases in earnings, work hour satisfaction, and the opportunity to use skills on the job increase the age for men and women. Nevertheless, the impact of earnings is largest for men, and only male workers attach importance to job control and job security. These gender differences suggest, first, that men are more influenced than women by the quality of job dimensions in their retirement planning and, second, that an employer-initiated effort directed towards retaining older workers at the workplace will not necessarily be as effective for female as for male workers. The research examines the factors related to the work environment that may contribute to the high turnover of women. Men are not only paid bonuses more often but the sums they are paid are also larger (Lehto, 2008). Men not only receive more pay and diverse additional bonuses, but are also more likely to request a pay increase. Such requests had been made by 44% of men but by only 29% of women in the five years before the survey (QWL survey, 2003). Thus, the following hypothesis is posited:

H0 (1) PERCEPTION OF EMPLOYEES TOWARDS FACTORS OF QUALITY OF WORK LIFE IS INDEPENDENT OF GENDER

Many researchers have found positive relationships between quality of work life and age. A study reveals that as age increases, so does the level of QWL (Che et. al. 2006b). Normal life experience increases with aging, abrupt changes of economic inflation or changing levels of employment may alter the meaning a person

attaches to a QWL and his or her satisfaction with it (Al-Ajmi, 2001). The study found that younger group had significantly higher perception of QWL than the older group (Wadud, 1996). The managers level of QWL affected by the age of managers (Rhodes, 1983). Therefore, the following hypothesis is posited:

H0 (2) PERCEPTION OF EMPLOYEES TOWARDS FACTORS OF QUALITY OF WORK LIFE IS INDEPENDENT OF AGE

Many researchers have found positive relationships between quality of work life and tenure. The study reveals age positively predicts success presumably because extrinsic outcomes accrue over time (Gattikar and Larwood, 1990). This study is consistent with the literature that older respondent had been long in their career and had achieved more promotions in their careers than had younger executives so indicate the increase in the level of QWL (Judge, 1995). The longer the time spent in the organization, the more satisfied the managers were with their quality of work life. This may be an indication that once the process of acculturation is over, managers settle into their jobs, have an increased organizational commitment, and seem to like their work and its quality (Farkas and Tetric, 1989). Thus, the following hypothesis is posited:

H0 (3) PERCEPTION OF EMPLOYEES TOWARDS FACTORS OF QUALITY OF WORK LIFE IS INDEPENDENT OF THE TENURE OF WORKING IN THE ORGANIZATION

Quality of work life is generic phrase that covers person's feelings about every dimension of work including economic rewards as pay allowances and bonuses and benefits (Guest, 1979). The study found that as the level of income increases so does the level of QWL and job satisfaction (Okpara, 1996). This is consistent with the earlier findings that have low levels of income are considers low level of QWL and less satisfied with their jobs. (Saraji and Dargahi, 2006). Therefore, the following hypothesis is posited:

H0 (4) PERCEPTION OF EMPLOYEES TOWARDS FACTORS OF QUALITY OF WORK LIFE IS INDEPENDENT OF SALARY

QWL is a key indicator of overall quality of human experience in the workplace. QWL established a clear objective that high performance can be achieved with high job satisfaction. Job satisfaction is one dependent variable of organizational behavior. It becomes primary one of dependent variable because its demonstrated relationship to QWL factors (David et.al.1988). A review supported a positive linear relationship between job satisfaction and QWL. The author agrees that QWL is not job satisfaction which is only one among its many aspects. All aspects that different people will have different perspectives on what makes for high QWL (Mukerjee, 1989). High QWL has been equated with high employee motivation and also with a high level of employee satisfaction (Lawler, 1975). Therefore, the following hypothesis is posited:

H0 (5) THERE IS NO SIGNIFICANT ASSOCIATION BETWEEN QUALITY OF WORK LIFE AND JOB SATISFACTION

RESEARCH INSTRUMENT AND METHODS

This study was restricted to Malwa region only. The sample size was 250 employee respondents of banks. It was, for the purpose of this study, decided to select a sample of 125 respondents each from five public and five private sector banks. For the purpose of selection of respondents, quota sampling technique was used. Quota was fixed before getting the questionnaire filled that ratio between managers and officers would be 1:3. The quota was further divided in which ratio of public and private employees were kept 1:1. The study was conducted with pre structured questionnaire. Fifty three items were used to data collection of QWL in terms of job satisfaction and all statements were positive. A five-point scale with 1 being "strongly disagree" and being 5 "strongly agree" was used. To know the satisfaction level of public and private sector banks employees a ten - point scale with 1 being "highly dissatisfied" and being 10 "highly satisfied" was used. The questionnaire was also pre tested on 11 managers to see whether the respondent would face any difficulty in understanding and answering the questions and then re-drafted. The inter item consistency was .936 and Guttman Split-Half Coefficient .899. Thus, these results suggested that the instrument was reliable and valid for use in banks for this study.

DISTRIBUTION OF RESPONDENTS

A total of 250 banks employees participated in the survey. Majority of the respondents were female employees (52.4%). 55.2% were at the younger age group (26 to 35 years old) and most of them (28.8%) have been working from 2-5 years. Managers made up 26.8% of the respondents and the second largest group was executives 73.2%.

ANALYSIS OF DATA

In the present study, firstly, the data was coded and tabulated to find the effects of various socio-economic variables on the attitudes of respondents. A factor analysis was carried out to summarize the structure of the sets of variables. The hypothesis formed for the purpose was tested statistically for their significance according the independent-t test. Mean score were calculated by assigning (1) strongly disagree and (5) strongly agree, hence lower mean score indicates disagreement as compared to higher mean score. In addition, where there were more than two groups, the dependent variables are analyzed with the help of (one way) ANOVA and where applicable, a post hoc testing was conducted to determine the exact nature of the differences, if an overall difference was found. In this study, a default $\alpha = 0.05$ was used to determine the level of significance. To understand the relationship between QWL and job satisfaction among employees Karl Pearson correlation was used, ignoring the possible effect of all other influences. The data was analyzed using SPSS version 14.0 for window through out the study.

FACTOR ANALYSIS

In order to test the suitability of data for factor analysis, the following steps are followed:

Kaiser-Meyer-Olkin measure of sampling adequacy (KMO) was .891 for overall sample that indicate that the sample was good enough for sampling. Barlett's test of Sphericity showed statistically significant number of correlations among the variables. (Table1). Hence as revealed by the above parameters the data was found to be fit for factor analysis.

ROTATION METHOD

Rotation component matrix was used for extracting factors and the number of factors to be retained was based on eigen value. All the factors having eigen value > 1 were retained. Fifteen factors may be extracted to give valuable results and these factors accounted for 69.226 % for overall sample of the variance. The results were obtained through orthogonal rotation with varimax method and all factors loading greater than 0.4 (ignoring the sign) were retained and less than 0.4 were dropped.

NAMING OF THE FACTORS

All the factors have been given appropriate names according to the variables that have been loaded on to each factor. The names of the factors, the statement labels and factor loadings are summarized below (Table 2).

EQUITABLE AND GROWTH ENVIRONMENT

The first factor, consists of nine items with the loading in the range of .413 to .757 and $\alpha = .878$. It accounts for 9.093 % of the total variance. It has items related to gross emoluments, performance and promotion, advancement opportunities, decision making, equitable treatment, grievance handling and adequate work time. Hence "Equitable and growth environment" is the name given for this factor.

SELF-ESTEEM

Factor two consists of six items covering 7.810 % of the total variance. The lowest loading is .406 and highest is .751 and $\alpha = .834$. This factor has been named as self esteem. The name is considered appropriate because it expresses a sense of self esteem, i.e., skill and ability fully used, sense of achievement of standard, challenging and innovative activities, suggestion by employees and training and development.

ORGANIZATION'S CULTURE

Third factor gives emphasis on Organization's culture. It shared 5.945 % of the total variance. It includes five items and the factor loading ranged from .423 to .703 and $\alpha = .772$. It suggested suggestions by employees, celebrations of functions, management support, Operations of routine and repetitive nature and adequate people at work place. Therefore, the factor is named as "organization's culture".

JOB SECURITY

This factor consists of five items covering 5.781 % of the total variance. The lowest loading is .413 to .774 and $\alpha=.771$. The factor has been named as "job security" because it suggested gross emoluments offered according to responsibility, education, training and experience, work beyond office hour, adequate income, termination of job, fringe benefits and welfare measures and jobless due to technological changes.

TIME PRESSURE

Four statements load on to this factor and together account for 4.666 % of the total variance and $\alpha=.727$. This factor explains the time aspect, peaceful state of mind, work schedule, stay at work place beyond office hour, crises situations due to work load. The factor loading ranges from .407 to .743.

ORGANIZATIONAL EFFECTIVENESS

This is the next important factor, which accounts for 4.898 % of the variance and $\alpha=.712$. The lowest loading is .460 to .686. Four statements constitute this factor and the various things that are responsible for organizational effectiveness has drawn light under this analysis. It suggests amount of paper work, employees are insured against life hazards like health accidents, help and equipment and information to set job done.

SELF-DETERMINATION

This factor gives emphasis on work standard and time to get the job done was, therefore, considered an appropriate name, for this factor. It shares 4.834 % of the total variance. It includes two items and the factor loading ranges from .551 to .661 and $\alpha=.571$.

DECISION MAKING

This factor consists of two items covering 3.961 % of the total variance and $\alpha=.567$. The lowest loading is .438 to .752. The factor has been named as decision making. The name is considered appropriate because it expresses least interference from boss and organization supports institutions engaged in the promotion of education, culture, etc. in the society.

FRINGE BENEFITS AND WELFARE MEASURES

This factor gives emphasis on fringe benefits, planning and implementation of plan work assignment as a separate whole task. It consists of three items covering 3.876 % of the total variance. The lowest loading was .470 to .658 and $\alpha=.696$.

SOCIAL AND PHYSICAL ENVIRONMENT

The factor includes three items. The factor loading ranged from .405 to .721 and $\alpha=.332$. The factor explains 3.678 % of the total variance. The factor is suggested work life balance, physical environment and freedom to decision making.

CHALLENGE IN JOB

This factor consists of two items with the loading in the range of .566 to .708. It accounts for 3.674% of the total variance and $\alpha=.523$. The factor is named as "challenge in job" because it embodies items covering technological changes, work in collective interest, matters relating to attendance, conduct etc.

UNION MANAGEMENT RELATIONSHIP

The factor includes only one item having the loading .753 covering 3.178% of the total variance. It embodies item covering the union management relationship on the basis of trust and spirit of accommodation.

CAREER PLANNING

This factor contains accounts for 2.722% of the total variance and is constituted of one statement. It expressed the item career planning and development cell.

OPPORTUNITY FOR CONTINUED GROWTH

The factor includes only one item having the loading .787 covering 2.421 % of the total variance. It embodies development of skill and ability.

DISCIPLINE ENFORCEMENT

The factor consists one item having the loading .856. It accounts 2.356% of the total variance. It has item related to unjust and unfair competition. Hence "discipline enforcement" is the name given for this factor.

HYPOTHESIS TESTING

Researcher has tried to explore the relationship between demographic variables and QWL. Table 3 shows that H0 (1) is rejected partially in case of Organization's effectiveness, as significance value is .017. Thus it can be said gender of employee's influence the importance attached especially to "Organization's effectiveness". Table 3(a) clarifies that since there is positive value of mean scores of organization's effectiveness in case of female employees than male employees in banks so it can be concluded that female employees perceives organization's more effective as compared to male employees in banks. Table 4 shows that H0 (2) is rejected partially in case of "Equitable and growth environment, Self esteem, Job security and decision making" as significance value is less than 0.05($p<0.05$). Thus it can be said age of employee's influence the importance attached especially to Equitable and growth environment, Self esteem, Job security and Decision making. Researchers have applied post hoc test to find out the difference between various age groups. Table 4(a) shows, it is clear that there is significant difference between the perception of less than 25 years age and 25-35 years, 35-45years age and above 45 years age employees w.r.t "Equitable and growth environment". The negative value of mean difference (i-j) indicates that less than 25 years age employees have assigned lower importance to Equitable and growth environment as compared 25-35 years, 35-45years age and above 45 years age employees. Table 4(b) presents that less than 25 years age employees have given more importance to "self esteem" as compared to 25-35 years age and 35-45 years age employees and above 45 years age employees have given more importance to self esteem as compared to 25-35 years age employees. Table 4(c) shows, a higher mean score indicates that 25-35 years age employees provide greater agreement with "job security" than 35-45 years age employees and above 45 years age employees. So the negative value of mean difference (i-j) indicates that 25-35 years age employees perceives less job secured as compared to 35-45 years and above 45 years age employees. Table 4(d) shows, it is clear that there is significant difference between the perception of less than 25 years age and 25-35 years, 35-45years age and above 45 years age employees with respect to "decision making". The positive value of mean difference (i-j) indicated that less than 25 years age employees have assigned more importance to decision making as compared to other age groups. From the Table 5, indicates that H0 (3) is rejected partially in case of "Self esteem, Job security and Opportunity for continued growth" as significance value is less than 0.05. Thus it can be said tenure of employee's influence the importance attached especially to Job security, Self esteem, and Opportunity for continued growth. Based on the Table 5 (a) it is concluded that above 10 years tenure employees have assigned greater importance to "Self esteem" as compared to less than 2 and 5-10 years tenure employees. As per the Table 5(b) it is indicative that employees with more than 5 years tenure assigned greater importance to "job security" as compared to employees with less 5 years tenure. Table 5(c), A higher mean score indicates that 5-10 years tenure employees showed greater agreement with "Opportunity for continued growth" than less than 2 years, 2-5 years and above 10 years tenure employees, thus the positive value of mean difference (i-j) indicated that 5-10 years tenure employees have assigned greater importance to Opportunity for continued growth as compared to less than 2; 2-5 years and above 10 years tenure employees. So it can be said middle tenure employees seem to be more aware about their career as compared to lower and higher tenure employees. Table 6 shows that H0 (4) is rejected partially in case of "Equitable and growth environment, Organization's culture and Job security" variables, as significance value was less than 0.05. Thus it can be said that salary of employees influence the importance attached especially to equitable and growth environment, organization's culture and Job security variables. For further analysis post hoc is used in for the said factors. From the Table 6 (a):it is clear that there is a significant difference ($p<0.05$) between the perceptions of less than Rs. 10000 salaried employees as compared to Rs. 10000-20000, Rs. 20000-30000 and more than Rs.30000 salaried employees with regard to "Equitable and growth environment". A higher mean score indicates that Rs. 10000-20000, 20000-30000 and more than 30000 salaried employees have showed greater agreement with Equitable and growth environment than, less than Rs.10000 salaried employees, thus the negative value of mean difference (i-j) indicated that less than Rs.10000 salaried employees have assigned lower importance to Equitable and growth environment as compared to Rs. 10000-20000, 20000-30000 and more than 30000 salaried employees. Table 6(b) provides, a higher mean score indicates that more than Rs.30000 salaried employees have showed greater agreement with "Organization's culture" than Rs.10000 -20000 and Rs.20000-30000 salaried employees, thus the positive value of mean difference (i-j) indicates that Rs. 30000 salaried employees have assigned greater importance to "organization's culture" as compared to Rs. 10000-20000 and Rs. 20000-30000 salaried employees. From the table 6(c) it is clear that there is a significant difference between the perceptions of Rs. 10000 - 20000 salaried employees with regard to "Job security" as compared to Rs. 30000 salaried employees. The positive value of mean difference indicates that more

than Rs. 30000 salaried employees have assigned greater importance to job security as compared to Rs. 10000-20000 employees. Table 7 provides the coefficient of correlation between quality of work life and job satisfaction, it describes positive direction. It means that QWL has positive relation with job satisfaction. Thus our null hypothesis that QWL has no association with job satisfaction is rejected. The results signify ($p < 0.01$) that there exists significant correlation between QWL and job satisfaction.

DISCUSSION AND FINDINGS

The study reveals that there is significant difference in employee's perception about QWL while taking into consideration their age, tenure, salary and gender.

It is found that perception of employees towards "Equitable and growth environment" is independent of gender and tenure but there seems to be difference of opinion regarding this factor w.r.t age and salary. Younger employees (less than 25 years) did not perceive the environment as equitable. They think that they might get more opportunities in better field. So less than 25 years age employee are not very serious about their job. Whenever they get a better chance somewhere they leave their present job. Employees with less than Rs.10000 monthly salary give less importance to equitable and growth environment. It may be they do not have proper requirement and necessities of life that is why they don't give importance to equitable and growth environment.

It is found that perception of employees towards "self esteem" is independent of gender whereas there seems to be difference of perceptions regarding self-esteem w.r.t age, salary, and tenure. This study confirmed that above 10 years tenure employees have assigned more importance to self esteem as compared to less than 2 years and 5-10 years tenure employees. The employees with longer tenure want more self esteem. They want special appreciation for his work. From the data analysis it is found that the employees less than 25 years age and above 45 years are more self regarding. As the employee advances in age he wants more respect and better work satisfaction and the employees of lower age are more self confident they want more and more for their input. The young adults' employees are more confident, positive self-concept seems to act like an accelerant – the fuel to the fire – that leads the advantaged in organization to do better. It is clear that employees getting salary less than 10000 may not be satisfied because they could not fulfill their basic needs in that much amount. It is concluded that above 10 years tenure employees have assigned greater importance to self esteem as compared to less than 2 and 5-10 years employees. Long the tenure the more is desire for self respect and employee of with a longer period of service wants to be respect by the colleagues and superiors. This finding is consistent with esteem needs of Maslow's hierarchy, esteem from prestige, recognition, acceptance, attraction, status, reputation, attention and appreciation. In this case, individuals need to be appreciated for what they can do, that is, they must. It is concluded that perception of employees is dependent of salary w.r.t self esteem. The reason for this can be that an employee getting more than Rs. 30000 can fulfill his needs easily, after fulfill his lower level needs everyone wishes to fulfill his esteem needs.

"Organization culture" has been perceived to be the most important factor. It is found that perception of employees towards this factor is independent of age, gender and tenure whereas there seems to be difference of perceptions regarding organization culture w.r.t salary. The study confirms that more than Rs.30000 salaried employees gave more importance to organization culture as compared to Rs.10000-20000 and Rs. 20000-30000 salaried employees.

It is found that perception towards "job security" is independent of gender whereas there seems to be difference of perceptions regarding Job security w.r.t age, tenure and income. The study confirmed that perception towards job security was dependent on age i.e. employees above 45 years gave more importance to job security. The reason for this can be that they have experience and knowledge which enable them to do their work in proper way. It is concluded that more than Rs. 30000 salaried employees are more job secured as compared to Rs 10000-20000 salaried employees.

It was found that perception of employees towards "Organization effectiveness" is independent of age, tenure, and salary whereas there seems to be difference of perceptions regarding organization's effectiveness w.r.t gender. It may be females are more adaptable so they easily adjust themselves according to organizational culture. Either they choose the organization where they feel themselves fit. Another reason may be female having lower expectations at work due to the poorer position in the labor market that women have hold in the past. This finding was consistent with what was found by other researcher (Clark, 1998) i.e. organization 's effectiveness found female to have greater level of agreement compared to males, despite being in lower level of quality of work life, jobs with lower earning and promotion opportunities compared to males. Nevertheless, females in male dominated work place have similar satisfaction levels compared to males, perhaps reflecting higher expectations.

It was found that perception of employees towards "decision making" is independent of gender, tenure, and salary whereas there seems to be difference of perceptions regarding decision making w.r.t age. The findings revealed that lower age groups employees gave importance to decision making power. The reason behind this can be that young employees are more energetic and ambitious. They have knowledge of new techniques so if an employee has the discretion to do and decide about his work then he does the work in a better way. Besides this, better conditions and facilities in banks attract the young persons to work there. They do the work in proper and better way when they are given the freedom to do work i.e. how much to do and when to do.

It is found that perception of employees towards "Opportunity for continued growth" independent of gender, age and salary whereas there seems to be difference of perceptions regarding opportunity for continued growth w.r.t tenure. It is concluded that employees having service 5-10 years gave importance to opportunity to continued growth. There is a positive relationship between ambition and career achievement after initial years employees become more ambitious and become career aware, so they wish better opportunities for career growth. Continued growth enables an employee to derive intrinsic and extrinsic rewards (pay, advancement and developmental opportunities). If an employee feels that his service can't be discontinued then he can work with a peaceful mind. So continuity of service is very essential for job satisfaction as well as for the out of work. This finding is in accordance with what was found by other researcher, i.e. workers also require the opportunity for personal growth in the jobs that they do (Best, 1988).

It is found that perception of employees towards time pressure, self determination, fringe benefits and welfare measures, social and physical environment, Challenge in job, union management relationship, career planning, discipline enforcement are independent of gender, age, tenure and salary.

A positive correlation exists between QWL and job satisfaction. It means that QWL measures have positive impact on job satisfaction. The results signify that there exists correlation between QWL and job satisfaction. This study is also supported by many other studies. Various studies on QWL have been carried on in India and abroad and it has been found that QWL is the degree of excellence brought about work and working conditions which contribute to the overall satisfaction at the individual level but finally at the organizational level. These findings are consistent with what was found by other researchers (Saraji & Daragahi, 2006) i.e. job satisfaction is an important indicator of QWL and QWL is a comprehensive program designed to improve employee satisfaction.

CONCLUSION

As per findings from the previous researches the independent variables which we are use to determine the banks employee's perception towards QWL as a whole are proven to be related to job satisfaction. It can also be concluded from the data, that the individual's demographic variables correlates significantly with his/her level of QWL. These findings are consistent with the previous research conducted in Malaysia (Che et al 2006b).

LIMITATIONS AND SCOPE FOR FURTHER RESEARCH

The present study suffered from some limitations like small sample size and limited area of investigation which might not be true representative of the whole population of the banking sector. So, before generalization, there is a need to conduct an in-depth study covering larger sample size and broader areas of investigation. Further research should be conducted in order to identify other factors that could contribute to bank employee's QWL. In summary, the limitations of individual job satisfaction had been pointed out in the literature for assessing the QWL and there had been a little attempt in the past to measure QWL in terms of job satisfaction in Malwa region of Punjab. So this study is an attempt to further develop theoretical underpinnings to the available literature on QWL. Study recommends that further study can be done on impact of QWL of bank employees on their productivity and/or job commitment.

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TABLES

TABLE 1: KMO AND BARTLETT'S TEST

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.891
Bartlett's Test of Sphericity	Approx. Chi-Square	5649.162
	Df	1326
	Sig	.000

TABLE 2: NAMING OF FACTORS

Factor Name	Item No	Total (Eigen value)	% of explained Variance	Variables	Factor Loading
Equitable and growth environment	32	4.728	9.093	Advancement opportunities	.757
	34			Grievance handling procedure	.722
	33			Rules are equally applicable to all.	.634
	30			The management consults employees	.627
	31			Hard work and achievements are recognized appropriately	.607
	8			Gross emoluments commensurate with ability to pay	.501
	35			Gross emoluments commensurate with its ability to pay	.498
	17			Performance appraisal and promotions	.452
	27			Advancement opportunities	.413
Self esteem	20	4.061	7.810	Advancement opportunities	.741
	19			Conditions on job	.734
	21			Quality of work performance	.610
	15			Meaningful training programs	.574
	40			Most of activities at work are challenging and innovative	.470
	18			Conditions on job	.406
Organization's culture	25	3.091	5.945	Celebration of functions	.703
	43			Operations of routine and repetitive nature	.592
	14			Suggestions made by employees	.480
	41			People or staffs are enough to get all the work done	.465
	26			Management is always helpful	.423
	27			Advancement opportunities	.422
Job security	4	3.006	5.781	No need to worry about the termination	.744
	11			Technological changes	.639
	10			Fringe benefits and welfare measures	.607
	2			Income from job	.527
	9			Work load	.500
	1			Gross emoluments	.413
	7			No requirement to stay at work place beyond work hours	.404
Time pressure	7	2.600	4.999	no requirement to stay at work place beyond work hours	.743
	9			Work load	.610
	6			Work schedule allows to As per conveniences	.583
	5			State of mind remains Peaceful	.407
Organization's effectiveness	39	2.547	4.898	The amount of paper work in this organization is reasonable	.686
	38			In this organization employees are insured against life hazards like health accidents	.595
	46			Enough information to set the job done.	.541
	42			Help and equipments	.460
Self determination	22	2.514	4.834	Standards of work	.661
	48			Enough time to get the job done during office hours.	.551
Decision making	51	2.060	3.961	This organization supports institutions engaged in the promotion of education, culture, etc .in the society.	.752
	23			Least interference from the boss.	.438
Fringe benefits and welfare measures	3	2.016	3.876	Fringe benefits and welfare measures	.658
	12			planning and implementation	.618
	13			Work assigned as separate whole task	.470
Social and physical environment	36	1.912	3.678	Family and social obligations	.721
	49			freedom to decision making	.472
	37			freedom to decide	.405
Challenge in job	52	1.910	3.674	particular about attendance, conduct, etc.	.708
	24			work in collective interest	.556
Union-management relations	28	1.653	3.178	Union-management relations	.753
Career planning	29	1.416	2.722	career planning and development cell	.840
Opportunity for continued growth	16	1.259	2.421	Development of new skills and abilities	.787
Discipline enforcement	50	1.225	2.356	unjust and unfair competition	.856

TABLE 3: INDEPENDENT SAMPLES TEST BETWEEN GENDER AND FACTORS

Factors		Levene's Test for Equality of Variances		t-test for Equality of Means				
		F	Sig.	t	Df	Sig. (2-tailed)	Mean Difference	Std. Error Difference
Equitable and growth environment	Equal variances not assumed	2.424	.121	-1.774	187.499	.078	-.24540239	.13837174
Self esteem	Equal variances not assumed	.498	.481	-1.437	187.281	.152	-.20276695	.14110406
Organization's culture	Equal variances not assumed	.040	.842	-.837	202.378	.404	-.11594256	.13853802
Job security	Equal variances not assumed	.693	.406	-1.334	185.804	.184	-.18837588	.14119873
Time pressure	Equal variances not assumed	.013	.908	.496	200.048	.620	.06943494	.13998444
Organization's effectiveness	Equal variances assumed	1.644	.201	2.396	204	.017	.33204807	.13856359
Self determination	Equal variances not assumed	1.829	.178	1.113	167.357	.267	.15933244	.14310009
Decision making	Equal variances not assumed	.096	.756	-.463	194.597	.644	-.06452628	.13943428
Fringe benefits and welfare measures	Equal variances not assumed	.873	.351	.536	203.940	.593	.07480981	.13968408
Social and physical environment	Equal variances not assumed	.699	.404	.139	203.081	.890	.01939849	.14002316
Challenge in job	Equal variances not assumed	1.141	.287	1.121	203.518	.264	.15609872	.13926576
Union-management relations	Equal variances not assumed	.003	.958	-1.855	197.017	.065	-.25371541	.13676068
career planning	Equal variances not assumed	1.172	.280	-.586	149.686	.559	-.07871961	.13437400
Opportunity for continued growth	Equal variances not assumed	.193	.661	1.264	203.041	.208	.11085802	.08772558
Discipline enforcement	Equal variances not assumed	1.916	.168	1.066	120.396	.289	.15595994	.14632409

* The mean difference is significant at the .05 level

TABLE 3 (A): MEAN SCORE OF ORGANIZATIONAL CULTURE AND EFFECTIVENESS W.R.T GENDER

Factor	Gender	N	Mean	Std. Deviation	Std. Error Mean
Organization's effectiveness	Female	97	.1721478	.92059898	.09347266
	Male	109	-.1599003	1.05263823	.10082446

TABLE 4: ANOVA AND F TEST BETWEEN AGE AND FACTORS

Factors		Sum of Squares	df	Mean Square	F	Sig.
Equitable and growth environment	Between Groups	23.560	3	7.853	8.733	.000
	Within Groups	183.440	204	.899		
	Total	207.000	207			
Self esteem	Between Groups	16.362	3	5.454	5.836	.001
	Within Groups	190.638	204	.934		
	Total	207.000	207			
Organization's culture	Between Groups	3.165	3	1.055	1.056	.369
	Within Groups	203.835	204	.999		
	Total	207.000	207			
Job security	Between Groups	20.289	3	6.763	7.389	.000
	Within Groups	186.711	204	.915		
	Total	207.000	207			
Time pressure	Between Groups	3.700	3	1.233	1.238	.297
	Within Groups	203.300	204	.997		
	Total	207.000	207			
Organization's effectiveness	Between Groups	2.749	3	.916	.915	.435
	Within Groups	204.251	204	1.001		
	Total	207.000	207			
Self determination	Between Groups	5.929	3	1.976	2.005	.114
	Within Groups	201.071	204	.986		
	Total	207.000	207			
Decision making	Between Groups	8.003	3	2.668	2.735	.045
	Within Groups	198.997	204	.975		
	Total	207.000	207			
Fringe benefits and welfare measures	Between Groups	2.812	3	.937	.936	.424
	Within Groups	204.188	204	1.001		
	Total	207.000	207			
Social and physical environment	Between Groups	4.754	3	1.585	1.598	.191
	Within Groups	202.246	204	.991		
	Total	207.000	207			
Challenge in job	Between Groups	2.710	3	.903	.902	.441
	Within Groups	204.290	204	1.001		
	Total	207.000	207			
Union-management relations	Between Groups	2.478	3	.826	.824	.482
	Within Groups	204.522	204	1.003		
	Total	207.000	207			
career planning	Between Groups	1.682	3	.561	.557	.644
	Within Groups	205.318	204	1.006		
	Total	207.000	207			
Opportunity for continued growth	Between Groups	1.791	3	.597	.594	.620
	Within Groups	205.209	204	1.006		
	Total	207.000	207			
Discipline enforcement	Between Groups	.566	3	.189	.186	.906
	Within Groups	206.434	204	1.012		
	Total	207.000	207			

* The mean difference is significant at the .05 level

TABLE 4 (A): DEPENDENT VARIABLE: EQUITABLE AND GROWTH ENVIRONMENT

(I) AGE	(J) AGE	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
< 25	25-35	-1.11950256(*)	.23641318	.000	-1.5856292	-.6533759
	35-45	-1.38503878(*)	.30378953	.000	-1.9840087	-.7860688
	>45	-.95977416(*)	.24774481	.000	-1.4482429	-.4713054

* The mean difference is significant at the .05 level

TABLE 4 (B): DEPENDENT VARIABLE: SELF ESTEEM

(I) AGE	(J) AGE	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
< 25	25-35	.88946566(*)	.24100653	.000	.4142825	1.3646488
	35-45	.74230985(*)	.30969195	.017	.1317024	1.3529174
	>45	.46537472	.25255831	.067	-.0325846	.9633341
>45	< 25	-.46537472	.25255831	.067	-.9633341	.0325846
	25-30	.42409094(*)	.15330211	.006	.1218312	.7263507
	30-35	.27693513	.247664187	.265	-.2113306	.7652009

* The mean difference is significant at the .05 level.

TABLE 4 (C): DEPENDENT VARIABLE: JOB SECURITY

(I) AGE	(J) AGE	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
25-35	< 25	-.32150165	.23851166	.179	-.7917658	.1487625
	35-45	-.80032639(*)	.23340792	.001	-1.2605277	-.3401251
	ABOVE45	-.60202920(*)	.15171515	.000	-.9011600	-.3028984

1) The mean difference is significant at the .05 level.

TABLE 4 (D): DEPENDENT VARIABLE: DECISION MAKING

(I) AGE	(J) AGE	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
<25	25-35	.68050899(*)	.24623397	.006	.1950191	1.1659989
	35-45	.74721177(*)	.31640919	.019	.1233601	1.3710634
	ABOVE45	.56685456(*)	.25803632	.029	.0580944	1.0756147

* The mean difference is significant at the .05 level.

TABLE 5: ANOVA AND F TEST BETWEEN TENURE AND FACTORS

Factors		Sum of Squares	Df	Mean Square	F	Sig.
Equitable and growth environment	Between Groups	2.207	3	.736	.733	.534
	Within Groups	204.793	204	1.004		
	Total	207.000	207			
Self esteem	Between Groups	12.727	3	4.242	4.455	.005
	Within Groups	194.273	204	.952		
	Total	207.000	207			
Organization's culture	Between Groups	2.823	3	.941	.940	.422
	Within Groups	204.177	204	1.001		
	Total	207.000	207			
Job security	Between Groups	16.837	3	5.612	6.021	.001
	Within Groups	190.163	204	.932		
	Total	207.000	207			
Time pressure	Between Groups	2.179	3	.726	.723	.539
	Within Groups	204.821	204	1.004		
	Total	207.000	207			
Organization's effectiveness	Between Groups	1.299	3	.433	.430	.732
	Within Groups	205.701	204	1.008		
	Total	207.000	207			
Self determination	Between Groups	.755	3	.252	.249	.862
	Within Groups	206.245	204	1.011		
	Total	207.000	207			
Decision making	Between Groups	3.945	3	1.315	1.321	.269
	Within Groups	203.055	204	.995		
	Total	207.000	207			
Fringe benefits and welfare measures	Between Groups	1.312	3	.437	.434	.729
	Within Groups	205.688	204	1.008		
	Total	207.000	207			
Social and physical environment	Between Groups	3.833	3	1.278	1.283	.281
	Within Groups	203.167	204	.996		
	Total	207.000	207			
Challenge in job	Between Groups	1.687	3	.562	.559	.643
	Within Groups	205.313	204	1.006		
	Total	207.000	207			
Union-management relations	Between Groups	.144	3	.048	.047	.986
	Within Groups	206.856	204	1.014		
	Total	207.000	207			
career planning	Between Groups	4.150	3	1.383	1.391	.247
	Within Groups	202.850	204	.994		
	Total	207.000	207			
Opportunity for continued growth	Between Groups	9.031	3	3.010	3.102	.028
	Within Groups	197.969	204	.970		
	Total	207.000	207			
Discipline enforcement	Between Groups	4.215	3	1.405	1.414	.240
	Within Groups	202.785	204	.994		
	Total	207.000	207			

* The mean difference is significant at the .05 level.

TABLE 5 (A): DEPENDENT VARIABLE: SELF ESTEEM

(I) TENURE	(J) TENURE	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
>10 years	<2 years	.43637919(*)	.18666707	.020	.0683350	.8044234
	2-5 YEARS	.29704671	.17324123	.088	-.0445263	.6386197
	5-10 YEARS	.68647945(*)	.19976677	.001	.2926071	1.0803518

* The mean difference is significant at the .05 level

TABLE 5 (B): DEPENDENT VARIABLE: JOB SECURITY

(I) TENURE	(J) TENURE	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
< 2 YEARS	2-5 YEARS	-.23667691	.19653735	.230	-.6241819	.1508281
	5-10 YEARS	-.44680723(*)	.21979949	.043	-.8801773	-.0134372
	> 10 YEARS	-.73496457(*)	.18468166	.000	-1.0990942	-.3708350
>10years	< 2 YEARS	.73496457(*)	.18468166	.000	.3708350	1.0990942
	2-5 YEARS	.49828766(*)	.17139862	.004	.1603477	.8362276
	5-10 YEARS	.28815734	.19764203	.146	-.1015257	.6778404

* The mean difference is significant at the .05 level

TABLE 5 (C): DEPENDENT VARIABLE: OPPORTUNITY FOR CONTINUED GROWTH

(I) TENURE	(J) TENURE	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval
5-10 YEARS	< 2 YEARS	.51152233(*)	.22426578	.024	.0693463 .9536984
	2-5 YEARS	.51280561(*)	.21300502	.017	.0928319 .9327793
	> 10 YEARS	.59469911(*)	.20165809	.004	.1970977 .9923005

* The mean difference is significant at the .05 level

TABLE 6: ANOVA AND F TEST BETWEEN SALARY AND FACTORS

Factors		Sum of Squares	Df	Mean Square	F	Sig.
Equitable and growth environment	Between Groups	17.310	3	5.770	6.205	.000
	Within Groups	189.690	204	.930		
	Total	207.000	207			
Self esteem	Between Groups	5.302	3	1.767	1.787	.151
	Within Groups	201.698	204	.989		
	Total	207.000	207			
Organization's culture	Between Groups	8.047	3	2.682	2.751	.044
	Within Groups	198.953	204	.975		
	Total	207.000	207			
Job security	Between Groups	9.604	3	3.201	3.308	.021
	Within Groups	197.396	204	.968		
	Total	207.000	207			
Time pressure	Between Groups	2.180	3	.727	.724	.539
	Within Groups	204.820	204	1.004		
	Total	207.000	207			
Organization's effectiveness	Between Groups	4.879	3	1.626	1.641	.181
	Within Groups	202.121	204	.991		
	Total	207.000	207			
Self determination	Between Groups	1.431	3	.477	.473	.701
	Within Groups	205.569	204	1.008		
	Total	207.000	207			
Decision making	Between Groups	.176	3	.059	.058	.982
	Within Groups	206.824	204	1.014		
	Total	207.000	207			
Fringe benefits and welfare measures	Between Groups	3.652	3	1.217	1.221	.303
	Within Groups	203.348	204	.997		
	Total	207.000	207			
Social and physical environment	Between Groups	6.253	3	2.084	2.118	.099
	Within Groups	200.747	204	.984		
	Total	207.000	207			
Challenge in job	Between Groups	5.896	3	1.965	1.994	.116
	Within Groups	201.104	204	.986		
	Total	207.000	207			
Union-management relations	Between Groups	7.182	3	2.394	2.444	.065
	Within Groups	199.818	204	.979		
	Total	207.000	207			
career planning	Between Groups	1.314	3	.438	.434	.729
	Within Groups	205.686	204	1.008		
	Total	207.000	207			
Opportunity for continued growth	Between Groups	1.560	3	.520	.516	.671
	Within Groups	205.440	204	1.007		
	Total	207.000	207			
Discipline enforcement	Between Groups	1.975	3	.658	.655	.581
	Within Groups	205.025	204	1.005		
	Total	207.000	207			

* The mean difference is significant at the .05 level

TABLE 6 (A): DEPENDENT VARIABLE: EQUITABLE AND GROWTH ENVIRONMENT

(I) SALARY	(J) SALARY	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
Less than 10,000	10,000-20,000	-.77757996(*)	.22838142	.001	-1.2278707	-.3272892
	20,000-30,000	-.80689628(*)	.23380346	.001	-1.2678774	-.3459152
	More than 30,000	-1.27151818(*)	.31138919	.000	-1.8854721	-.6575643

* The mean difference is significant at the .05 level.

TABLE 6 (B): DEPENDENT VARIABLE: ORGANIZATION'S CULTURE

(I) SALARY	(J) SALARY	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
MORE THAN 30,000	LESS THAN 10,000	.44312538	.31890121	.166	-.1856397	1.0718904
	10,000-20,000	.65498583(*)	.26027519	.013	.1418114	1.1681602
	20,000-30,000	.72130737(*)	.26527632	.007	.1982724	1.2443423

* The mean difference is significant at the .05 level.

TABLE 6 (C): DEPENDENT VARIABLE: JOB SECURITY

(I) SALARY	(J) SALARY	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
MORE THAN 30,000	LESS THAN 10,000	.32166042	.31765149	.312	-.3046406	.9479614
	10,000-20,000	.70745161(*)	.25925521	.007	.1962882	1.2186150
	20,000-30,000	.40988173	.26423675	.122	-.1111035	.9308670

* The mean difference is significant at the .05 level.

TABLE 9: CORRELATIONS BETWEEN QWL AND JOB SATISFACTION

		Job satisfaction	Quality of work life
Job satisfaction	Pearson Correlation	1	.194(**)
	Sig. (2-tailed)		.006
	N	244	202
Quality of work life	Pearson Correlation	.194(**)	1
	Sig. (2-tailed)	.006	
	N	202	208

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

FACTORS AFFECTING THE STRESS AND INFLUENCE OF STRESS INDICATORS ON LEVEL OF ORGANIZATIONAL STRESS AMONG THE WOMEN EMPLOYEES IN IT SECTOR

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ABSTRACT

Occupational stress and workplace health have become issues of great concern over the last decade, both internationally and nationally. Given the value of work in this society, the amount of time spent at work and the current changes that are affecting the nature of work, it is not surprising that work stress appears to be increasing. There is increasing evidence that physical health too, is adversely affected by repetitive work and dehumanizing environment such as the paced assembly line. Stress can arise from isolation or from conflict. In the latter case, it can stem from rejection by co-workers, or from perceived discrimination. The data and information is collected from 300 women employees through pre-tested, structured interview schedule by adopting multi-stage random technique. The results indicate that the majority of women employees belong to the age group of 26-30 years and more than one third of the women employees are B.E.(IT) graduates. The results show that about two-third of women employees belong to the monthly income group of Rs. 25001- 30000 and the majority of women employees are married and about more than one-third of women employees have the total experience of 2-4 years followed by less than two years (29.33 per cent), 4-6 years (25.00 per cent) and more than six years (6.67 per cent). The factor analysis show that there are eleven independent groups of dimensions are extracted which account for a total of 81.55 per cent of variations and these factors are grouped in to constraints, comfortability, efficiency, competitiveness, clarity, dignity, response, environment, adoptability, planning and diversity. The regression analysis indicates that excessive use of alcohol or other substances, confusing, depression, disharmony with colleagues excessive grooming and stiffness are positively influencing the stress levels in the organization among the women employees in IT sector. It is also suggested that effective use of individual and organizational strategies may reduce the possibilities of stress among women employees. At the organizational level, pre and post departure training, language training cross-cultural training are needed to be implemented and they should be regularly monitored. At the individual level, women employees should be supported by the family and friends.

KEYWORDS

Factor Analysis, Occupational Stress, Regression, Stress Indicators.

INTRODUCTION

Occupational stress and workplace health have become issues of great concern over the last decade, both internationally and nationally. Given the value of work in this society, the amount of time spent at work and the current changes that are affecting the nature of work, it is not surprising that work stress appears to be increasing. As a result of the rapidly changing global economy, organizations now operate in cultures of increased speed, efficiency and competition. Consequently, economic imperatives and the need to retain competitive advantage have resulted in restructuring and uncertainty. For instance, workforces are constantly being downsized, small organizations are merging or being subsumed by larger more competitive organizations and change is the only constant.

These changes to the nature of work, together with definitional changes in the legislation, have paved the way for an alarming rise in claims that are associated with chronic stress in the workplace. In previous years, stress claims are mostly associated with the experience of a traumatic and/or life threatening event, such as violence, injury or a critical incident of some kind. In recent years, however, the number of claims has been steadily increasing and the reported cause for these claims has moved away from traumatic stress to chronic conditions. This type of stress creates enormous costs, both financially and in human-terms, although the costs are difficult to quantify as a result of misleading statistics, unreported instances, staff turnover and inconsistent recording.

A great deal of work has been done to elucidate the connection of specific job conditions to physical and/or mental health. The poor mental health was directly related to unpleasant work conditions such as the necessity to work fast, the exertion of great physical effort and inconvenient working hours. There is increasing evidence that physical health too, is adversely affected by repetitive work and dehumanizing environment such as the paced assembly line. Stress can arise from isolation or from conflict. In the latter case, it can stem from rejection by co-workers, or from perceived discrimination. Contact with the public can also create stress, especially when it involves prejudice, hostility, or physical danger. With this background, the present paper was attempted to identify the factors affecting the stress and influence of stress indicators on levels of organizational stress among the women employees in IT sector in Chennai.

METHODOLOGY

Among the different service sectors, IT sector in Chennai is purposively selected for the present study. The IT companies in Chennai are randomly selected and the women employees in the IT companies are also randomly selected. Thus, the sector and study area is purposively selected followed by companies and women employees have been selected randomly by adopting multi-stage random sampling techniques. The data and information is collected from women employees through pre-tested, structured interview schedule by direct interview method. The data and information have been collected from 300 women employees of IT companies and pertain to the year 2010-2011.

STATISTICAL TECHNIQUES

The frequency and percentage analysis were carried out to understand the socio-economic characteristics of women employees. In order to identify the factors affecting the stress among the women employees, the factor analysis has been employed with principal component extraction with varimax rotation. The factor analysis can be expressed as:

$$Z_{ij} = a_1 f_{1j} + a_2 f_{2j} + \dots + a_m f_{mj} + e_{ij}$$

Where as,

Z^j = Stress Factors

a = Factor Loadings

f = Factor Score

e = Residual term accounting for Errors or other Source of Variation.

In order to examine the influence of stress indicators on levels of organizational stress of women employees, the multiple linear regression analysis by Ordinary Least Square (OLS) estimation has been applied. The functional form of multiple liner regression model is given below:

$$Y = \alpha + \beta_i X_i + e$$

Where,

Y = Level of Organizational Stress

X_i = Stress Indicators

i = 1 to 20

α = Intercept

β_i = Partial Regression Coefficients

e = Random Error or Stochastic Disturbance Term

The α and β_i are the coefficients which are to be calculated through Ordinary Least Square (OLS) estimation.

The Likert five point scale (strongly agree to strongly disagree) was used to measure the stress dimensions and stress indicators.

RESULTS AND DISCUSSION

SOCIO-ECONOMIC CHARACTERISTICS OF WOMEN EMPLOYEES

The socio-economic characteristics of consumers of green products were analyzed and the results are presented in **Table 1**. The results indicate that the majority of women employees (60.00 per cent) belong to the age group of 26-30 years followed by 31-35 years (23.00 per cent), 21-25 years (13.33 per cent) and more than 35 years (3.67 per cent). It is apparent that more than one third of the women employees (34.66 per cent) are B.E.(IT) followed by B.E.(CS)(24.00 per cent), M.C.A.(16.67 per cent), M.B.A.(14.00 per cent) and the other educational qualifications are varying from M.Sc.(IT)(6.67 per cent) to M.Tech(CS)(0.67 per cent).

The results show that about 65.33 per cent of women employees earn monthly income of Rs. 25001- 30000 followed by less than Rs. 25000 (18.67 per cent), Rs. 30001-35000(11.00 per cent) and more than Rs. 35000 (5.00 per cent). The results indicate that about 90.67 per cent of the women employees are married, while the rest of 9.33 per cent are married and about 39.00 per cent of the women employees have the total experience of 2-4 years followed by less than two years (29.33 per cent), 4-6 years (25.00 per cent) and more than six years (6.67 per cent).

TABLE – 1: SOCIO-ECONOMIC CHARACTERISTICS OF WOMEN EMPLOYEES

Particulars	Respondents(N=300)		Particulars	Respondents(N=300)	
	Number	Per Cent		Number	Per Cent
Age(Years)			Educational Qualification		
21-25 Years	40	13.33	B.E.(CS)	72	24.00
26-30 Years	180	60.00	B.E.(IT)	104	34.66
31-35 Years	69	23.00	B.Tech(CS)	4	1.33
>35	11	3.67	M.Tech(CS)	2	0.67
Marital Status			M.E.	6	2.00
Married	272	90.67	M.B.A.	42	14.00
Unmarried	28	9.33	M.C.A.	50	16.67
			M.Sc.(IT)	20	6.67
Working Experience			Monthly Income(Rs.)		
< 2	88	29.33	< 25000	56	18.67
2 - 4	117	39.00	25001-30000	196	65.33
4- 6	75	25.00	30001-35000	33	11.00
> 6	20	6.67	> 35000	15	5.00

FACTORS AFFECTING THE STRESS AMONG THE WOMEN EMPLOYEES

In order to identify the factors affecting the stress among the women employees, the factor analysis has been employed. The principal component method of factor analysis was carried out with Eigen value greater than one through varimax rotation and the results obtained through rotated component matrix are presented in **Table 2**.

There are eleven independent groups of dimensions are extracted which account for a total of 81.55 per cent of variations on the 50 stress dimensions. The each of eleven factors contribute 11.15 per cent, 9.98 per cent, 8.64 per cent, 8.02 per cent, 7.96 per cent, 7.64 per cent, 6.98 per cent, 6.54 per cent, 5.92 per cent, 4.78 per cent and 3.94 per cent respectively.



TABLE – 2: FACTOR ANALYSIS FOR STRESS FACTORS

Stress Dimensions	Rotated Factors Loadings on										
	Factor-I	Factor-II	Factor-III	Factor-IV	Factor-V	Factor-VI	Factor-VII	Factor-VIII	Factor-IX	Factor-X	Factor-XI
Poor physical working conditions		.58									
Work overload			.68								
Time pressures	.51										
Health and safety workplace								-.63			
Taking my work home						.54					
Role ambiguity					.75						
Role conflict			.61								
Job Responsibility							.55				
Unsupportive Management				-.54							
The Work Itself					.69						
Over promotion									.66		
Under promotion										.54	
Lack of job security	-.58										
Promotion policies				-.56							
Lousy Feedback							.64				
Poor relations with boss							-.58				
Poor relations with subordinates							.53				
Poor relations with colleagues		.55									
Difficulties in delegating responsibility						.60					
Interpersonal relationship among employees		.53									
Little or no participation in decision-making	.56										
Inadequate staffing or budget										.58	
Office politics								.69			
Lack of effective consultation							-.60				
Insufficient salary	-.52										
Increased levels of competition				-.54							
Technological development			.52								
New forms of organization and product development											.58
Drive for greater cost-effectiveness			-.67								
Conducive environment										.67	
Changes within organization									-.51		
Layoffs	0.57										
Reward systems				.61							
Insufficient training						.55					
Ill treatment						.60					
Poor fit between abilities and skills needed to perform job effectively									.59		
Pressure to work longer hours			.63								
Lack of information		-.51									
Lack of collaboration	.60										
Bullying and harassment					.59						
Work/life conflict	.58										
Family problems	.60										
Personal problems	.52										
Financial difficulties					-.68						
Social problems	-.56										
Reduction in time spend with family											.52
Inadequate child care			-.55								
Low interaction with family members					-.57						
Irritation to family members						-.64					
Poor interpersonal communication with family members		.58									
Eigen Value	3.30	2.25	2.06	1.75	1.70	1.65	1.58	1.49	1.33	1.24	1.04
% of Variance	11.15	9.98	8.64	8.02	7.96	7.64	6.98	6.54	5.92	4.78	3.94
Cumulative Variance(%)	11.15	21.13	29.77	37.79	45.75	53.39	60.37	66.91	72.83	77.61	81.55
Cronbach's Alpha Reliability Coefficient	0.92										

Extraction Method: Principal Component Analysis.
 Rotation Method: Varimax with Kaiser Normalization.
 Rotation converged in 21 iterations.

Factor-I: From the table, it is inferred that out of 50 stress variables, ten variables have their high, relatively tightly grouped factor loadings on factor-I.

This factor consists of:

- Time pressures (0.51)
- Lack of job security(-0.58)
- Little or no participation in decision-making(0.56)
- Insufficient salary(-0.52)
- Layoffs(0.57)
- Lack of collaboration(0.60)
- Work/life conflict(0.58)
- Family problems(0.60)
- Personal problems(0.52)
- Social problems(-0.56)

This factor is named as **"CONSTRAINTS"**

Factor-II: is formed with:

- Poor physical working conditions (0.58)
- Poor relations with colleagues (0.55)
- Interpersonal relationship among employees (0.53)
- Lack of information (-0.51)
- Poor interpersonal communication with family members(0.58)

These variables are named as **"COMFORTABILITY"**.

Factor-III: This factor includes:

- Work overload (0.68)
- Technological development (0.52)
- Drive for greater cost-effectiveness (-0.67)
- Pressure to work longer hours (0.63)
- Inadequate child care(-0.55)

These three variables are named as **"EFFICIENCY "**.

Factor-IV: This factor is formed with:

- Role conflict (0.61)
- Unsupportive Management (-0.54)
- Promotion policies (-0.56)
- Increased levels of competition(-0.54)
- Reward systems(0.61)

This factor is named as **"COMPETITIVENESS "**.

Factor-V: This factor includes:

- Role ambiguity (0.75)
- The Work Itself (0.69)
- Bullying and harassment (0.59)
- Financial difficulties(-0.68)
- Low interaction with family members(-0.57)

The factor is named as **"CLARITY"**.

Factor-VI: This factor is formed with

- Taking my work home (0.54)
- Difficulties in delegating responsibility (0.60)
- Insufficient training (0.55)
- Ill treatment(0.60)
- Irritation to family members(-0.64)

The factor is named as **"DIGNITY"**.

Factor-VII: This factor includes:

- Job Responsibility(0.55)
- Lousy Feedback (0.64)
- Poor relations with boss (-0.58)
- Poor relations with subordinates(0.53)
- Lack of effective consultation(-0.60)

The factor is named as **"RESPONSE"**.

Factor-VIII: This factor includes:

- Health and safety workplace (-0.63)
- Office politics (0.69)

The factor is named as **"ENVIRONMENT"**.

Factor-IX: This factor is formed with

- Over promotion (0.66)
- Changes within organization (-0.51)
- Poor fit between abilities and skills needed to perform job effectively (-0.59)

The factor is named as **"ADAPTABILITY "**.

Factor-X: This factor includes:

- Under promotion (0.54)
- Inadequate staffing or budget (0.58)
- Conducive environment(0.67)

The factor is named as **"PLANNING"**.

Factor-XI: This factor is formed with

- New forms of organization and product development(0.58)
- Reduction in time spend with family (0.52)

The factor is named as **"DIVERSITY "**.

The Cronbach's alpha of the scale is 0.92 indicating that each measure demonstrated acceptable internal consistency.

STRESS LEVELS OF WOMEN EMPLOYEES

The stress levels of the women employees in IT sector were analyzed and the results are presented in **Table 3**.

TABLE – 3: STRESS LEVELS OF WOMEN EMPLOYEES

Stress Level	Frequency	Per Cent
Medium	59	19.67
High	176	58.66
Very High	65	21.67
Total	300	100.00

From the table, it is clear that out of about 58.66 per cent of women employees opine that they are facing high level of organizational stress followed by very high(21.67 per cent) and medium level(19.67 per cent).

INFLUENCE OF STRESS INDICATORS ON LEVELS OF ORGANIZATIONAL STRESS

In order to assess the influence of stress indicators on levels of organizational stress, the multiple linear regression by Ordinary Least Square (OLS) estimation and the results are presented in **Table 4**.

TABLE – 4: INFLUENCE OF STRESS INDICATORS ON LEVELS OF ORGANIZATIONAL STRESS-MULTIPLE REGRESSION

Stress Indicators	Regression Coefficients	t-value	Sig
Intercept	4.990**	4.653	0.01
Apathy(X ₁)	-0.005*	2.052	0.03
Depression(X ₂)	0.040*	2.062	0.02
Sleeplessness(X ₃)	-0.081	1.056	.098
Recurrent minor illnesses(X ₄)	-0.135	1.062	0.18
Disharmony with colleagues(X ₅)	0.028*	2.252	0.04
Decline in efficiency and productivity(X ₆)	-0.018*	2.145	0.03
Compulsive eating(X ₇)	-0.037	0.040	0.07
Excessive use of alcohol or other substances(X ₈)	0.021**	3.166	0.01
Smoking(X ₉)	0.109	0.051	0.16
Avoidance of meeting people(X ₁₀)	-0.086	0.047	0.13
Yawning(X ₁₁)	0.083	0.043	0.13
Stretching(X ₁₂)	-0.032*	2.249	0.03
Shaking(X ₁₃)	-0.042**	0.064	0.01
Confusing(X ₁₄)	0.038**	2.251	0.01
Excessive grooming(X ₁₅)	0.021*	2.343	0.01
Excessive thirst(X ₁₆)	0.051	0.046	0.08
Stiffness(X ₁₇)	0.013	2.043	0.02
Shivering(X ₁₈)	0.003	0.044	0.07
Mouthiness(X ₁₉)	0.047	0.047	0.08
Blinking(X ₂₀)	-0.097	0.041	0.167
R ²	0.68		
Adjusted R ²	0.62		
F	1.807		0.02
N	300		

Note: ** Significance at one per cent level

* Significance at five per cent level

The results indicate that the coefficient of multiple determination (R²) is 0.68 indicating the regression model is moderately fit. The results show that excessive use of alcohol or other substances and confusing are positively influencing the organizational stress level, while, shaking is negatively influencing the stress levels in organization at one per cent level of significance.

The results further indicates that depression, disharmony with colleagues excessive grooming and stiffness are positively influencing the stress levels in organization and apathy, decline in efficiency and productivity and stretching are negatively influencing the organizational stress level at five per cent level of significance.

CONCLUSION

The forgoing analysis indicates that the majority of women employees belong to the age group of 26-30 years and more than one third of the women employees are B.E.(IT) graduates. The results show that about two-third of women employees belong to the monthly income group of Rs. 25001- 30000 and the majority of women employees are married and about more than one-third of women employees have the total experience of 2-4 years followed by less than two years (29.33 per cent), 4-6 years (25.00 per cent) and more than six years (6.67 per cent).

The factor analysis show that there are eleven independent groups of dimensions are extracted which account for a total of 81.55 per cent of variations and these factors are grouped in to constraints, comfortability, efficiency, competitiveness, clarity, dignity, response, environment, adoptability, planning and diversity.

The regression analysis indicates that excessive use of alcohol or other substances, confusing, depression, disharmony with colleagues excessive grooming and stiffness are positively influencing the stress levels in the organization among the women employees in IT sector.

In order to reduce the stress at both work and life, proper work-life balance strategies should be adopted. The practices of Yoga and meditation should be practiced by women employees for balancing both work and family consequences besides proper mediation. It is also suggested that effective use of individual and organizational strategies may reduce the possibilities of stress among women employees. At the organizational level, pre and post departure training, language training cross-cultural training are needed to be implemented and they should be regularly monitored. At the individual level, women employees should be supported by the family and friends.

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DOES EDUCATED WOMEN PLAY A SIGNIFICANT ROLE IN HOUSEHOLD DECISION MAKING: AN EMPIRICAL STUDY FROM KOLKATA SLUM AREAS

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ABSTRACT

Traditionally, it was found that role of women in household decision making was very minimal. This has come through a societal process, which makes us believe that it is the male segment, who is the ultimate decision maker and women segment is the follower. And the situation is more visible among poor segment of the society. Still, There are lot of factors like age of the women member in the household, income of the women member, nature of occupation, non representation of male counter part (e.g. in case of a widow) etc., which may affect the participation of women in this decision making process. In our research, out of these different factors, we have taken level of education as the important criteria in household decision making process and examined whether level of education among women segment, can influence their participation in household decision making or not. In our study the target respondents are from the women segment living in Kolkata Municipal Corporation's slum areas and the primary data has been collected by applying random sampling Method. Here we identify some household decision making variables, like, role of women, in household savings decision, household expenditure decision, availing household healthcare services, children education and family planning decision. We test the hypothesis to find out the association of these above mentioned variables with the level of education by applying Chi-Square Test with the help of statistical software SPSS version 15. Our Analysis shows that, level of education has played significant role in shaping women's decision making regarding household savings, family expenditure, and family planning decision. But it plays no role in availing healthcare services and children's education.

KEYWORDS

Chi-Square, Education, Household Decision Making, Random sampling.

INTRODUCTION

There is a distinction difference between family decision making and household decision making. When an individual belongs to a family, role of individual decision making decreases and family decision making started playing an important role. Many family decisions like purchasing a costly products or services, households take the decisions jointly. They judge the product or service, evaluate it, analyze it and then take the decision, whether to purchase it or not. So, household decision making involves more than one member's contribution to take a meaningful decision for the betterment of the family. The situation which we have studied in Kolkata slum areas, are more visible.

LITERATURE REVIEW

Different household theories gave different opinions related to family decision making. According to unitary model of household decision, it is assumed that although household constitutes different individuals with different choice factors, but their behavior remains same with respect to household decisions. On the other hand we can say, their individual preferences does not play significant role in family decision making. But this theory lacks the economic welfare aspect of the society. The argument put forward by the collective models (non – unitary) discuss the issue on the basis of the assumption that household members react differently in different household decisions and come to an agreement after a thorough argument with each and every member of the family. Thus, the decision is supposed to be more effective and leads to an optimal utilization of resources (Carlsson, Martinsson, Qin, Sutter (2009).

Normally, it was found that major household decisions, like household savings, household expenditure, family healthcare choice, education of children, family planning decisions are controlled by that individual who controls the income of that household. Sector wise there may be some variations but the things are more visible among poor section of the society where it is controlled by the male member of the household. This variation is found in rural China, where a study concluded that income of female member of the household has a significant positive impact on availing better healthcare facilities and providing good education to their children (Qian – 2008). In another research study, Nava Ashraf (Spousal Control and Intra-Household Decision Making: An Experimental Study in the Philippines Harvard Business School) found that household savings and investments typically depend on how decision making power distributed between men and women. It also analyzes the fact financial decisions of the household are greatly affected by the fact that the income is known to spouses or not. If it is not known there is a tendency that they will not disclose it to other partner. Even if, this information has been shared between spouses, it is very much likely that the income earning partner will transfer the income to other partner, normally, women member of the family, who control the savings. In a different study, emphasis was given to pool family income, which gathered from all the earning members of the family and then re-distributes it to maximize the single objective function of that family, in this model whether any particular member controls the household income or not is irrelevant (Lund Berg, Pollak, Wales(December, 1996). Most of the literature related to household decision failed highlight conclusively whether women really playing an influential role and whether educated women participating more in family decisions, which our topic of discussion in this paper.

A BRIEF DESCRIPTION OF KOLKATA SLUM AREAS AND EDUCATION STATUS OF SLUM DWELLERS

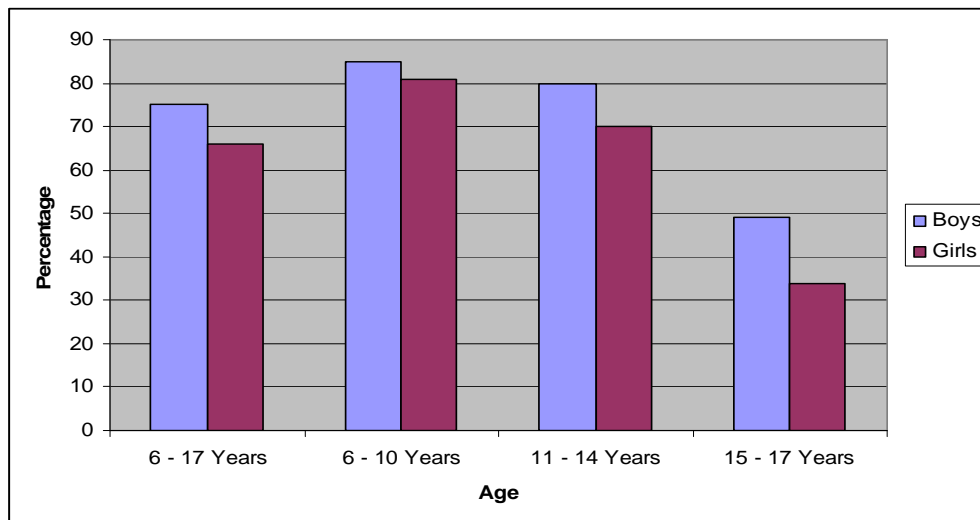
According to the Slum Area (Improvement and clearance) Act of 1956, slums are defined as those areas buildings are not fit for human living. In case of Kolkata it was observed that more than 41% of slum people living in these areas for over two generations, 24% migrated from adjacent states and approximately 17% migrated from Bangladesh. If we look at the educational status of the people living in slum areas, the picture is quite dismal. It was found that overall 28.5% male were literate and 14.5% is female. It was also observed in 2001 census that illiteracy level is higher with increase in age of the people living in slum areas. This rate is higher among women segment vis-à-vis male segment. This emphasize on the fact that need for women education is vital and most important for the development of the entire household.¹

¹ The data has been extracted from "Understanding Slums: Case Studies for Global Report on Human Settlements (2003): Urban Slums India: The Case of Kolkata India" by Dr. Nitai Kundu and Census India 2001 data.

EDUCATED WOMEN'S ROLE IN HOUSEHOLD DECISION MAKING

Women empowerment is a most happening thing all over the world, mostly in the developing countries like India. Autonomy is the ability to take decisions of its own and implement it in the society where the individual is living. Traditionally, it was found that, women segments are the most vulnerable in terms of social injustice, unequal distribution of wealth. They also failed to get equal opportunity in case of education, health, gender discrimination in other aspects. Other developing country's evidence shows that women's decision making role mainly depends on their age and family structure. If the family does not have any male member or the female member is very old, they are considered as the family head. But most of the young women's (both educated as well as uneducated) participation in family decision making is minimal. One of the important parameter of the women empowerment is considered as level of education. In the National Family Health Survey (NFHS – 3), it was found that the in the year 2005 -06, 71% of children age 6 – 17, attended the school, Out of which 77% in urban areas and 69% in rural areas. The same has been depicted in the figure below:

FIGURE 1: PERCENTAGE OF BOYS AND GIRLS ATTENDING SCHOOL IN THE 2005 – 06, SCHOOL YEAR, NFHS – 3, INDIA



Source: National Family and Health Survey – 3, India

The figure also depicts that, with the increase in age, the level of education decreases more among girls as compared to boys. So, gender discrimination is still present in India and it certainly affects their role in various decisions making. This is because we do consider that education can play an influential role in household decision making. According to the survey both demand side as well as supply side factors ensures the proper education. Factors like accessibility, availability and quality of good schools can be termed as supply side factors. On the other hand education of household members, wealth can be termed as demand side factors. In case of demand side factors, it was found that family with educated members shown more interest to educate their children. Thus it can be concluded that greater investment in women education can increase the labor force participation and bring equality in the household. It also help to improve the overall decision making, as traditionally it was found that women are more sensitive and caring towards their own household, so better education will improve their decision making ability and hence improve their living condition.

Given the above analysis, we will try to focus on the issue whether women education will play any important role, considering some of the household decision making variables.

OBJECTIVE OF THE STUDY

There are lot of factors like age of the women member in the household, income of the women member, nature of occupation, non representation of male counter part (e.g. in case of a widow) etc., which may affect the participation of women in this decision making process. In our research, out of these different factors, we have taken level of education as the important criteria in household decision making process. That is, we want to see, whether level of education among women segment, can influence their participation in household decision making. And the variables that we have considered here are as follows:

- Role of educated women in family planning
- Role of educated women in family savings
- Role of educated women in family expenditure
- Role of educated women in family health care
- Role of educated women in children's education

DATA CHARACTERISTICS

This study was based on primary data, which was undertaken from the female respondents, living in Kolkata slum areas under Kolkata Municipal Corporation and the sample size was 100. A random sampling method was used to select the respondents. Independent variable for this study was the literacy rate of women which was categorized into two: Literate and Illiterate. The dependent variables are the characteristics of family decision making variables which was measured in terms of five elements: i) Responsibility in family planning, ii) Role in savings, iii) Role in volume of expenditure, iv) Decision in health care and v) Decision in children education. The first four dependent variables are categorized into three: High, low and No Role, whereas the last one was categorized into two: yes and no.

RESEARCH METHODOLOGY

To understand the role of women education in family decision making process we have used several statistical and analytical tools. At first we have used the Cross-Tabulations and Chi-square test for independence of attributes to explore the degree of association between the educational status of women and its role in different decision making progress in family such as taking decision in family planning, savings, Expenditure and Healthcare. We have also used Multinomial logistic regression and binary logistic regression to predict the presence or absence of a characteristic or outcome based on values of a set of predictor variables. Statistical Analysis was conducted by using SPSS Version 15.

DATA ANALYSIS AND FINDINGS

CHI-SQUARE TEST OF INDEPENDENCE

The Chi-Square Test is one of the Non-Parametric Tests where we do not take the assumption of normality of the population distribution.

The chi square test of independence is a test of whether there is a relationship between subjects' attributes on one variable and their attributes on another. As its name suggests, the test is based on the chi square distribution.

Here, H_0 : There is no dependency between the two attributes

Against H_1 : Dependency exists between the two attributes, that is, two attributes are related.

The Chi-Square Test-Statistic is given by:

$$\chi^2 = \sum (O-E)^2/E \sim \chi^2 \text{ with } (r-1)(c-1) \text{ Degree of Freedom.}$$

Where: O: Observed Frequency

E: Expected Frequency

r: No. of Rows

c: No. of Columns

Then we reject or accept the Null Hypothesis based on the Critical value of the Chi-Square with the corresponding degrees of freedom.

RESULTS OF CHI-SQUARE TEST OF INDEPENDENCE

In this study we calculated four Chi-Square tests to measure the degree of association between women's education, which is characterized by two ordinal values (0: Illiterate, 1: Literate) and the dependent variables which is characterized by three dummy variables (1: high, 2: low and 3: No role).

A) CHI-SQUARE TEST OF ASSOCIATION BETWEEN EDUCATION OF WOMEN AND FAMILY PLANNING

TABLE 1

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	9.980	2	.007
Likelihood Ratio	10.234	2	.006
Linear-by-Linear Association	8.605	1	.003
N of Valid Cases	100		

From the above table of Chi-square tests we see that, the calculated value of Pearson Chi-square is 9.98 and the P-value of Chi-Square is 0.007 (<0.05) is significant. It indicates the rejection of the null hypothesis and we conclude that, association exists between women's education level and level of family planning.

Now to examine the whether the literate women are more involved in decision making in family planning we have to look at the following Cross-Tabulation Table of Education and Family Planning.

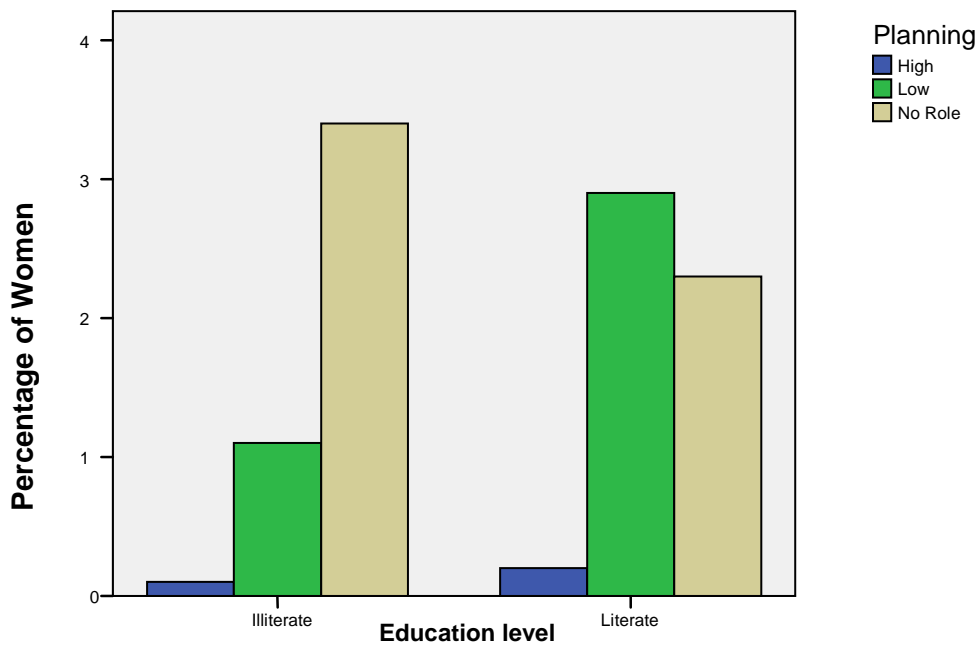
TABLE 2: CROSS-TABULATION TABLE OF EDUCATION AND FAMILY PLANNING

Education	Illiterate		Planning			Total
			High	Low	No Role	
	Illiterate	Count	1	11	34	46
		Expected Count	1.4	18.4	26.2	46.0
		% within Ed	2.2%	23.9%	73.9%	100.0%
		% within Planning	33.3%	27.5%	59.6%	46.0%
		% of Total	1.0%	11.0%	34.0%	46.0%
	Literate	Count	2	29	23	54
		Expected Count	1.6	21.6	30.8	54.0
		% within Ed	3.7%	53.7%	42.6%	100.0%
		% within Planning	66.7%	72.5%	40.4%	54.0%
		% of Total	2.0%	29.0%	23.0%	54.0%
	Total	Count	3	40	57	100
		Expected Count	3.0	40.0	57.0	100.0
% within Ed		3.0%	40.0%	57.0%	100.0%	
% within Planning		100.0%	100.0%	100.0%	100.0%	
	% of Total	3.0%	40.0%	57.0%	100.0%	

SOURCE: Primary data Survey from KMC Slum Areas

TABLE 3

Bar Chart showing the level of Education and role in family planning



From the Cross-Tabulation Table and the above graph interestingly we observe that, Women with education have a higher role in taking decision in family planning compared to the women with no education. Literate women have a higher participation rate in high (3.7%) and in low (53.7%) compared to 2.2% and 23.9% respectively for Illiterate women. In contrast 42.6% illiterate women have no role in family planning compared to 73.9% of literate women.

B) CHI-SQUARE TEST OF ASSOCIATION BETWEEN EDUCATION OF WOMEN AND FAMILY SAVINGS:

TABLE 4

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	18.725	2	.000
Likelihood Ratio	20.127	2	.000
Linear-by-Linear Association	18.535	1	.000
N of Valid Cases	100		

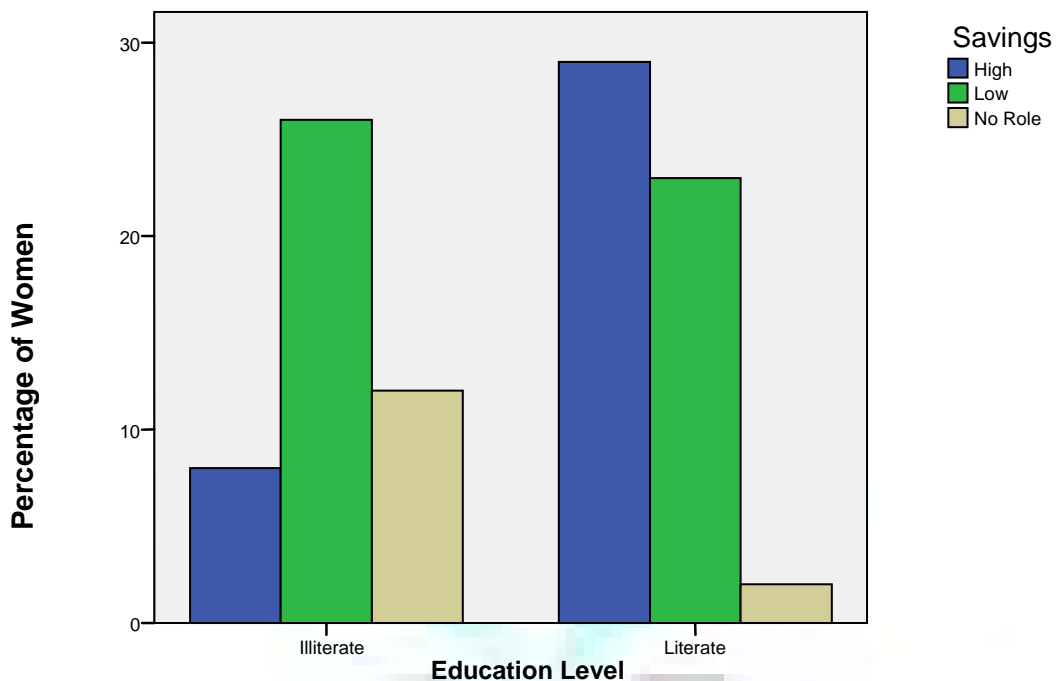
The critical P-value of Pearson Chi-Square is 0.000 which is <0.05, i.e. the P-value is very highly significant. We can reject the Null Hypothesis and we say that, the level of Women Education and Level of Savings are dependent to each other.

CROSS TABULATION TABLE OF LEVEL OF SAVINGS AND LEVEL OF EDUCATION

TABLE 5

		Savings			Total	
			High	Low	No Role	
Education	Illiterate	Count	8	26	12	46
		Expected Count	17.0	22.5	6.4	46.0
		% within Ed	17.4%	56.5%	26.1%	100.0%
		% within Savings	21.6%	53.1%	85.7%	46.0%
		% of Total	8.0%	26.0%	12.0%	46.0%
Literate	Literate	Count	29	23	2	54
		Expected Count	20.0	26.5	7.6	54.0
		% within Ed	53.7%	42.6%	3.7%	100.0%
		% within Savings	78.4%	46.9%	14.3%	54.0%
		% of Total	29.0%	23.0%	2.0%	54.0%
Total	Total	Count	37	49	14	100
		Expected Count	37.0	49.0	14.0	100.0
		% within Ed	37.0%	49.0%	14.0%	100.0%
		% within Savings	100.0%	100.0%	100.0%	100.0%
		% of Total	37.0%	49.0%	14.0%	100.0%

Bar Chart showing the level of Education and level of savings



The Cross-Tabulation Table between Women’s Education and Level of Savings Explores that, participation of Literate women in high savings is 53.7% as against to 17.4% for Illiterate Women. Percentage of Illiterate Women in taking ‘no role’ in family savings is higher (26.1%) than that of Literate Women (3.7%). The Above Graph also shows the same picture of the Cross-Tabulation Table.

C) CHI-SQUARE TEST OF ASSOCIATION BETWEEN EDUCATION OF WOMEN AND LEVEL OF FAMILY EXPENDITURE:

TABLE 6

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	7.445	2	.024
Likelihood Ratio	7.636	2	.022
Linear-by-Linear Association	6.803	1	.009
N of Valid Cases	100		

The P-values of Pearson Chi-square statistic between women’s education and level of savings and women’s education and level of level of family expenditure are 0.000 and 0.024, i.e. both are less that 0.05. It also indicates the rejection of the Null Hypothesis and the dependency between women’s education and level of savings and women’s education and level of level of family expenditure.

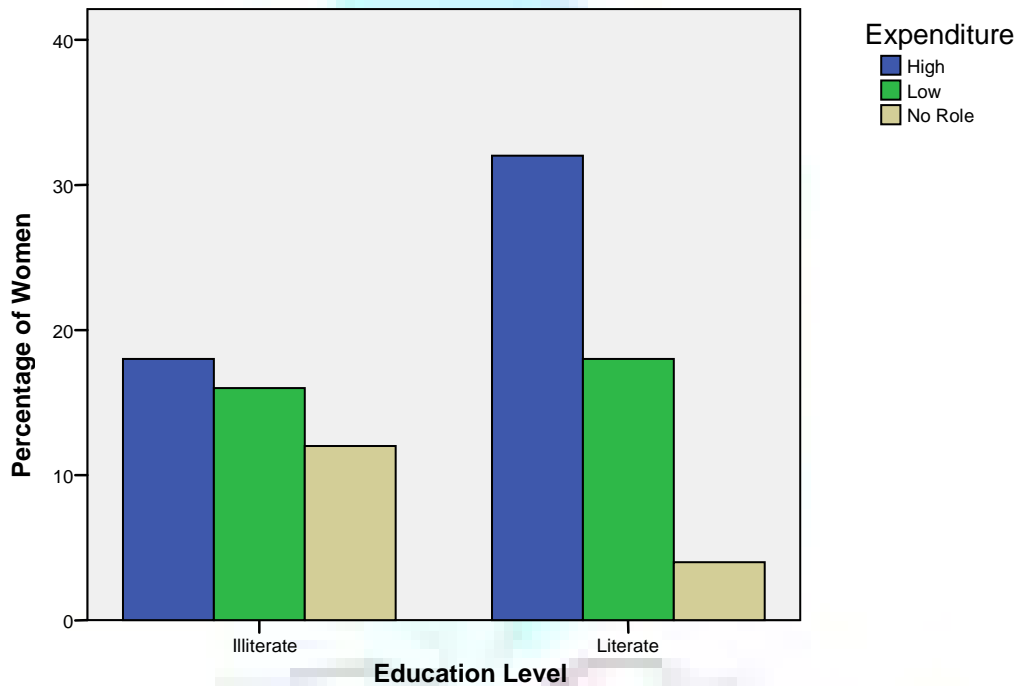
CROSS TABULATION TABLE OF WOMEN’S EDUCATION AND LEVEL OF FAMILY EXPENDITURE

TABLE 7

Education	Illiterate		Expenditure			Total
			High	Low	No Role	
	Illiterate	Count	18	16	12	46
		Expected Count	23.0	15.6	7.4	46.0
		% within Ed	39.1%	34.8%	26.1%	100.0%
		% within Expenditure	36.0%	47.1%	75.0%	46.0%
		% of Total	18.0%	16.0%	12.0%	46.0%
	Literate	Count	32	18	4	54
		Expected Count	27.0	18.4	8.6	54.0
		% within Ed	59.3%	33.3%	7.4%	100.0%
		% within Expenditure	64.0%	52.9%	25.0%	54.0%
		% of Total	32.0%	18.0%	4.0%	54.0%
Total	Count	50	34	16	100	
	Expected Count	50.0	34.0	16.0	100.0	
	% within Ed	50.0%	34.0%	16.0%	100.0%	
	% within Expenditure	100.0%	100.0%	100.0%	100.0%	
	% of Total	50.0%	34.0%	16.0%	100.0%	

SOURCE: Primary data Survey from KMC Slum Areas

Bar Chart showing the Level of Women’s Education and Level of Expenditure



When we consider the level of Expenditure as one of the characteristics of family decision making variable, literate women have 59.3% participation rate, when level of family expenditure was ‘High’, which is lower (39.1%) for Illiterate Women. 26.1% Illiterate Women have no role to take decisions regarding level of family expenditure and only 7.4% literate women have no role in making the level of family Expenditure.

D) CHI-SQUARE TEST OF ASSOCIATION BETWEEN EDUCATION OF WOMEN AND HEALTHCARE DECISION

TABLE 8

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	2.060	2	.357
Likelihood Ratio	2.060	2	.357
Linear-by-Linear Association	1.502	1	.220
N of Valid Cases	100		

From the above table of Chi-Square tests we observe that the P-value of Pearson Chi-Square (2.06) is 0.357 (i.e. $P > 0.05$). This suggested no existence of a relationship between education of women and healthcare decision hence accepting the Null Hypothesis.

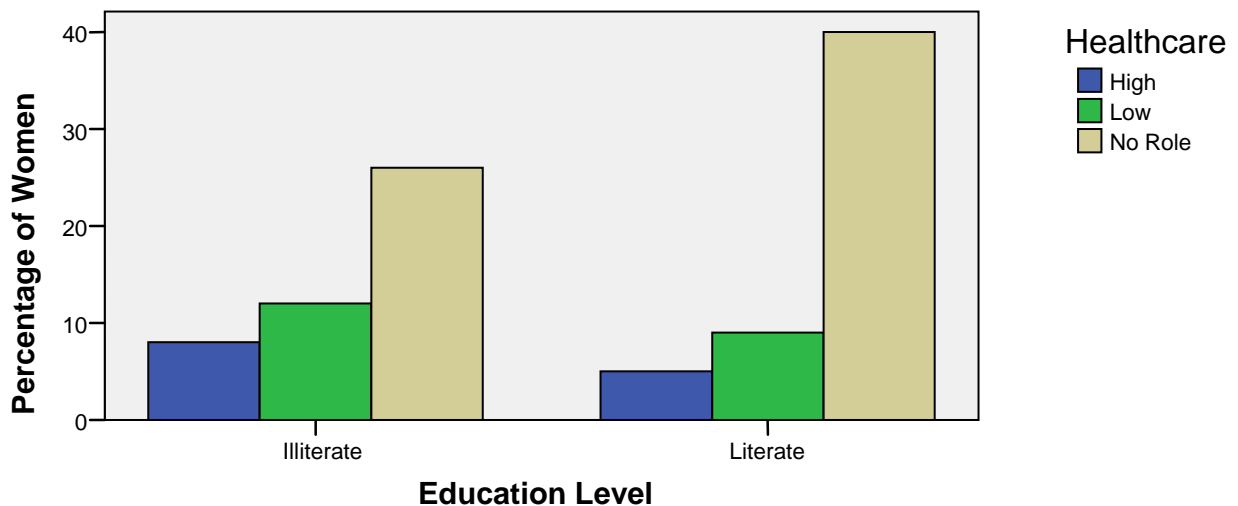
CROSS TABULATION TABLE BETWEEN WOMEN'S EDUCATION AND HEALTHCARE DECISION

TABLE 9

			Healthcare			Total
			High	Low	No Role	
Education	Illiterate	Count	8	12	26	46
		Expected Count	6.0	9.7	30.4	46.0
		% within Ed	17.4%	26.1%	56.5%	100.0%
		% within Healthcare	61.5%	57.1%	39.4%	46.0%
	% of Total	8.0%	12.0%	26.0%	46.0%	
	Literate	Count	5	9	40	54
		Expected Count	7.0	11.3	35.6	54.0
		% within Ed	9.3%	16.7%	74.1%	100.0%
% within Healthcare		38.5%	42.9%	60.6%	54.0%	
% of Total	5.0%	9.0%	40.0%	54.0%		
Total		Count	13	21	66	100
		Expected Count	13.0	21.0	66.0	100.0
		% within Ed	13.0%	21.0%	66.0%	100.0%
		% within Healthcare	100.0%	100.0%	100.0%	100.0%
		% of Total	13.0%	21.0%	66.0%	100.0%

SOURCE: Primary data Survey from KMC Slum Area

Bar Chart showing women's Education and Decision in Healthcare



Out of all the respondents most of the respondents (both literate and illiterate) have no role in Healthcare Decision, because higher percentage figure falls in this category. Illiterate Women have greater role in 'high role' in Healthcare Decision with the percentage of 17.4% compared to the Literate Person (9.3%).

D) CHI-SQUARE TEST OF ASSOCIATION BETWEEN EDUCATION OF WOMEN AND HEALTHCARE DECISION

TABLE 10: CHI-SQUARE TESTS

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	3.620	1	.057
Likelihood Ratio	3.632	1	.057
Linear-by-Linear Association	3.583	1	.058

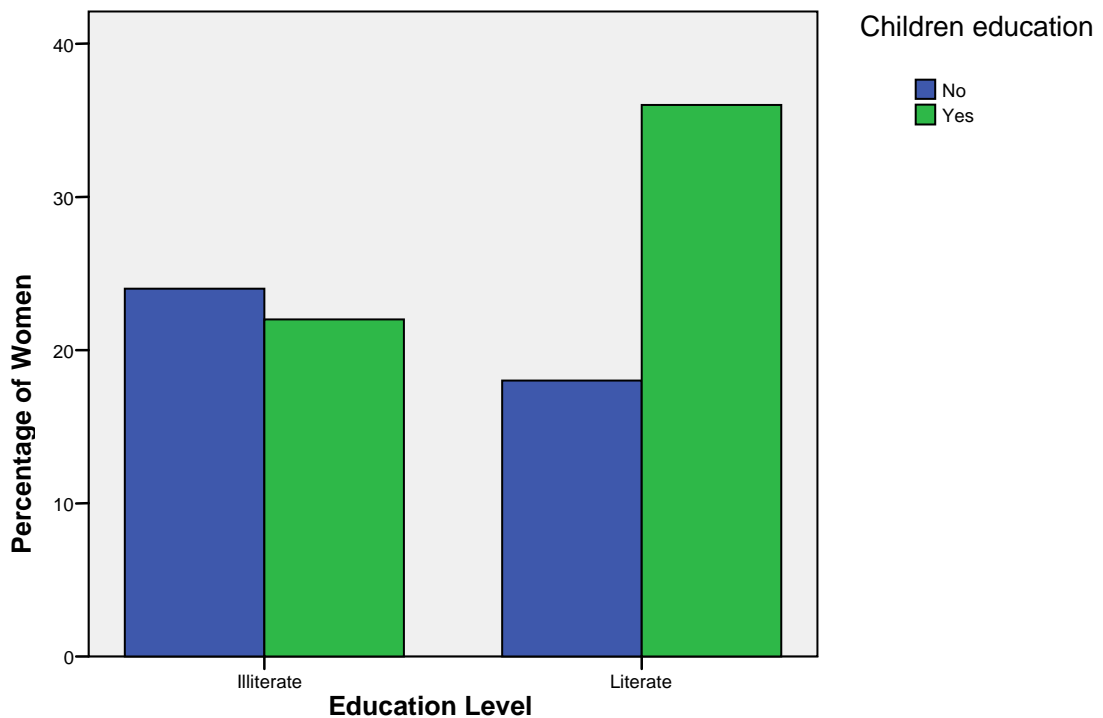
The P-value of Chi-Square (=0.057) is greater than 0.05 implies the acceptance of Chi-Square Statistic at 5% level of significance. That is there is no dependency between the Level of Women education and its role in children education.

TABLE 11

			Children education		Total
			No	Yes	
Education	Illiterate	Count	24	22	46
		Expected Count	19.3	26.7	46.0
		% within Ed	52.2%	47.8%	100.0%
		% within Children education	57.1%	37.9%	46.0%
		% of Total	24.0%	22.0%	46.0%
	Literate	Count	18	36	54
		Expected Count	22.7	31.3	54.0
		% within Ed	33.3%	66.7%	100.0%
% within Children education		42.9%	62.1%	54.0%	
	% of Total	18.0%	36.0%	54.0%	
Total		Count	42	58	100
		Expected Count	42.0	58.0	100.0
		% within Ed	42.0%	58.0%	100.0%
		% within Children education	100.0%	100.0%	100.0%
		% of Total	42.0%	58.0%	100.0%

SOURCE: Primary data Survey from KMC Slum Area

Bar Chart showing the Level of Women Education and Role in Children Education



The Literate women are more likely to take decisions in children education with the percentage of 66.7% compared to the Illiterate women with the percentage of 47.8%. In contrast 33.3% literate women have no role in taking decisions in children Education and 52.2% Illiterate Women have no role in children education.

CONCLUSION

The women’s involvement in taking part in decision making in the family is insignificant, but it is one of the important aspect of women’s empowerment. Different factors (like, age, Occupation, Education, income etc) affect the women’s involvement in the decision making progress in the household .The present study clearly indicates that, the level of Education is strongly associated with the decision making variable such as family planning, level of savings and level of expenditure, whereas it has no role in case of health care and Children Education, i.e. Educated women are more likely to take part in decision making. So, Education always empowers a woman and has a positive impact on decision making in the family. Emphasis should be given to increase the Women empowerment and reduce the gender inequality among men and women and to do that; some policy initiative should be taken for those women, who did not attend the school. As a nutshell, we say that, the women from the poorer class have the least decision-making power, which suggests involving them in education to lessen the Dependency on the male member in the family and to increase the self-confidence. The major problems in the Kolkata slum areas, where the research has been conducted is the low level of educational facilities. When we studied it was found that, many of them willing to go to school, but availability of schools were not there.

It might be interesting for future studies to look at the effect of other elements on family Decision making variables, for example the effect of nature of occupation on family decision making, or the effect of age and income on family decision making.

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INVESTOR'S BEHAVIOR IN VELLORE DISTRICT

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ASST. PROFESSOR
C ABDUL HAKIM COLLEGE OF ENGINEERING & TECHNOLOGY
SAINATHAPURAM

ABSTRACT

Indian investor today have to endure a sluggish economy, the steep market declines prompted by deteriorating revenues, alarming reports of scandals ranging from illegal corporate accounting practices like that of Satyam to insider trading to make investment decisions. Despite loads of information bombarding from all directions, it is not the cold calculations of financial wizards, or company's performance or widely accepted criterion of stock performance but the investor's irrational emotions like overconfidence, fear, risk aversion, etc., seem to decisively drive and dictate the fortunes of the market. This paper while discussing the characteristics of the Indian individual investors along makes an attempt to discover the relationship between a dependent variable i.e., Risk tolerance level and independent variables such as Age, Gender of an individual investor on the basis of the survey. Indian investors are high income, well educated, salaried, and independent in making investment decisions and conservative investors. From the research conducted it was found that irrespective of gender, most of the investors (41%) are found have low risk tolerance level and many others (34%) have high risk tolerance level rather than moderate risk tolerance level. It is also found that there is a strong negative correlation between Age and Risk tolerance level of the investor. Television is the media that is largely influencing the investor's decisions. Hence, this study can facilitate the investment product designers to design products which can cater to the investors who are low risk tolerant.

KEYWORDS

Indian individual investor, Investor characteristics; dependent Variables; independent variables; risk tolerance level.

INTRODUCTION

India's domestic savings as a percentage of its GDP is 36%, which is one of the highest in the world. By 2009-10, the estimates provided by Indices analyst, a research firm, show that India's total annual personal disposable income has grown to Rs. 42,059 billion (about 55% being Urban) and the annual savings have grown to Rs. 10,039 billion, at present. A significant portion of these savings is in the form of investment avenues like gold, fixed deposits, postal schemes and insurance. Net returns from such avenues, on the post-tax basis, could barely outperform inflation. Investment opportunities available in India have been growing in the recent past. The best investment opportunities are often found in the most unlikely places and situations & are affected by changes in government policies, technological innovations, anticipating the future, International trends, and sunrise industries.

OBJECTIVES OF THE STUDY

1. To know the awareness & preference of investors for the alternatives available in the market.
2. To assess the pattern of Indian investment.
3. To evaluate the factors responsible for decision making in investment alternatives.
4. To rank the factors which are having more impact in decision making.
5. To ascertain the risk - preference assigned by the investors to their funds.
6. To verify the correlation between the proportion of investment & the demographic factors of the respondents.

SAVING SCHEMES IN INDIA

Saving is always the prime importance for any individual for security of his future. The purpose of savings may vary from individual to individual. Most of the times, these savings are willful, but sometimes, these may also be forceful in order to reduce the tax liability. In Indian tax laws, deductions are provided at a specified rate on the amount of such savings. The investors have to consider certain investment characteristics before finalizing any option. These are:

- 1) Liquidity
- 2) Marketability
- 3) Reversibility
- 4) Transferability
- 5) Transaction cost
- 6) Risk of default
- 7) Maturity period
- 8) Tax status
- 9) Options (call back/buy back)
- 10) Volatility of prices
- 11) Rate of return.

POST OFFICE SAVINGS SCHEMES

India possesses the largest postal network in the world with 155,000 post offices spread all over the country as on March 31, 2001, of which 89 per cent are in the rural sector. There are various kinds of saving schemes e.g. National Savings Certificates (NSC), National Savings Schemes, Post Office Time Deposits, Post Office Recurring Deposit Account (RDA), Post Office Monthly Income Scheme, Senior Citizen Scheme, Kisan Vikas Patra (KVP), RBI Relief Bonds, Public Provident Funds etc. Almost all of them have tax relieves and exemptions u/s 80C & u/s 10. The return varies from 8-9% and involves certain lock in period. These days, these schemes are not very popular and suitable for the investors who are very risk averse.

BANK DEPOSITS IN INDIA

Bank deposits are fairly safe because banks are subject to control of the Reserve Bank of India (RBI) with regard to several policy and operational parameters. Now, most of the banks offer various facilities such as ATM card, credit card etc. Through debit/ATM card, one can take money from any of the ATM centers of the particular bank which will be open 24 hours a day. Through a credit card, one can avail shopping facilities from any shop which accept the credit card. And many of the banks also give internet banking facility, with which one can avail facilities like - transactions like withdrawals, deposits, statement of account etc. Now- a- day's, different kind of accounts are available such as Savings Bank Account, Bank Recurring Deposits, Bank Fixed Deposits, Current account. Bank deposits are the safest investment after Post office savings because all bank deposits are insured under the Deposit Insurance & Credit Guarantee Scheme of India. It is possible to get loans up to 75- 90% of the deposit amount from banks against fixed deposit receipts, though some penalty may be charged.

PROVIDENT FUND

These funds are of different types. Some of them are structured & mandatory for notified organizations to provide to their employees. In these funds, employees contribute a certain portion of their salary & an equivalent amount is required to be contributed by the employer. Post offices also provide for Public Provident Fund, popularly known as PPF. It is a savings cum tax saving instrument. It also serves as a retirement planning tool for many of those who do not have any structured pension plan covering them. Minimum deposit required in a PPF account is Rs. 500 in a financial year. Maximum deposit limit is Rs. 70,000 in a financial year (Now the Govt is planned to raise up to 1,00,000). Presently, the rate of interest is 8% per annum. The number of investors for Provident funds were 172 in 1950-51, which increased to 75,987 in 2009-2010 which accounted for 18% of savings in financial assets of the household sector in India.

COMPANY FIXED DEPOSITS IN INDIA

The company fixed deposits were started in India in 1964 by Bajaj Capital Ltd. Today, its fixed deposit market has grown up to approximately Rs. 45,000 crores. The number of depositors has increased to around 5 million. Fixed deposits in corporations that earn a fixed rate of return over a period of time are called Company Fixed Deposits. Financial institutions and Non-Banking Finance Companies (NBFCs) also accept such deposits. Deposits thus mobilized are governed by the Companies Act under Section 58A. The benefits of company deposit are numerous like superior returns from reputed companies, fixed and assured returns, premature encashment, and simplicity of transactions, TDS benefits, wide choice. All these features have made company deposits a preferred instrument of investment. These deposits are unsecured. Every company is rated by credit rating agencies like CARE, CRISIL and ICRA. Normally, the minimum investment is Rs. 5,000. For individual investors, there is no upper ceiling. Their duration may vary from a minimum of 6 months to 5 years or even more. The rate of interest is ranging from 5-16% in olden days now they are offering 9% -12.5%. Before investing, we must take certain precautions i.e. check the credentials of the company, confirm the Interest rate compounding period & Penalty in case of Premature ending of fixed deposits etc. The drawback is that the interest income is subject to tax & rising inflation can wipe out these benefits.

BONDS AND DEBENTURES IN INDIA

A bond or debenture is a long term debt instrument. Bonds issued by the government or the public sector companies are generally secured. The private sector companies issue secured or unsecured debentures. In the case of bonds or debentures, the rate of interest is fixed and known to the investors. A bond is redeemable after a specific period. The key risks of corporate bonds are that the company will go out of business and you'll lose your investment, and that interest rates will rise and you'll lose if you have to sell on the open market. Corporate bonds are generally more risky than government bonds. Corporate bonds often pay higher returns than government bonds. The pricing of the bonds depends upon many factors e.g. General level of interest rates, supply and demand, and term remaining on the issue, attractiveness, and assets securing the liability. The Act in India, which is regulating bonds, is Registration of Bonds and Debentures Act, 1970. Bonds can be broadly classified into Tax-Saving Bonds & Regular Income Bonds.

MONEY MARKET

The money market is a wholesale debt market for low-risk, highly-liquid, short-term instrument. Funds are available in this market for periods ranging from a single day up to a year. This market is dominated mostly by government, banks and financial institutions.

The money market is a mechanism that deals with the lending and borrowing of short term funds. The India Money Market has come of age in the past two decades. The performance of the Indian Money Market is heavily dependent on real interest rate- that is the interest rate which is inflation adjusted. It is needed because:

- (i) Need for short term funds by Banks
- (ii) Outlet for deploying funds on short term basis.
- (iii) Need to keep the SLR as prescribed.
- (iv) Need to keep the CRR as prescribed.
- (v) Optimize the yield on temporary surplus funds.
- (vi) Regulate the liquidity and interest rates in the conduct of monetary policy to achieve the broad objective of price stability, efficient allocation of credit and a stable foreign exchange market.

The Products are:

- (i) Treasury-Bills
- (ii) Government of India Securities
- (iii) Commercial Papers (CP)
- (iv) Call linked products
- (v) Certificate of Deposits (CD)
- (vi) Collateralized Borrowing and Lending Obligations (CBLO)

TIMMA (Templeton India Money Market Account), India's first money market mutual fund, was launched in March 1997. Today there are 41 mutual funds Company's available in the market.

STOCK MARKET

With over 20 million shareholders, India has the third largest investor base in the world after the USA and Japan. Over 10,500 companies are listed on the stock exchanges, which are serviced by approximately 8,900 stockbrokers. The Indian capital market is significant in terms of the degree of development, volume of trading and its tremendous growth potential.

TABLE 1: WORLDWIDE STOCK MARKETS
STOCK EXCHANGES: YEAR ENDED 31 DECEMBER 2010

Country	Stock Exchange	Market Capitalization (USD Billions)
United States	NYSE Euronext	15,970
United States	NASDAQ OMX	4,931
Japan	Tokyo Stock Exchange	3,827
United Kingdom	London Stock Exchange	3,613
France	Paris Stock Exchange	2,900
China	Shanghai Stock Exchange	2,717
Hong Kong	Hong Kong Stock Exchange	2,711
Canada	Toronto	2,170
India	Bombay Stock Exchange	1,631
India	National Stock Exchange of India	1,596
Brazil	BM&F Bovespa	1,545
Australia	Australian Securities Exchange	1,454
Germany	Deutsche Börse	1,429
China	Shenzhen Stock Exchange	1,311
Switzerland	SIX Swiss Exchange	1,229
Spain	BME Spanish Exchanges	1,171
South Korea	Korea Exchange	1,091
Russia	MICEX	949
South Africa	JSE Limited	925

Source: Economic Times of India, 31st December, 2010

Successful investing in equity markets requires some skill, some experience, some luck and lots of patience. The growth in well-managed companies gets eventually reflected in the growth in their stock prices. Thus, a well-chosen stock can give good returns over a period of time. But, higher returns are also followed by a higher level of risk since the markets are volatile and prone to "bull-runs" and "bear-phases". Studies have also shown that the longer you stay invested in the equity market, the closer you move to the averages and reduce volatility. However, equity markets continue to remain risky for an investor who chooses to invest for shorter periods because his returns would then depend on the period he stays invested. Ultimately the actual return earned by the investor would depend on

- (i) Which stocks he bought
- (ii) When he bought them and
- (iii) How long he retained them before selling them off. Returns as well as risk would be a combination of these three decisions by him. The option of closed ended funds could also be considered for investments because of the fact that the prices of these funds are more regulated by the demand & supply rather than market psychology.

INSURANCE

Insurance is a form of risk management primarily used to hedge against the risk of a contingent loss. Insurance is defined as the equitable transfer of the risk of a loss, from one entity to another in exchange for a premium. Basically, the Insurance companies can be classified into two categories i.e. Life Insurance & Non-Life. There are different kinds of products that are being offered by insurance companies these days. These are Business Insurance, Health Insurance, Disability Insurance, Casualty Insurance, Life Insurance, Property Insurance, Automobile Insurance, Driving School Insurance, Aviation Insurance, Boiler Insurance, Builder's risk Insurance, Earthquake Insurance, Flood Insurance, Marine Insurance, Terrorism Insurance, Volcano Insurance, windstorm Insurance, Liability Insurance, Credit Insurance, Pet Insurance, Pollution Insurance, Travel Insurance, Reinsurance, Social Insurance etc. A new kind of product is very popular these days i.e. ULIP (Unit Linked Insurance Plan). The investments under this type of scheme are subject to a lock-in period of 3 years and, as per the Finance Act 2005, are allowed the benefit of income deduction up to Rs. 1, 00,000. Now-a-days, modern insurance companies are money making businesses which have little interest in insurance. That is why they are criticized. The purpose of insurance is to reduce risk so the reluctance of insurance companies to take on high-risk cases (e.g. houses in areas subject to flooding, or young drivers) runs counter to the principle of insurance. Insurance policies contain too many exclusion clauses. Moreover, the information provided in the call centers is not guided by expert knowledge.

MUTUAL FUNDS

Individuals are usually constrained either by resources or by limits to their knowledge of the Investment outlook of various financial assets (or both) and the difficulty of keeping abreast of changes taking place in a rapidly changing economic environment. Given the small portfolio size to manage, it may not be optimal for an individual to spend his or her time analyzing various possible investment strategies and devise investment plans and strategies accordingly. Instead, they could rely on professionals who possess the necessary expertise to manage their funds within a broad, pre-specified plan. Mutual funds pool investors' money and invest according to pre-specified, broad parameters. These funds are managed and operated by professionals whose remunerations are linked to the performance of the funds. The profit or capital gain from the funds, after paying the management fees and commission is distributed among the individual investors in proportion to their holdings in the fund. Mutual funds vary greatly, depending on their investment objectives, the set of asset classes they invest in, and the overall strategy they adopt towards investments.

A mutual fund is a professionally managed firm of collective investments that collects money from many investors and puts it in stocks, bonds, short-term money market instruments, and/or other securities. The fund manager, also known as portfolio manager, invests and trades the fund's underlying securities, realizing capital gains or losses and passing any proceeds to the individual investors. Currently, the worldwide value of all mutual funds totals to more than \$33 trillion. As of December 2010, the assets under management (AUM) by the Indian MF industry stood at X 8, 00,000 crore 1, 12,005 crore at end-December 2010). In India, there are 43 registered Mutual Fund houses. While income funds accounted for 49% of the total assets, equity or growth funds had 26% of the total assets. Balanced funds, gilt funds, ELSS and Liquid funds/ money market funds accounted for the rest. Mutual funds bear expenses similar to other companies. The fee structure of a mutual fund can be divided into two main components: management fee and non management expense. All expenses are expressed as a

percentage of the average daily net assets of the fund. There are different types of mutual funds e.g. Open-end fund, Exchange-traded funds, Equity funds, Bond funds, Money market funds, Funds of funds (FoF), Hedge funds. There may be different investment objective for different investors i.e. Growth, Income, Tax Saving etc.

REAL ESTATE

Real estate is basically defined as immovable property such as land and everything permanently attached to it like buildings. The investment in real estate essentially depends on the risks associated with it. It is attracting investors by offering a possibility of stable income yields, moderate capital appreciations, tax structuring benefits and higher security in comparison to other investment options. The potential of India's property market has a revolutionizing effect on the overall economy of India as it transforms the skyline of the Indian cities mobilizing investments segments ranging from commercial, residential, retail, industrial, hospitality, healthcare etc. There is an up shooting demand for 200 million sq. ft over the next five years for commercial real estates. On the whole, Indian real estate sector is slated to mark the growth to \$40-50 billion in the next five years. Now- a- days, new kinds of institutes are emerging that known as REITs. A Real Estate Investment Trust (REIT) is a corporation or body investing in real estate that has the property to reduce or eliminate corporate income taxes. In return, REITs are required to distribute 90% of their income among the investors. The REIT structure was designed to provide base for investment in the real estate as the mutual funds provide for investment in stocks.

JEWELLERY

At 517 tones, India's total demand for gold in Q2 2010 was equivalent to half the global mine output for the quarter. Basic purchase of jewellery is not for pure investment but human desires. In the Hindu, Jain and Sikh community, where women do not inherit landed property, precious metal jewellery is a major component of the streedhan. At the most obvious level, it is a form of adornment satisfying man's innate desire to beautify himself. However, jewellery also serves as an identity marker, as security, and as symbol of social contracts. For Hindus, jewellery is associated with most religious ceremonies, especially the samaskaras (stages of life) such as the namkarna (naming ceremony) or the vivaha (marriage). To signify marital status, Hindu women must wear the mangalsutra consisting of gold. We can invest in jewellery by Buying Gold Jewellery for investment, buying Gold coins. Gold Stocks, Bonds and other investments. Options such as gold certificates, accumulation plans, coins and shares of gold mining companies, which serve as a proxy for investing in gold in the developed markets, do not exist here. Even Experts don't recommend strongly the purchase of jewellery for the purpose of investment because of the unavailability of a highly liquid, organized market for gold or gold-backed securities and two reasons -purchasing & reselling.

While purchasing it, a few precautions are required:

- (i) Always take a receipt from the jeweler stating the price, weight and karat age.
- (ii) Prefer hallmark jewellery.
- (iii) Option of branded jewellery like Titan, Carbon, and Nakshatra. An effective investment includes reselling - Reselling jewellery is not as simple as going to the jeweller and getting a good price.

The jeweller will consider a number of factors:

- i) The design- outdated and old fashioned.
- ii) The workmanship.
- iii) The weight and price.
- iv) The purity of gold.

Moreover, jewellery has the sentimental value attached to it and not the investment value. The value you attach to a piece of jewellery is purely emotional and does not depend on the market value whatsoever. Now finally, the investment in the form of jewellery including gold and diamond ornaments should be made only on need based situations. For example, if you want to invest in jewellery for use today by your family members, then go and buy the jewellery. But if you are contemplating to buy out jewellery for your small little daughter for her marriage, the design and fashion would change and thus you would again be required to spend money by way of remaking charges, (by Sub hash Lakota, tax expert).

DATA ANALYSIS AND INTERPRETATION

The data has been processed and analyzed by tabulated interpretation so that the findings can be communicated and easily understood. The findings are presented in the best possible way. Tables and graphs have been used for illustration of principal findings of the research

TABLE 2: EVALUATION OF DIFFERENT INVESTMENT AVENUES

Different Investment Avenues	Return	Risk Profile	Liquidity
Post office savings schemes	Low but Fixed	Very low since PSU	Low
Bank Deposit	Moderate	Moderate	Moderate (Break up Charges)
Company Deposit	Low –Moderate	Moderate	Low
Bond & Debenture	Low but Fixed	Very Low	Low
Money Market	Low but Fixed	Very Low	Very High
Stock Market	Very High	Very High	Very High
Mutual Funds	High	Moderate High	High
Real Estate	Very High	Very High	Moderate High
Jewellery	Moderate	High	High
Insurance	Low & Variable	Low	Low

CHARACTERISTICS OF THE RESPONDENTS OF THE STUDY

Most of the respondents fall between the age group of 20-30 years. 36% of the population has income higher than Rs. 2 lakhs & 24% have income less than Rs. 1 lakh. Most of the data has covered the service sector of the society. Financial sector is 16% of the study, which represents the people from the Insurance, Banking & NBFC region. This group has more exposure to the investment avenues -that's why it is categorized differently. 36% of the population is post graduate in different disciplines.

LEVEL OF AWARENESS AMONG THE RESPONDENTS

The study has evaluated that the investors are able to mention only a few names (for investment) about which they have information. There is more awareness regarding the bank deposits & Insurance, but people know little about money market, provident Fund & company FD.

FIG. 1: AGE (in Years)

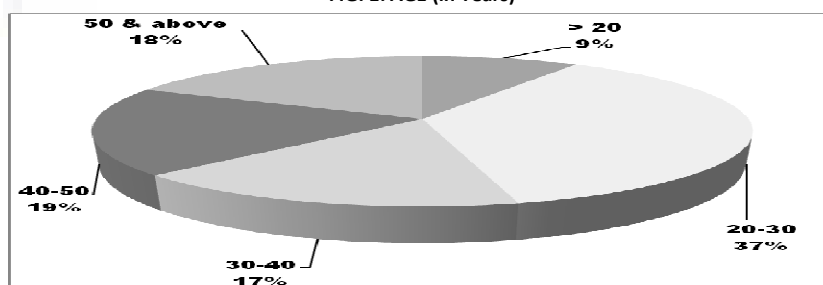


FIG. 2: LEVEL OF INCOME (in Rupees)

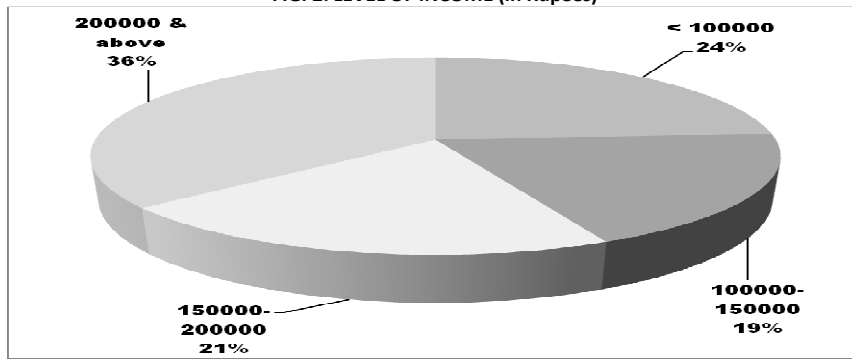


FIG. 3: OCCUPATION

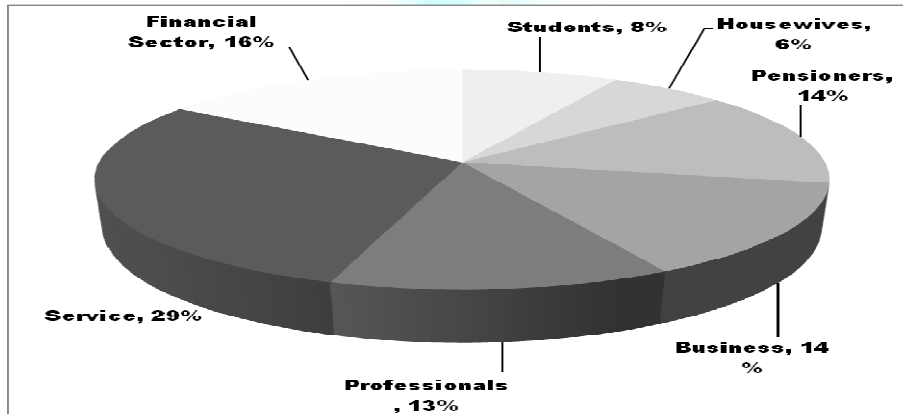


FIG. 4: QUALIFICATIONS

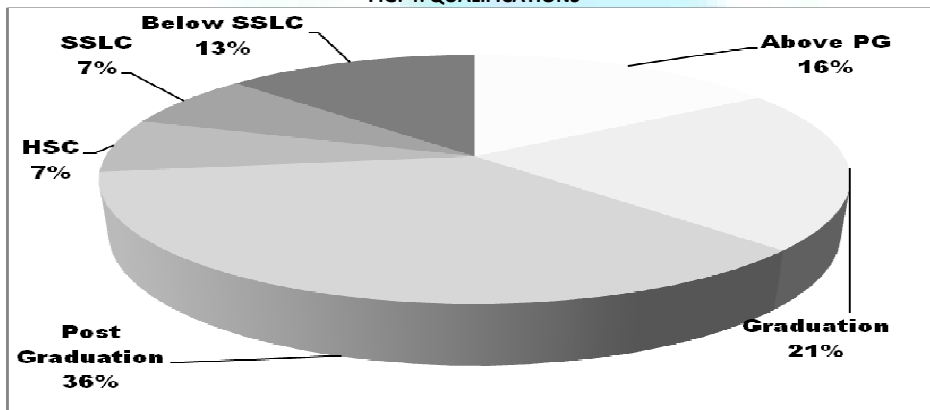
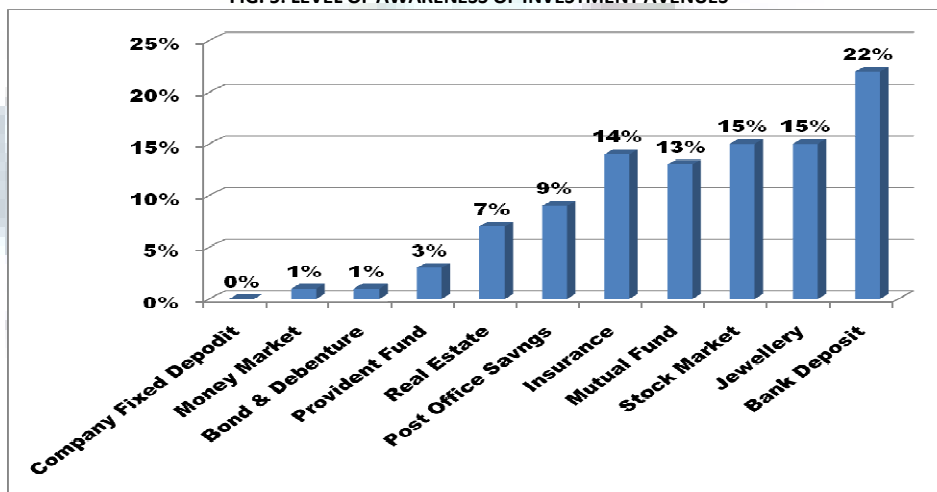


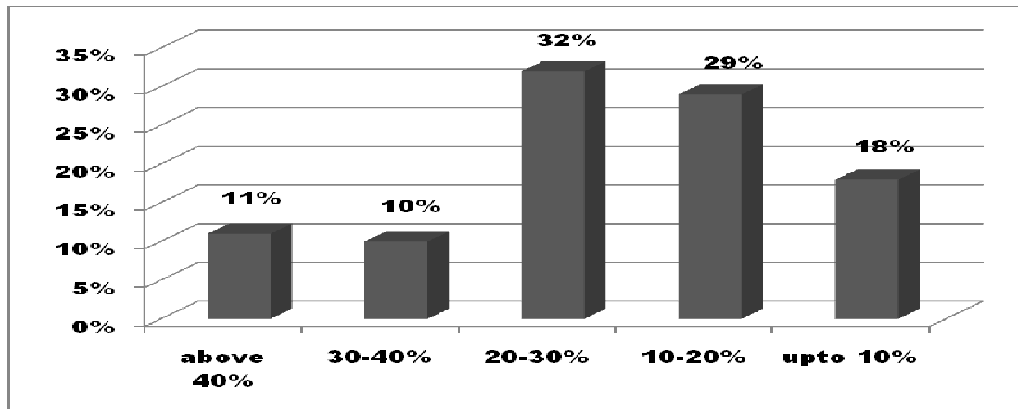
FIG. 5: LEVEL OF AWARENESS OF INVESTMENT AVENUES



PROPORTION OF INCOME INVESTED

Most of the investors saved 20-30% of their income followed by 10-20%, which describes that the major portion of the income is spent on the consumption by the population of the study.

FIG. 6: PERCENTAGE OF TOTAL INCOME SAVED



We can also verify that on which factors the proportion of income invested depends. It may be the function of age, qualification, gender, income range or occupation. It is also possible that it may not depend on any of the above said factors. The hypothesis will be framed as:

HO: the proportion of the income does not have any correlation with the factors like age, qualification, gender, Income range or occupation.

HI: the proportion of the income are correlated with the age, qualification, gender, income range or occupation.

To check this hypothesis, Spearman's correlation coefficient has been adopted. On the basis of which the hypothesis will be rejected or accepted.

TABLE 3: CORRELATION BETWEEN THE PROPORTIONS OF INVESTMENT

			Age	Investment
Spearman's rho	Age	Correlation Coefficient	1.000	.006
		Sig (2-tailed)	.	.937
		N	200	200
	Investment	Correlation Coefficient	.006	1.000
		Sig (2-tailed)	.937	.
		N	200	200

TABLE 4: CORRELATIONS BETWEEN THE PROPORTIONS OF INVESTMENT & OCCUPATION

			Investment	Occupation
Spearman's rho	Investment	Correlation Coefficient	1.000	-.069
		Sig.(2-tailed)	.	.333
		N	200	200
	Occupation	Correlation Coefficient	-.0679	1.000
		Sig.(2.tailed)	.333	.
		N	200	200

TABLE 5: CORRELATIONS BETWEEN THE PROPORTIONS OF INVESTMENT & QUALIFICATION

			Investment	Qualifications
Spearman's rho	Investment	Correlation Coefficient	1.000	.055
		Sig.(2-tailed)	.	.442
		N	200	200
	Qualification	Correlation Coefficient	.055	1.000
		Sig.(2.tailed)	.442	.
		N	200	200

TABLE 6: CORRELATIONS BETWEEN THE PROPORTIONS OF INVESTMENT & INCOME RANGE

			Investment	Income
Spearman's rho	Investment	Correlation Coefficient	1.000	.388(**)
		Sig.(2-tailed)	.	.000
		N	200	200
	Income	Correlation Coefficient	.388(**)	1.000
		Sig.(2.tailed)	.000	.
		N	200	200

TABLE 7: CORRELATIONS BETWEEN THE PROPORTIONS OF INVESTMENT & GENDER

			Investment	Gender
Spearman's rho	Investment	Correlation Coefficient	1.000	-.209(**)
		Sig.(2-tailed)	.	.003
		N	200	200
	Gender	Correlation Coefficient	-.209(**)	1.000
		Sig.(2.tailed)	.003	.
		N	200	200

INTERPRETATION

As per the result of correlation analysis, we can conclude that at 1 % level of significance for 2-tailed test, there is a very low correlation of proportion of investment with the age, qualification & occupation. There is a significant correlation at .388 between the income level & the proportion of the income invested. There is significant negative correlation between the proportion of investment & gender.

TABLE: 8 RANKING FOR THE PURPOSE OF INVESTMENT

Purpose of Investment	Ranks Given					Total	
	1	2	3	4	5		
Tax Saving	17	25	24	25	10	101	iv
Interest Earning	18	15	30	10	0	73	v
Curb Inflation	10	21	36	64	4	135	iii
Security of Funds	25	45	50	20	2	142	ii
Total	70	106	140	119	16	451	I

TABLE: 9 DIFFERENT INVESTMENT AVENUES AVAILABLE FOR INVESTMENT

Avenues For Investment	Ranks											Total	Ranks
	1	2	3	4	5	6	7	8	9	10	11		
Post Office Savings	28	26	18	24	12	12	10	4	3	5	6	148	2
Bank Deposit	56	42	26	16	13	7	5	3	4	1	1	174	1
Provident Fund	11	14	18	16	13	10	12	6	8	6	7	121	5
Company Fixed Deposit	3	6	8	10	11	12	12	14	13	13	5	107	9
Bonds & Debentures	3	0	6	6	4	11	16	15	19	15	10	105	5
Money Market	4	7	9	7	11	8	12	17	12	11	9	107	9
Stock Market	12	12	20	11	13	16	9	9	6	9	1	116	7
Insurance	16	20	20	22	20	6	7	5	8	11	4	139	3
Mutual Funds	21	18	14	16	20	12	3	8	7	8	6	133	4
Real Estate	5	14	13	15	11	11	11	9	14	4	4	118	6
Jewellery	12	16	5	13	12	7	2	7	3	6	32	115	8

TABLE 10: INVESTORS PREFERENCE FOR THE RETURN FROM THE INVESTMENT IN STOCK MARKET

Returns Desired	No of Respondents
Regularly by way of Dividend	50
Capital gains by selling at higher level	65
Total	115

RISK BEARING ATTITUDE

Though the degree for different categories (Low, Medium & High) varies for each investor, but it could estimate their perception for the risk which they are ready to take while investing. Most of the weight age is towards medium risk- that is the investors are concerned for the higher return for which he is ready to take moderate risk as well.

FIG. 7: INVESTOR RISK BEARING ATTITUDES

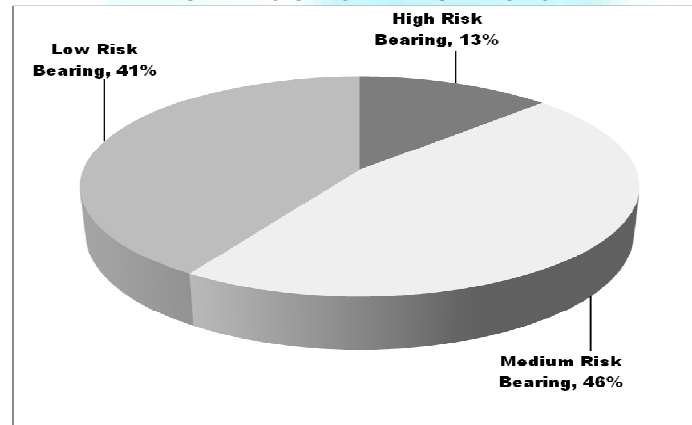


TABLE 11: INVESTORS PREFERENCE TOWARDS DIFFERENT KINDS OF MUTUAL FUNDS

Types of Mutual Funds	Ranks Given						Total	
	I	II	III	IV	V	VI		
Equity	41	24	23	6	8	6	108	2
Debt	8	20	23	18	17	9	95	3
Balanced	27	25	19	20	13	4	108	2
Tax Saving	41	23	14	14	10	8	110	1
Money Market	8	20	15	20	14	14	91	4
Sectoral	4	6	8	6	20	40	84	5

DIFFERENT KINDS OF MUTUAL FUNDS

In order to avail the deduction under Indian Income Tax Act, the investors have shown their preference towards tax saving Mutual Funds. More or less, an equal weight age is given to Equity Oriented Funds providing higher returns though associated with the higher risk of fluctuations in the market.

• **Criteria for Investment in Mutual Funds:** An attempt is made to find out that which factor is given due weight age while investing in Mutual Funds.

TABLE 12: RANKING FOR CRITERIA IN SELECTION OF A MUTUAL FUND

Factors Affecting Investment	Ranks Given							Total	
	I	II	III	IV	V	VI	VII		
Return %	60	27	12	11	3	2	-	115	II
Name of the Company	32	43	24	14	9	2	-	124	I
Date of incorporation of the fund	6	4	25	21	30	27	2	115	II
Risk Profile	9	24	40	24	9	7	-	113	III
Investment Pattern	9	21	14	25	22	21	-	112	IV
Expenses Structure	1	11	12	14	23	30	5	96	V
others	-	-	1	2	2	4	-	9	VI

• **Channels Affecting the Pattern of Investments:**

Few of the sources are more prominent like agents who provide the ready information & the investment opportunities to the investor at an arm's length.

TABLE 13: INVESTORS PREFERENCE TOWARDS DIFFERENT SOURCES OF INFORMATION:

Channels for information	Ranks Given					Total	
	I	II	III	IV	V		
Agents	75	28	24	13	14	154	I
Magazines/ News Paper	33	32	35	23	2	125	IV
Video /Audio Ads	26	24	26	26	35	137	II
Internet ads	9	18	35	39	36	137	II
Branch offices	21	33	16	26	40	136	III
Others (friends etc)	3	1	-	-	-	4	V

ADEQUACY OF THE ADVERTISEMENT BY THE FINANCIAL COMPANIES

Investors seem to be satisfied by the advertisement pattern followed. The reason for the same may be that they don't have any access to the information available with the company, which is not reaching them.

TABLE 14: INVESTORS OPINION TOWARDS ADEQUACY OF ADVERTISEMENTS

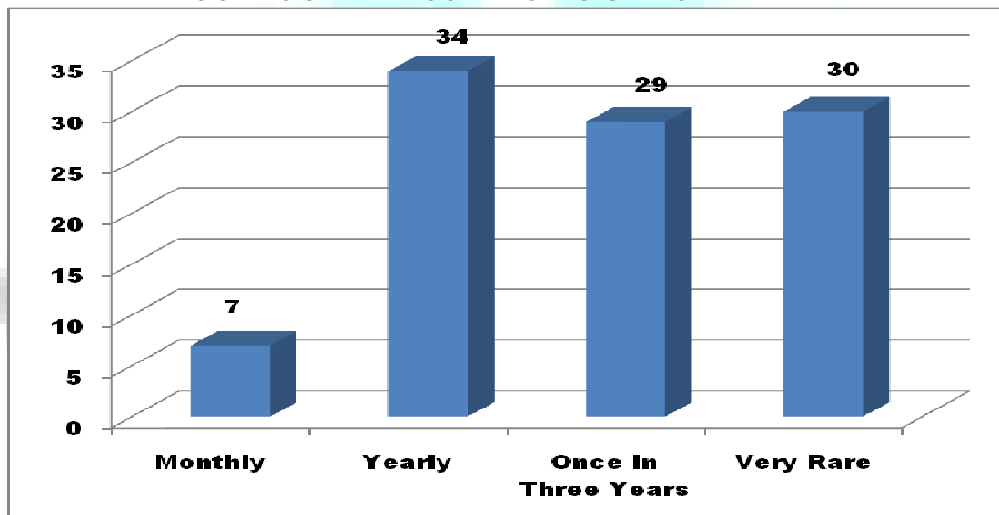
Response	No. of Respondents
Yes	131
No	69

SUGGESTIONS FOR GREATER REACH TO THE INVESTOR

The respondents of the study have expressed their view point towards the advertisement tools adopted by the financial companies. They suggested certain measures:

- ❖ TV, Radio, Internet, Cable TV, Magazines, Hoardings & Glow Sign Boards etc. should be the most explored media for the advertisements.
- ❖ Brand ambassadors should be appointed to establish the brand name.
- ❖ Detailed information regarding all the contents of the instrument like return & risk must be given in layman's language.
- ❖ Seminars must be conducted in various parts of the country within the approach of the perspective investor.
- ❖ Demonstrations with the help of duly developed slides describing all the contents should be given on home to home basis.
- ❖ Pamphlets in the daily newspapers can be given regarding the financial instruments.
- ❖ Older customers may be informed of the new schemes by the letters/SMSs.

FIG. 8: INVESTOR PREFERENCES IN THE CHANGE OF INVESTMENT PATTERN



The graph (Figure 8) shows that very

few people are paying monthly attention to their investments. Most of the investors think about investment/change in investment plan on a yearly basis followed by equal weight age of those investors who think about investment plans once in three years & those also who rarely focus on investment plans.

EXPECTATIONS OF THE INVESTORS

The level of investments in India is very low as compared to other countries. The reason for the same could be that the investors' expectations are not fully met. The investors expect that they get:

- Maximum growth at Bearable risk.
- Monthly investments, Timely returns.

- No resale risk, value of the money.
- Ensured reliability of every company, scheme etc.

FINDINGS

Most of the Respondents of the study save & invest 10-30% of their income in form of different securities. The main purpose for such savings is security of funds followed by the tax savings. Most of the savings are directed towards in the tax savers & balanced mutual funds. For the selection of the mutual funds, the investors give almost equal preference to the name of the company, returns generated & date of the fund. The most effective source of information is the agents & the advertisements on the TV & Internet.

CONCLUSION

The investment avenues analyzed & discussed in the above research paper are now being extended in the form of certain expenditures also. There are certain consumption expenditures which are encouraged under Indian Income Tax Act by providing tax deductions to them. The assesses are considering the payment of home loans and children tuition fee as one of the saving device which also reduces their tax liability. Further research area could be the tax saving devices adopted by the investors.

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IMPACT OF EMOTIONAL INTELLIGENCE ON EMPLOYEE ENGAGEMENT – AN ASSESSMENT WITH SPECIAL REFERENCE TO RELIANCE COMMUNICATION LIMITED, NAVI MUMBAI

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ABSTRACT

In the present dynamic organizational scenario where absenteeism and high turnover of employees is a major concern for organizations, resulting in less committed workforce, followed by low job satisfaction and ultimately less employee engagement. In the study we have attempted to assess the impact of level of emotional quotient on engagement of employees within the organization, for this context 26 executives of Reliance Communication, Navi Mumbai have been taken, to assess their emotional intelligence on the basis of the framework given by Daniel Goleman (2000) & emotional competency framework given by Steve Hein (1999), consecutively five factors for employees engagement has been considered. The study not only tried to know the emotional quotient of the employees but the trend assessment has also been done to fulfill the objectives. Relationship between Employees engagement & emotional intelligence is shown.

KEYWORDS

Empathy, Longevity, Motivations, Self awareness, Social skills.

INTRODUCTION

Developing an Organization that embraces the idea of developing an emotionally intelligent work force is into momentum. Emotional intelligence increases an organization potential for developing not only technically savvy employees, but also of building a kernel of employees that promote emotional intelligence.

Using the ideas developed and researched by the experts in the field of emotional intelligence including Reuven BarOn, Daniel Goleman, Howard Gardner, Jack Mayer, and Peter Salovey, this paper will provide an explanation of how emotional intelligence is correlated with employees engagement and will try to find whether EQ level of an employee has its impact on the engagement level of the employee. Additionally attempt to explain the importance of developing an emotionally intelligent organization, and ways of promoting emotional intelligence within existing Indian organizations with special reference to Reliance Communications.

REVIEW OF LITERATURE

Emotional Intelligence or "EQ/EI" is relatively a new behavioral model came into light through the work of Daniel Goleman in his book entitled "Emotional Intelligence". Psychologists Howard Gardner, Peter Salovey and John Mayer developed the early theory of emotional intelligence during 70s and 80s. Emotional Intelligence is increasingly relevant for developing the people in the organization as well as organizational development. The Emotional Intelligence is an important consideration while human resource planning; Job profiling, recruitment, Interviewing & Selection along with management development, Customer relations and customer service etc Goleman, 2000

EQ is a measure of your emotional intelligence, or your ability to use both your emotions and cognitive skills in your life. Emotional Intelligence competencies include but are not limited to empathy, intuition, creativity, flexibility, resilience, coping, stress management, leadership, integrity, authenticity, and interpersonal skills. Unlike IQ which levels out sometimes in your teens, EQ continues to develop and in fact, most EQ skills becomes better as we mature. Goleman 2000

In the present study context the following Emotional Intelligence Competencies has been taken into consideration given by Steve Hein, 1999:

- Self Regulation
- Motivation
- Self Awareness
- Empathy
- Social Skills

THE EMOTIONAL COMPETENCE FRAMEWORK	
Personal Competence	
SELF-AWARENESS	Emotional Awareness: recognizing one's emotions and their effect Accurate Self-assessment: knowing one's strengths and limits Self-confidence: A strong sense of one's self-worth and capabilities
SELF-REGULATION	Self-control: Keeping disruptive emotions and impulses in check Trustworthiness: Maintaining standards of honesty and integrity Conscientiousness: Taking responsibility for personal performance Adaptability: Flexibility in handling change Innovation: Being comfortable with novel ideas, approaches and new information
MOTIVATION	Achievement drive: Striving to improve or meet a standard of excellence Commitment: Aligning with the goals of the group or organization Initiative: Readiness to act on opportunities Optimism: Persistence in pursuing goals despite obstacles and setbacks
Social Competence	
EMPATHY	Understanding others: sensing others' feelings and perspectives, taking an active interest in their concerns Developing others: Sensing others development needs and bolstering their abilities Service orientation: Anticipating, recognizing, and meeting customers' needs Leveraging diversity: Cultivating opportunities through different kinds of people Political Awareness: Reading a group's emotional currents and power relationships
SOCIAL SKILLS	Influence: Wielding effective tactics for persuasion Communication: Listening openly and sending convincing messages Conflict management: Negotiating and resolving disagreements Leadership: Inspiring and guiding individuals and groups Change Catalyst: Initiating or managing change Building bonds: Nurturing instrumental relationships Collaboration and cooperation: Working with others toward shared goals Team capabilities: creating group synergy in pursuing collective goals

(Steve Hein, 1999)

The essential aspect of EQ is that for being successful one must possess the effective awareness; control and management of one own emotions and at the same time must be able to react appropriately to the emotions of the people around you.

The two main aspects of emotional intelligence are: a) Understanding yourself, b) your goals, c) intention, d) responses, e) behavior

f) Understanding others and their feelings.

These aspects of emotional intelligence can be developed in the individual through Behavioral Science Training. Present study is to assess whether the Emotional intelligence has role to play in the engagement of the employees at Reliance Telecommunication Ltd Navi Mumbai.

EMOTIONAL INTELLIGENCE AND EMPLOYEES ENGAGEMENT IN ORGANIZATION

Employee's engagement is the extent to which employee commitment; both emotional & intellectual exist relative to accomplishing the work mission & vision of the organization. Employees Engagement was described in the academic literature by Schmidt 1993. According to Schmidt "engagement is an employee's involvement with, commitment to & satisfaction with work". An engaged employee feels a strong bond towards the organization. Employees Engagement is meant for the maximum satisfaction of an Employee in an Organization, in which he feels that he can go an extra mile for the organization. Developing emotional intelligence in the workplace simply means acknowledging about the emotions present, and doing something intelligent with them. We have to accept the fact that when human beings are brought together to complete task, their emotions plays a crucial role in the interactions. This can be viewed on the personal level as well as on the business level. Many believe that emotions are inappropriate for the workplace; on the contrary emotions have a wider role to play. Since it is only the emotions of an employee which let him/her feel that he/she is the part of Organization and can go an extra mile for his/her organization. Many business leaders are beginning to realize that negative emotions among their employees are not healthy for the organization and its prospects for success since those emotions can led to disengaged workforce which can further stimulate unproductive outcomes. Goleman - 1999.

EQ reflects an individual's ability to deal with daily environmental challenges and helps predict success in life, both in professional and personal pursuits and is used as a predictor of a person's emotional strength and capability. EQ tells that how emotionally smart a person is. In the new workplace, EQ beats IQ every time. IQ is demonstrating when we speak, write, and solve mental challenges; we demonstrate EQ each and every moment of our lives. (Goleman, 1999). EQ competencies include empathy, intuition, creativity, flexibility, resilience, stress management, leadership, integrity, happiness and optimism, as well as intrapersonal and interpersonal communication skills. Reuven BarOn, Daniel Goleman, and Jack Mayer, Peter Salovey and David Caruso developed the three most widely used approaches to emotional intelligence. Organizational identity is an important cognitive variable that not only affects how one feels about his or her membership in the organization but also determines the participant's (Lee, 2004) An Engaged Employee is always satisfied but a satisfied employee need not be engaged with the organization (Gallop Survey-2002)

OBJECTIVE OF THE STUDY

1. To assess the impact of emotional intelligence on the engagement of the employees in the organization.
2. To determine the effects of emotional competencies such as self awareness, self regulations & motivation on the employees engagement.
3. To study the trends with respect to employee engagement & emotional competence.
4. To assess the Emotional Quotient levels on employees engagement on the basis of Goleman study suggested .

RESEARCH METHODOLOGY

The present study is Descriptive & analytical research undertaken on 26 Executives of Reliance Communication Navi Mumbai, The sample drawn is Convenience Sampling. The data collected is primary in nature with the help of two questionnaires. One is for determining Emotional Quotient of the employees (Daniel Goleman standard format) & second one is for determining the engagement level of employee with in the organization.

HYPOTHESIS

H1: Self regulation of Employees in the organization is positively correlated with Longitivity and commitment in the organization.

H2: Resource availability & proper Communication are positively correlated with motivation and Empathy in an organization

DATA ANALYSIS & INTERPRETATION

CHART -1 (SELF AWARENESS)

S.No	Self Awareness	Commitment	Co-operation	Resource Availability	Communication	Longitivity
1	3.66667	2	3	2	3	2
2	3.33333	4	4	4	4	2
3	4	4	4	4	4	2
4	3.66667	3	3	2	3	2
5	3.66667	3	4	2	4	2
6	3.66667	3	3	3	3	2
7	3.33333	3	4	3	3	2
8	3.66667	1	3	2	1	2
9	3.33333	3	4	2	4	2
10	3.66667	3	3	4	1	1
11	4	3	3	4	2	2
12	3.66667	1	4	4	3	1
13	3.33333	4	4	4	4	1
14	3.66667	2	3	2	3	2
15	3.33333	4	4	4	4	2
16	4	4	4	4	4	2
17	3.66667	3	3	2	3	2
18	3.66667	3	4	2	4	2
19	3.66667	3	3	3	3	2
20	3.33333	3	4	3	3	2
21	3.66667	1	3	2	1	2
22	3.33333	3	4	2	4	2
23	3.66667	3	3	4	1	1
24	4	3	3	4	2	2
25	3.66667	1	4	4	3	1
26	3.33333	4	4	4	4	1
Correlation		-0.160292	-0.4484355	0.146329	-0.3361	0.1485665

Negative and low degree of correlation is observed among self awareness and commitment which is an important indicator of Employees Engagement whereas moderate positive correlation is observed with Co-operative environment in an organization.

CHART-2 (SELF REGULATION)

S.No	Self Regulation	Commitment	Co-operation	Resource Availability	Communication	Longitivity
1	3.5	2	3	2	3	2
2	3.5	4	4	4	4	2
3	4	4	4	4	4	2
4	3.25	3	3	2	3	2
5	3.25	3	4	2	4	2
6	3.75	3	3	3	3	2
7	4	3	4	3	3	2
8	3.75	1	3	2	1	2
9	3.5	3	4	2	4	2
10	3.5	3	3	4	1	1
11	3.75	3	3	4	2	2
12	3.5	1	4	4	3	1
13	3.5	4	4	4	4	1
14	3.5	2	3	2	3	2
15	3.5	4	4	4	4	2
16	4	4	4	4	4	2
17	3.25	3	3	2	3	2
18	3.25	3	4	2	4	2
19	3.75	3	3	3	3	2
20	4	3	4	3	3	2
21	3.75	1	3	2	1	2
22	3.5	3	4	2	4	2
23	3.5	3	3	4	1	1
24	3.75	3	3	4	2	2
25	3.5	1	4	4	3	1
26	3.5	4	4	4	4	1
Correlation		0.0676	0.0514	0.3287	-0.161	0.22822

A moderate low correlation is observed between resource availability and self awareness where as insignificant positive correlation is observed for commitment and cooperation.

CHART-3 (MOTIVATION)

S.No	Motivation	Commitment	Co-operation	Resource Availability	Communication	Longitivity
1	3	2	3	2	3	2
2	3.3333	4	4	4	4	2
3	3.6666	4	4	4	4	2
4	3.6666	3	3	2	3	2
5	4	3	4	2	4	2
6	4	3	3	3	3	2
7	3.6667	3	4	3	3	2
8	3	1	3	2	1	2
9	3.3333	3	4	2	4	2
10	3.6667	3	3	4	1	1
11	4	3	3	4	2	2
12	3	1	4	4	3	1
13	3.6667	4	4	4	4	1
14	3	2	3	2	3	2
15	3.3333	4	4	4	4	2
16	3.6667	4	4	4	4	2
17	3.6667	3	3	2	3	2
18	4	3	4	2	4	2
19	4	3	3	3	3	2
20	3.6667	3	4	3	3	2
21	3	1	3	2	1	2
22	3.3333	3	4	2	4	2
23	3.6667	3	3	4	1	1
24	4	3	3	4	2	2
25	3	1	4	4	3	1
26	3.6667	4	4	4	4	1
	Correlation	0.619905	-0.04409	0.18582	0.13765	0.14344

A significant correlation exists between commitment & Motivation of employees whereas negative correlation is observed between cooperation and motivation in the organization.

CHART-4 (EMPATHY)

S.No	Empathy	Commitment	Co-operation	Resource Availability	Communication	Longitivity
1	3.75	2	3	2	3	2
2	3.75	4	4	4	4	2
3	4	4	4	4	4	2
4	3.5	3	3	2	3	2
5	4	3	4	2	4	2
6	4	3	3	3	3	2
7	4	3	4	3	3	2
8	4	1	3	2	1	2
9	3.25	3	4	2	4	2
10	3.75	3	3	4	1	1
11	3.75	3	3	4	2	2
12	3.5	1	4	4	3	1
13	3.25	4	4	4	4	1
14	3.75	2	3	2	3	2
15	3.75	4	4	4	4	2
16	4	4	4	4	4	2
17	3.5	3	3	2	3	2
18	4	3	4	2	4	2
19	4	3	3	3	3	2
20	4	3	4	3	3	2
21	4	1	3	2	1	2
22	3.25	3	4	2	4	2
23	3.75	3	3	4	1	1
24	3.75	3	3	4	2	2
25	3.5	1	4	4	3	1
26	3.25	4	4	4	4	1
	Correlation	-0.0874	-0.2105	-0.072	-0.2767	0.47189

Another variable of emotional competency empathy is found to be negatively correlated with commitment, cooperation, resource availability & communication where as a moderate correlations observed with the tenure in the organization.

CHART-5 (SOCIAL SKILLS)

S.No	Social Skills	Commitment	Co-operation	Resource Availability	Communication	Longitivity
1	3.25	2	3	2	3	2
2	3	4	4	4	4	2
3	3.5	4	4	4	4	2
4	3.75	3	3	2	3	2
5	4	3	4	2	4	2
6	3.75	3	3	3	3	2
7	3.5	3	4	3	3	2
8	3.75	1	3	2	1	2
9	3.75	3	4	2	4	2
10	3.5	3	3	4	1	1
11	3.5	3	3	4	2	2
12	3.75	1	4	4	3	1
13	3.5	4	4	4	4	1
14	3.25	2	3	2	3	2
15	3	4	4	4	4	2
16	3.5	4	4	4	4	2
17	3.75	3	3	2	3	2
18	4	3	4	2	4	2
19	3.75	3	3	3	3	2
20	3.5	3	4	3	3	2
21	3.75	1	3	2	1	2
22	3.75	3	4	2	4	2
23	3.5	3	3	4	1	1
24	3.5	3	3	4	2	2
25	3.75	1	4	4	3	1
26	3.5	4	4	4	4	1
	Correlation	-0.3588	-0.024	-0.449418	-0.07479	-0.0142

Social skills have no significant correlation with the engagement factor understudy.

Although the study of reliance communication did not show high degree of correlations between five factors understudy of employees engagement and emotional competencies (self awareness ,self regulation ,empathy, motivation ,social skills) but the indication of emotional quotient show a significant relationship with employees engagement.

FINDINGS & SUGGESTIONS

- 1) Self awareness which is the variable of Emotional Competency has a very low correlation with the variable under study except for co-operation, resource availability and Longitivity.
- 2) Self regulation which is another variable of Emotional Competency shows little correlation with the variable of Employee Engagement except for Communication Thus it is observed that Communication and Self regulation are inversely related to each other in the organization
- 3) Commitment of the Employee is significantly high which shows a positive correlation with motivation.
- 4) Only variable of Employee Engagement Longitivity i.e indicator of the tenure of ana employee in the organization is moderately correlated with Empathy.
- 5) No significant correlation is found between the variables of Employee Engagement under study and social skills in the organization. Thus Excessive social skills need to be regulated for proper correlation between engagement of the employees and emotional competencies in the organization.

SCOPE FOR FURTHER RESEARCH

The research has shown a good degree of commitment and motivation among the employees, it can further be studied for the benefit of the organization .The excessive social Skills among the employees encounter a low degree of engagement within the organization, which should be model further with the inclusion of different statistical and qualitative measures.

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ANNEXURE

TABLE - 1

employee engagement	no of employees	longitivity	commitment	co-operation	resource availability	communication	avg.
1	2	2	2	3	2	3	2.4
2	2	2	4	4	4	4	3.6
3	2	2	4	4	4	4	3.6
4	2	2	3	3	2	3	2.6
5	2	2	3	4	2	4	3
6	2	2	3	3	3	3	2.8
7	2	2	3	4	3	3	3
8	2	2	1	3	2	1	1.8
9	2	2	3	4	2	4	3
10	1	1	3	3	4	1	2.4
11	2	2	3	3	4	2	2.8
12	1	1	1	4	4	3	2.6
13	1	1	4	4	4	4	3.4
14	2	2	2	3	2	3	2.4
15	2	2	4	4	4	4	3.6
16	2	2	4	4	4	4	3.6
17	2	2	3	3	2	3	2.6
18	2	2	3	4	2	4	3
19	2	2	3	3	3	3	2.8
20	2	2	3	4	3	3	3
21	2	2	1	3	2	1	1.8
22	2	2	3	4	2	4	3
23	1	1	3	3	4	1	2.4
24	2	2	3	3	4	2	2.8
25	1	1	1	4	4	3	2.6
26	1	1	4	4	4	4	3.4
total		1.769230769	2.846153846	3.538461538	3.076923077	3	2.846154

TABLE - 2

Element	No.Of Employees	Emotional Awareness	Accurate Self Assesment	Self Confidence	Avg
Self Awareness	1	3	4	4	3.666667
	2	3	4	3	3.333333
	3	4	4	4	4
	4	4	4	3	3.666667
	5	4	3	4	3.666667
	6	3	4	4	3.666667
	7	3	3	4	3.333333
	8	4	4	3	3.666667
	9	4	3	3	3.333333
	10	3	4	4	3.666667
	11	4	4	4	4
	12	4	3	4	3.666667
	13	4	3	3	3.333333
	14	3	4	4	3.666667
	15	3	4	3	3.333333
	16	4	4	4	4
	17	4	4	3	3.666667
	18	4	3	4	3.666667
	19	3	4	4	3.666667
	20	3	3	4	3.333333
	21	4	4	3	3.666667
	22	4	3	3	3.333333
	23	3	4	4	3.666667
	24	4	4	4	4
	25	4	3	4	3.666667
	26	4	3	3	3.333333
Total		3.615384615	3.615384615	3.615384615	

TABLE - 3

Element	No Of Employees	Self Control	Trustworthiness	Consciousness	Adaptability	Avg.
Self Regulation	1	3	4	4	3	3.5
	2	3	4	4	3	3.5
	3	4	4	4	4	4
	4	3	4	4	2	3.25
	5	2	4	4	3	3.25
	6	3	4	4	4	3.75
	7	4	4	4	4	4
	8	3	4	4	4	3.75
	9	3	4	4	3	3.5
	10	3	4	4	3	3.5
	11	4	4	4	3	3.75
	12	4	4	4	2	3.5
	13	3	3	4	4	3.5
	14	3	4	4	3	3.5
	15	3	4	4	3	3.5
	16	4	4	4	4	4
	17	3	4	4	2	3.25
	18	2	4	4	3	3.25
	19	3	4	4	4	3.75
	20	4	4	4	4	4
	21	3	4	4	4	3.75
	22	3	4	4	3	3.5
	23	3	4	4	3	3.5
	24	4	4	4	3	3.75
	25	4	4	4	2	3.5
	13	3	3	4	4	3.5
	Total	3.230769231	3.923076923	4	3.230769231	3.596154

TABLE - 4

Element	No. Of Employee	Achievement Drive	Commitment	Optimism	Avg.
Motivation	1	1	4	4	3
	2	3	3	4	3.3333
	3	3	4	4	3.6666
	4	4	3	4	3.6666
	5	4	4	4	4
	6	4	4	4	4
	7	3	4	4	3.66666667
	8	2	4	3	3
	9	3	4	3	3.33333333
	10	4	4	3	3.66666667
	11	4	4	4	4
	12	2	4	3	3
	13	4	4	3	3.66666667
	14	1	4	4	3
	15	3	3	4	3.33333333
	16	3	4	4	3.66666667
	17	4	3	4	3.66666667
	18	4	4	4	4
	19	4	4	4	4
	20	3	4	4	3.66666667
	21	2	4	3	3
	22	3	4	3	3.33333333
	23	4	4	3	3.66666667
	24	4	4	4	4
	25	2	4	3	3
	26	4	4	3	3.66666667
	TOTAL	3.153846154	3.846153846	3.6153846	3.538461538

TABLE-5

Element	No. of Employees	Understanding Others	Developing Others	Service Orientation	Political Awareness	Avg.
Empathy	1	4	4	4	3	3.75
	2	4	4	3	4	3.75
	3	4	4	4	4	4
	4	3	3	4	4	3.5
	5	4	4	4	4	4
	6	4	4	4	4	4
	7	4	4	4	4	4
	8	4	4	4	4	4
	9	4	3	3	3	3.25
	10	4	3	4	4	3.75
	11	4	3	4	4	3.75
	12	4	4	3	3	3.5
	13	4	3	3	3	3.25
	14	4	4	4	3	3.75
	15	4	4	3	4	3.75
	16	4	4	4	4	4
	17	3	3	4	4	3.5
	18	4	4	4	4	4
	19	4	4	4	4	4
	20	4	4	4	4	4
	21	4	4	4	4	4
	22	4	3	3	3	3.25
	23	4	3	4	4	3.75
	24	4	3	4	4	3.75
	25	4	4	3	3	3.5
	26	4	3	3	3	3.25
TOTAL		3.923076923	3.615384615	3.692307692	3.692307692	3.730769

TABLE-6

Element	No. of employee	Influence Communication	Conflict Management	Leadership	Change Catalyst	Avg.
Social Skills	1	3	3	3	4	3.25
	2	3	3	3	3	3
	3	4	3	3	4	3.5
	4	4	4	4	3	3.75
	5	4	4	4	4	4
	6	4	4	3	4	3.75
	7	4	3	3	4	3.5
	8	3	4	4	4	3.75
	9	4	4	3	4	3.75
	10	4	4	2	4	3.5
	11	3	4	3	4	3.5
	12	3	4	4	4	3.75
	13	3	4	3	4	3.5
	14	3	3	3	4	3.25
	15	3	3	3	3	3
	16	4	3	3	4	3.5
	17	4	4	4	3	3.75
	18	4	4	4	4	4
	19	4	4	3	4	3.75
	20	4	3	3	4	3.5
	21	3	4	4	4	3.75
	22	4	4	3	4	3.75
	23	4	4	2	4	3.5
	24	3	4	3	4	3.5
	25	3	4	4	4	3.75
	26	3	4	3	4	3.5
TOTAL		3.538461538	3.692307692	3.23076923	3.846153846	3.576923

A STUDY ON BRAND AWARENESS AND INFLUENCE OF BRAND LOYALTY ON WOMEN FOOTWEAR IN SANGLI CITY, MAHARASHTRA

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ABSTRACT

A consumer's decision to buy a product is the result of interplay of many factors. . In recent days India is witnessing a change in brand awareness and brand loyalty. The market is now predominantly consumer driven. The focus is shifting for product based marketing to need based marketing. Consumer has given many options to decide. An effective market communication is imperative for reaching the target audience. The study throws light on various features that the manufacturers should concentrate on to attract the prospective buyers. The purpose of this research is to investigate how the women are influenced by factors of brand loyalty and brand awareness towards footwear brands. In this research paper, brand awareness of women respondents and the factors influencing on brand loyalty i.e. brand name, product quality, price, style, promotion, service quality and store environment were studied. Convenience sampling method was followed and Questionnaires were distributed and self-administered to 100 women respondents belonging to twin cities of Sangli city i.e. Sangli and Miraj. Pearson Correlation, Frequencies such as mean, standard deviation and percentage analysis, Garret's ranking techniques were used to obtain the factors that influence respondents' brand loyalty and brand awareness. Brand name has shown strong correlation with brand loyalty. In order to increase customer satisfaction and drive them to be brand loyalists, marketers are encouraged to develop aggressive marketing programs. The results are discussed in terms of implications for store management and future research.

KEYWORDS

Brand Awareness, Brand loyalty, Footwear.

INTRODUCTION

In Sangli City, footwear brands such as Bata, Metro, Woodland, Khadim and Action are popular among women footwear. Footwear has become a common and popular category among women as it identifies them with a more relaxed lifestyle, greater versatility, variety, fashion, colors and comfort. This has prompted manufacturers like Bata and Metro to start expanding their business particularly in Asia as it has the potential to give them in higher volume of sales for their products. Many companies, especially those in the footwear industry try to enhance brand awareness and brand loyalty among their customers. Brand loyalty is a consumer's conscious or unconscious decision that is expressed through the intention or behavior to repurchase a particular brand continually. Brand loyalty has been proclaimed to be the ultimate goal of marketing^[1]. In marketing, brand loyalty consists of a consumer's commitment to repurchase the brand through repeated buying of a product or a service or other positive behaviors such as word of mouth. This indicates that the repurchase decision very much depends on trust and quality performance of the product or service^[2]. This will lead to better and effective marketing strategies rather than focusing solely on lucrative schemes. In this context, this paper aims to deduce the factors influencing brand loyalty (brand name, product quality, price, style, promotion, and service quality and store environment) on women footwear that customers perceive to be the most important while utilizing the services of footwear brand. It is assumed that it will affect the way in which women in Sangli City purchase and consume things. Therefore, keeping in view the importance acquired by the footwear, the present research work entitled, "A Study on Brand Awareness and Influence of Brand Loyalty on Women Footwear In Sangli City, Maharashtra". The purpose of this research is to investigate how the respondents are influenced by factors of brand loyalty towards footwear brands. Questionnaires were distributed to 100 women respondents in Sangli and Miraj City, Maharashtra.

REVIEW OF LITERATURE

Bloemer and Kasper (1995) stated that true brand loyalty as having six necessary conditions which are: 1) the biased (i.e. non-random); 2) behavioral response (i.e. purchase); 3) expressed over time; 4) by some decision-making unit; 5) with respect to one or more alternative brands out of a set of such brands; and 6) a function of psychological processes^[3]. Amine (1998) in her literature distinguishes two main approaches to define the loyalty construct: the behavioral one suggests that the repeat purchasing of a brand over time by a consumer expresses their loyalty, and; the attitudinal perspective which assumes that consistent buying of a brand is a necessary but not sufficient condition of 'true' brand loyalty and it must be complemented with a positive attitude towards this brand to ensure that this behavior will be pursued further^[4]. Lau *et al.* (2006) in his article mentioned that there were seven factors that influenced consumers' brand loyalty towards certain footwear brands. The factors were: brand name, product quality, price, style, store environment, promotion and service quality^[5]. Cadogan and Foster, (2000) noted that consumers may prefer to trust major famous brand names. These prestigious brand names and their images attract consumers to purchase the brand and bring about repeat purchasing behavior and reduce price related switching behaviors^[6]. According to Kohli and Thakur (1997), brand name is the creation of an image or the development of a brand identity and is an expensive and time consuming process. The development of a brand name is an essential part of the process since the name is the basis of a brand's image^[7]. According to Frings (2005), the components of product quality of fashion merchandise include size measurement, cutting or fitting, material, color, function and the performance of the merchandise. Fitting is a crucial aspect in garment selection because some fitted garments such as swimsuits and aerobic wear can ideally enhance the consumers' general appearance. Material is important in product quality because it affects the hand feel, texture and other performance aspects of the product^[8]. According to Duff M. (2000), price is probably the most important consideration for the average consumer. Consumers with high brand loyalty are willing to pay a premium price for their favored brand, so, their purchase intention is not easily affected by price. In addition, customers have a strong belief in the price and value of their favorite brands so much so that they would compare and evaluate prices with alternative brands^[9]. According to Abraham and Littrell (1995), a composite list of apparel attributes has been generated and one of the conceptual categories is style. Consumers' judgment depends on the consumers' level of fashion consciousness, so judgment will be conditioned by their opinion of what is currently fashionable. Brands that supply stylish footwear attract loyal consumers who are fashion conscious^[10]. According to Sproles and Kendall (1986), fashion consciousness is generally defined as an awareness of new styles, changing fashions, and attractive styling, as well as the desire to buy something exciting and trendy^[11]. Omar (1999) emphasized that the store environment was the single most important factor in retail marketing success and store longevity. Positive attributes of the store, which includes store location, store layout, and in-store stimuli, affect brand awareness and brand loyalty to some extent. Store location and number of outlets are crucial in altering consumer shopping and purchasing patterns^[12]. According to Rowley (1998), promotion is an important element of a firm's marketing strategy. Promotion is used to communicate with customers with respect to product offerings, and it is also a way to encourage purchase or sales of a product or service^[13]. Gronroos (1990) noted that the quality of a service as perceived by customers had three dimensions: functional (or process) dimension, technical (or outcome) dimension, and image^[14].

OBJECTIVES OF THE STUDY

1. To study the socio-economic condition of women in Sangli City.
2. To identify the sources of awareness of footwear brands in Sangli City.

3. To study the factors influencing brand loyalty (brand name, product quality, price, style, promotion, service quality and store environment) on women footwear.

HYPOTHESIS

- H₁: There is a significant and positive relationship between brand name and brand loyalty on women footwear.
- H₂: There is a significant and positive relationship between product quality and brand loyalty on women footwear.
- H₃: There is a significant and positive relationship between price and brand loyalty on women footwear.
- H₄: There is a significant and positive relationship between style and brand loyalty on women footwear.
- H₅: There is a significant and positive relationship between promotion and brand loyalty on women footwear.
- H₆: There is a significant and positive relationship between service quality and brand loyalty on women footwear.
- H₇: There is a significant and positive relationship between store environment and brand loyalty on women footwear.

METHODOLOGY

RESEARCH DESIGN

The research design for the study is descriptive. Women of various age groups have been interviewed for the research survey using a structured questionnaire.

PERIOD OF THE STUDY

The study was conducted in the period of August 2011 to October 2011.

SAMPLING DESIGN AND SAMPLE SIZE

Sampling technique used for the study was convenience sampling method and total sample size was 100. The research instrument used was open and close ended questionnaires. Personal interview was conducted among the target women using the questionnaire.

TOOLS USED FOR THE STUDY

To conduct the study, primary data and secondary data are used by the researcher to analyze and identify the brand awareness and brand loyalty on women footwear. Pearson Correlation, Frequencies such as mean, standard deviation and percentage analysis were used to obtain the factors that influenced respondents' brand loyalty and brand awareness.

Percentage Analysis Method: Simple percentage analysis method refers to special kind of ratio. With the help of absolute figures, it will be difficult to interpret any meaning from the collected data, but when percentages are found out, and then it becomes easy to find the relative difference between two or more attributes.

Percentage = No. of Respondents/Total No. of Respondents x 100

The **5 point Likert Scale** was used in the questionnaire.

1-strongly disagree, 2-disagree, 3-neutral, 4-agree and 5-strongly agree. The result is derived from the highest mean score of factors of brand loyalty based on the respondents' answers.

Garret's ranking techniques was used to rank the factors influencing footwear preferred by women. According to this technique, the order assigned to different factors by the respondents were converted into ranks by using the formula-

$$\text{Percent Position} = \frac{100 (R_{ij} - 0.5)}{N_j}$$

Where R_{ij} = Rank given for the ith variable by the jth respondents.

N_j = Number of variable ranked by the jth respondents

RESULT AND DISCUSSION

TABLE 1: PROFILE OF THE WOMEN RESPONDENT'S

Personal Profile	Respondents (n=100)	Percentage (%)
Age:		
18-25	27	27
26-30	52	52
31-35	13	13
Above 35	08	8
Occupation		
Student	43	43
Government Sector	12	12
Private Sector	17	17
Self Employed	18	18
Housewives	10	10
Educational Qualification		
School Level	10	10
Graduate	55	55
Post Graduate	35	35
Income		
Less than Rs. 10,000	52	52
10,000-20,000	24	24
21,000-30,000	20	20
Above 30,000	04	04

Source: Primary Data

From the 120 women respondents in this study, 52 (52%) were in the age group of 26-30 years and majority of women were students (43%) whose educational qualification were graduate (55%). Majority of women income level were less than Rs. 10,000.

TABLE 2: BRANDS OF FOOTWEAR

Brand	Number of Respondents (Women)	Frequency (in %)
Bata	41	41
Metro	28	28
Woodland	23	23
Khadim	03	3
Action	02	2
Other*	03	3

Source: Primary Data *Others (Spice, Paragon)

From the table 2, it is found that Bata was the popular brand of footwear preferred by the women which accounted for (41%) followed by Metro (28%), Woodland (23%) respectively. Among different brands, women in the Sangli city preferred Bata.

TABLE 3: AWARENESS ABOUT THE BRAND

Sources	Mean	Rank
Advertisement	75.25	I
Friends/Relatives	38.35	IV
Past Experience	64.65	II
While Shopping/ Just by looking around	42.55	III
Online	34.25	V

Source: Primary Data

From the above table, it could be inferred that respondents came to know about the brands through advertisement (Mean-75.25, Rank I) followed by Past experience (Rank II), While shopping/ Just by looking around (Rank III), Friends/Relatives (Rank IV). It is interesting that Women were least interest in online shopping (Rank V).

TABLE 4: FACTOR INFLUENCING OF BRAND LOYALTY

Factors	Mean	Rank
Brand Name		II
1. The brand is reputable.	3.79	
2. Brand reflects my own personality.	3.83	
3. A brand name is selected according to price.	3.87	
4. Brand name and image attract me to purchase.	3.75	
Average Mean	3.81	
Product Quality		I
1. The materials used for the brands are comfortable.	4.03	
2. The size of footwear fits me.	3.72	
3. The brand has sufficient colors.	3.74	
4. The brand has good functional quality.	3.87	
Average Mean	3.84	
Price		VI
1. The brand provides reasonable price and good discount.	3.73	
2. Increase of price not changes my decision of purchase.	3.10	
3. The brand provides good value for money.	3.62	
Average Mean	3.48	
Style		III
1. The brand provides wide verity of styles.	3.75	
2. Styles of brand are trendy and fashionable.	3.49	
3. Styles of brand are suitable for me.	3.47	
4. Styles of the brand have unique features.	3.87	
Average Mean	3.65	
Promotion		V
1. Window displays and advertisement are attracting me to purchase.	3.56	
2. Advertisement of brands is attractive.	3.61	
Average Mean	3.59	
Service Quality		VII
1. Salespersons of the store are friendly and courteous.	3.35	
2. Salespersons of the stores have neat and clean appearance.	3.43	
3. Salespersons of the store are well trained.	3.19	
4. Salespersons are ever ready to help you.	3.33	
Average Mean	3.33	
Store Environment		IV
1. The brand has good prime location.	3.75	
2. The brand has sufficient outlets in the City.	3.87	
3. The interior display is attractive.	3.47	
4. The color and decoration of store are attractive.	3.46	
Average Mean	3.64	

Source: Primary Data

The overall results show that product quality was perceived the First rank (Avg.Mean-3.84) by women as the most important factor affecting their brand loyalty followed by Style (3.81), Brand name (3.65), store environment (Avg. Mean-3.64),Promotion (3.59).

HYPOTHESIS TEST

TABLE - 5

Variables	Pearson Correlation	Significance*
Brand Name	0.564	0.000
Product Quality	0.304	0.002
Price	0.457	0.000
Style	0.139	0.160
Promotion	0.402	0.000
Service Quality	0.332	0.001
Store Environment	0.386	0.000
*Significant at 0.01 Level		

1. The research results showed that consumers favored brand image when they perceive positive benefits or function from the product. They would then recommend the brand, have positive reaction on the price premium and are willing to accept brand extensions to other product categories within the same brand. As shown in Table 4, brand name was found to have significant positive relationship with brand loyalty, hence H₁ is accepted.

2. The correlation between these two variables is shown in Table 4. The correlation is considered a moderate correlation ($r=0.304$). This finding indicates that product quality is significant in the consumer decision making process. Product quality was shown to have positive relationship with brand loyalty, hence H_2 is accepted.
3. The research findings showed that price and brand loyalty had a positive relationship, hence H_3 is accepted. Price was an important consideration for the average women consumer. However, consumers with high brand loyalty were less-price sensitive. The result suggested that as long as the women respondents were satisfied with a particular brand, they would repurchase the product with the same brand name even if it was highly priced.
4. From the seven variables identified, style was not considered an important factor for women of Sangli City to be loyal to particular footwear brand. Women have preferred comfort more as compared to style in footwear. However, the findings showed that there was no relationship between style and brand loyalty, hence H_4 is rejected.
5. Promotion was considered as one of the most important factors in determining a women' brand loyalty. It includes the use of advertising, sales promotion, personal selling and publicity. From the study conducted, it was seen that female respondents actually spent more time reading product labels before buying products. The results showed that promotion and brand loyalty were positively related, hence H_5 is accepted.
6. Service quality was an important factor in influencing and encouraging women to patronize a store. The results indicated that the salesperson-consumer relationship will generally result in long-term orientation of women toward a store. At the same time, trust in the salesperson appeared to relate to the overall perception of the store's service quality which resulted in the women total satisfaction with the store. The finding also showed that service quality and brand loyalty had a positive relationship, hence H_6 is accepted.
7. The Store environment is considered one of the factors that can influence women brand loyalty. From this study, it is observed that women paid much attention to store attributes such as merchandise display, variety of selection, parking space, easily accessible by car and the reputation of the store in purchasing products. Store environment was positively related to brand loyalty, hence H_7 is accepted

CONCLUSION

The purpose of this research is to investigate the brand awareness and how the women are influenced by factors of brand loyalty towards footwear brands. Brand loyalty is important for an organization to ensure that its product is kept in the minds of consumers and prevent them from switching to other brands. The research showed that it was not easy to obtain and maintain consumer loyalty for a company's product because there were many forces drawing consumers away such as competition, consumers' thirst for variety, etc. From the analysis of this study, it was shown that there are six factors of brand loyalty that were appropriate in the environment of Sangli City which are, the brand name, product quality, price, promotion, service quality and store environment. The findings revealed that product quality plays a significant role in influencing consumers to be brand loyal customers. Additionally, the overall findings of this study also show that amongst others Sangli customers prefer brand name, product quality, price, promotion, store environment and service Influence of Brand Loyalty on women footwear quality as relevant factors attributable to brand loyalty. All these factors showed positive relationships with brand loyalty except style which had no relationship. Undeniably, the footwear industry is one area which offers vast potential in the women market. More reliable and positive findings on this topic would impact on consumers, marketers and policy makers.

IMPLICATIONS OF THE STUDY

1. Service Quality was shown to be the weakest dimension of Influencing of Brand Loyalty. Therefore, store management should arrange special courses to improve effective communication of salesperson.
2. Product quality was shown to be the strongest dimension of Influencing of Brand Loyalty. Therefore, store management should maintain the attributes of service quality at their stores.
3. Store management should promote the attractive ranges of ladies footwear with high discount like Bata, so that women will attract towards other brands also.
4. Store management should concentrate on comfort factor other than style like Bata to attract and retain women.

RECOMMENDATIONS FOR FURTHER STUDIES

A consumer prefers a particular brand based on what benefits that brand can offer to him/her. Because of such preferences, the brand can charge a higher price and command more loyalty. So, a marketer must understand how the customer made her purchase decision towards the brand. Hence, information provided from this study will assist those companies already existing in or planning to enter the market, in selling and increasing their market share. Further research in these areas would contribute to overall improvement of service standards throughout India.

LIMITATIONS

Chances of the respondent's bias are involved in the research. As the research is restricted to Sangli and Miraj city of Maharashtra, the results are not applicable to other parts of the District or State or Country.

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CUSTOMER SATISFACTION AND EXPECTATION TOWARDS BUSINESS LINE NEWSPAPER: A RESEARCH CONDUCTED IN KOLKATA

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ABSTRACT

The present study is aimed to determine the customer satisfaction & expectation towards BUSINESS LINE newspaper in KOLKATA. A descriptive study was conducted to achieve the objectives. In total 100 respondents filled a well-structured questionnaire having a list of statements pertaining to products, services & facilities provided by the service provider. Results reveal that the dimensions which influence the satisfaction level of customer's are: price, excellent coverage of interesting section, special offers & easy availability of the product. Further results show that there is a significant relation between the brand name and the preference of customers. Hence, it has been recommended that business newspaper companies should focus on making newspaper more interesting, making life easier for readers, making readers loyal and easy availability of the product.

KEYWORDS

Customer satisfaction & expectation, product availability, product quality, value for money.

INTRODUCTION

India is one of the fastest growing business newspaper industries in the world. Publication of business newspaper started in India by the launch of Economic Times on March, 1961. After the economic boost in the Indian market the business newspaper industry have recorded a staggering growth of 150% over the past few years. Business newspapers are much proficient in in-depth information and analysis, carrying the message in greater detail and clarity which helps companies and their business. Business newspapers have the ability to carry the true business news, insightful views on significant issues and comprehensive coverage of the stock market.

LITERATURE REVIEW

This project has been carried out to study the scope of BUSINESS LINE newspaper under THE HINDU publication in general with an aim to popularize & meet the expectation level of the consumer. Research activities with the help of well structured questionnaire have been carried out to interact with the customers for their feedback and also concentrated on a comparative study of BUSINESS LINE with its competitors through direct interview method. The project also covered the opinion of the distributors and dealers among with different types of customers of different industrial sectors and households.

SCOPE FOR FURTHER RESEARCH

Business newspaper industry is the fastest growing industry in India. For this reason so many companies are also entering into this market segment. Naturally there are various scopes are still there for further researches. The researches are not only conducted the research for the purpose of finding the problem but also find their corresponding remedies for the purpose of effective functioning of the organization. THE HINDU, is a giant organization in newspaper segment, has got lot of customer base for many years. Nowadays it is mandatory that an organization remains accustomed to changes and continuous development for the purpose of survival of the organization and also for maintaining the growth. Based on this background, this research will include data collection and methodology through interviews and direct observation as a tool to identify the specific problems within the organization and trying to find out the subsequent remedies for this.

OBJECTIVES

- Study the scope of the business newspaper named BUSINESS LINE.
- Comparison with other business newspapers in the market.
- Carry out a survey to find out the customer preferences.
- To determine the need gaps.

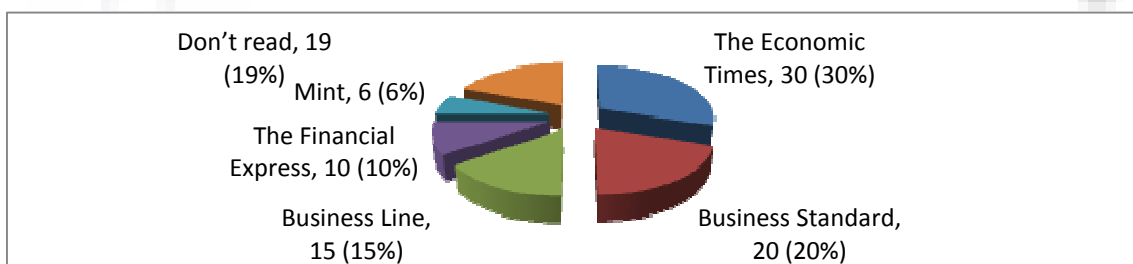
DATA COLLECTION & METHODOLOGY

The present study is based on both primary and secondary data. The primary data has been collected through a well structured questionnaire by using a direct interview method. The questionnaire has been prepared according to the objective of the study. Before preparing the questionnaire I have collected little information from the company web sites, newspapers, periodicals and different textbook of marketing. Here the sample size is 100 and the research has been conducted in Kolkata. In this study simple stratified random sampling method has been used to select respondents. However the collected data have been summarized by the tabulation sheets according to the objective of the study. The summarized data have been analyzed by using graphical statistical tools and techniques like bar charts and pie charts.

ANALYSIS & DISCUSSION

1) Which is the following business newspaper do you read?

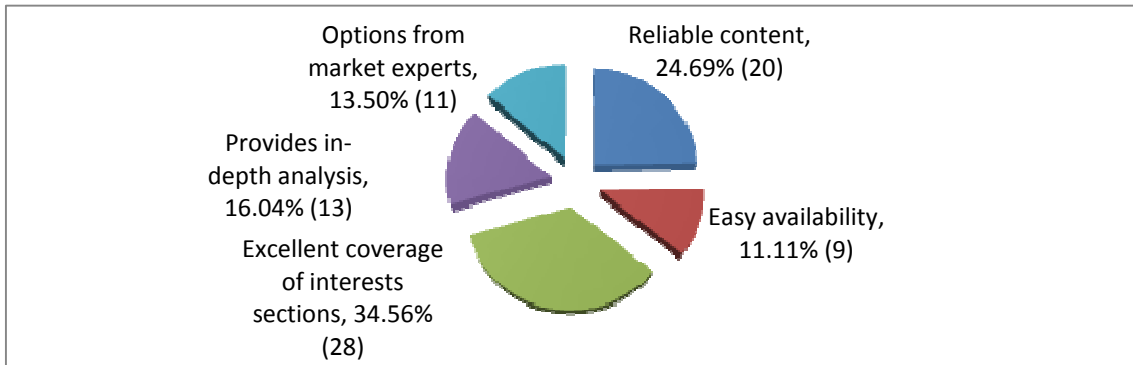
The Economic Times	Business Standard	Business Line	The Financial Express	Mint	Don't read
30	20	15	10	6	19



ANALYSIS: According to my survey, with the help of 100 sample size I have found that The Economic Times is the popular one in this segment.

2) Why do you prefer reading your selected business newspaper?

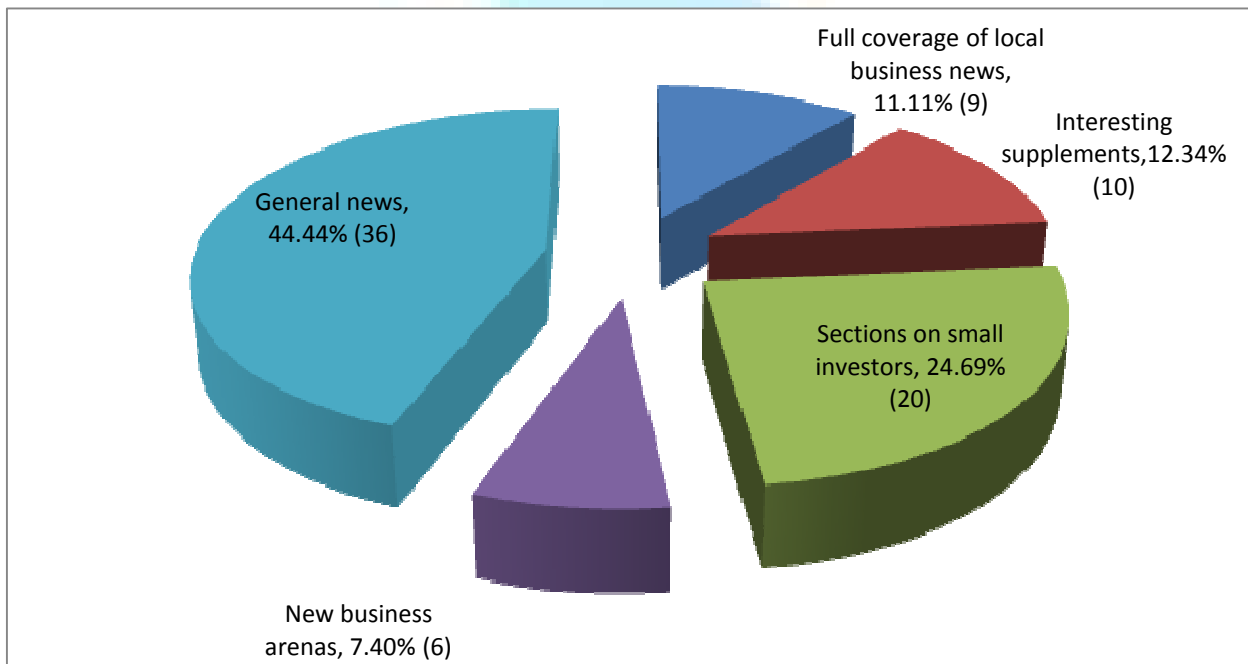
Reliable content	Easy availability	Excellent coverage of interests sections	Provides in-depth analysis	Options from market experts
20	9	28	13	11



ANALYSIS: According to my survey, with the help of 100 sample size (81 are reading business newspaper & 19 are not reading business newspaper) I have found that the people are mainly voted for excellent coverage of interest sections.

3) What are the things you find missing in your daily business newspaper?

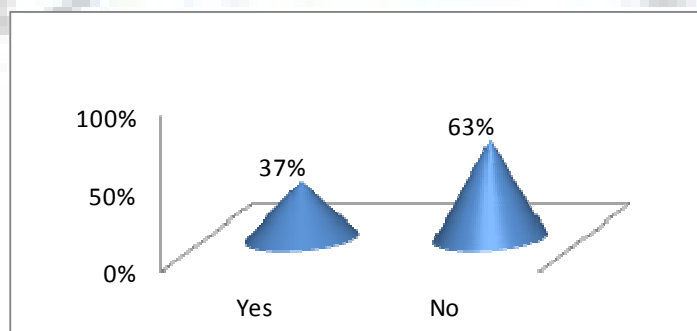
Full coverage of local business news	Interesting supplements	Sections on small investors	New business arenas	General news
9	10	20	6	36



ANALYSIS: According to my survey, with the help of 100 sample size (81 are reading business newspaper & 19 are not reading business newspaper) I have found that the people are mainly missing the general news in the business newspapers.

4) Have you ever tried reading business line?

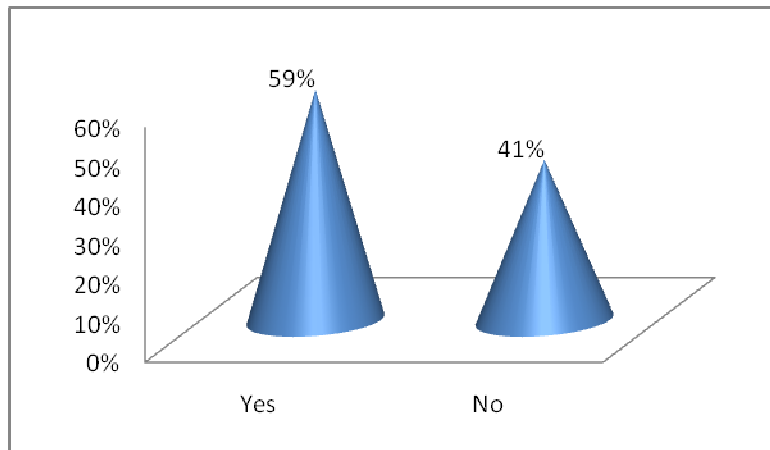
Yes	No
37	63



ANALYSIS: According to my survey, with the help of 100 sample size I have found that the 63% of the people have tried the Business Line.

5) The Hindu is a well known Brand. Are you aware of its financial publication-“Business Line”?

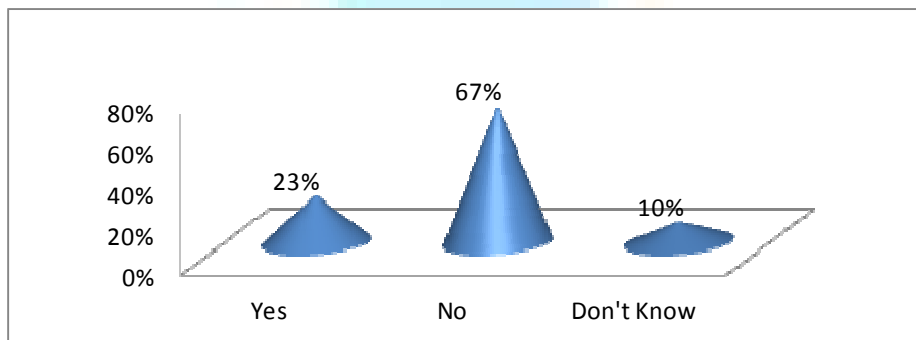
Yes	No
59	41



ANALYSIS: According to my survey, with the help of 100 sample size I have found that the 59% of the people are aware of Business Line.

6) Most of the business newspaper comes in reddish yellow. Business Line comes in white paper. Does this attract you?

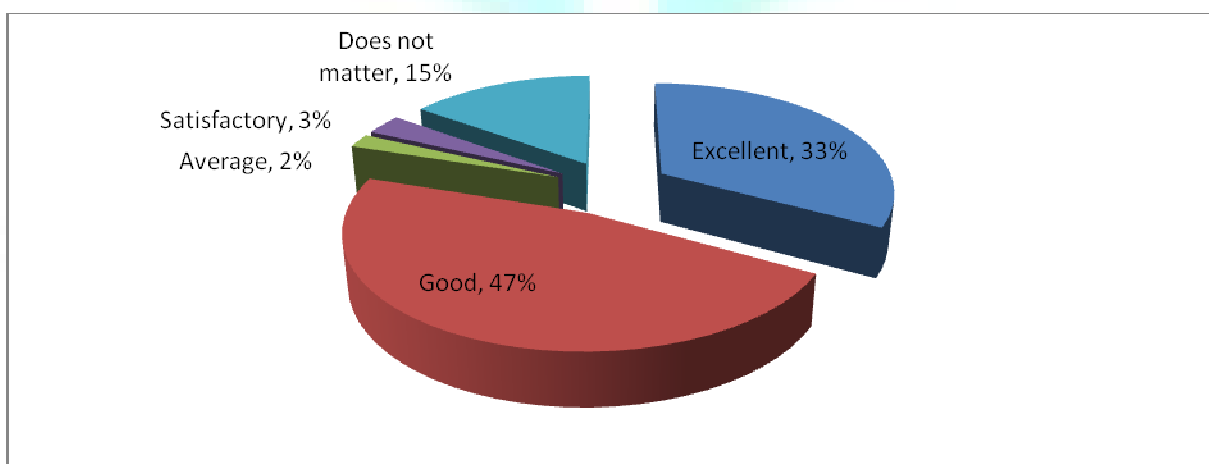
Yes	No	Don't know
23	67	10



ANALYSIS: According to my survey, with the help of 100 sample size I have found that the 67% of the people are not attracted by the white color of the Business Line.

7) The paper has been segregated into distinct selections like marketing, finance, and logistics. How do you like it?

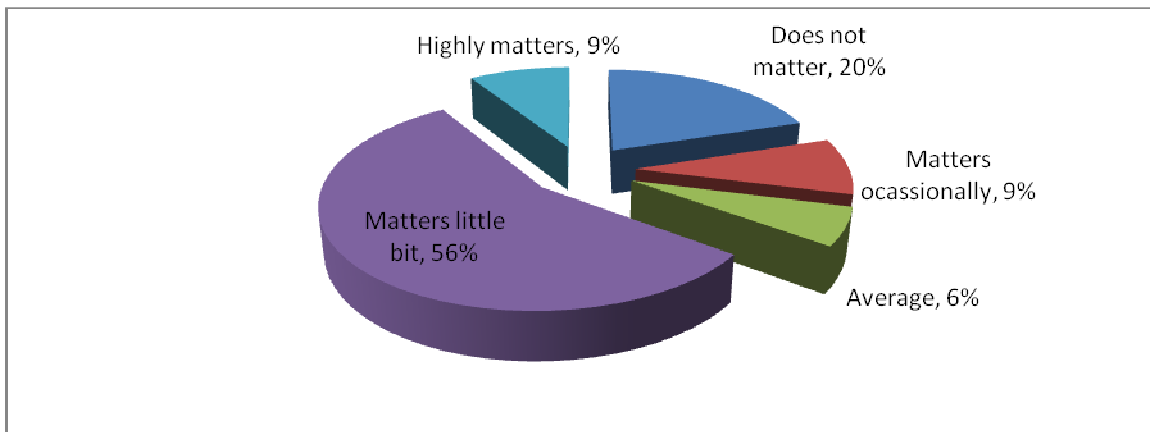
Excellent	Good	Average	Satisfactory	Does not matter
33	47	2	3	15



ANALYSIS: According to my survey, with the help of 100 sample size I have found that the 47% of the people liked the segregation.

8) What is the impact of price in choosing your newspaper?

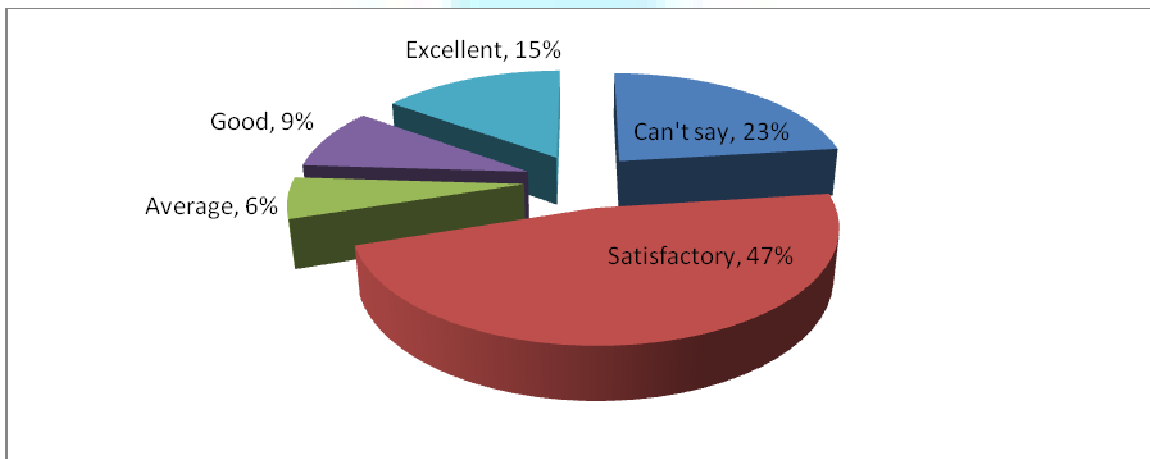
Does not matter	Matters occasionally	Average	Matters little bit	Highly matters
20	9	6	56	9



ANALYSIS: According to my survey, with the help of 100 sample size I have found that the 56% of the people are thinking that price is not a big factor at the time of purchasing the business newspaper.

9) We are charging Rs 4 per newspaper. How do you like it?

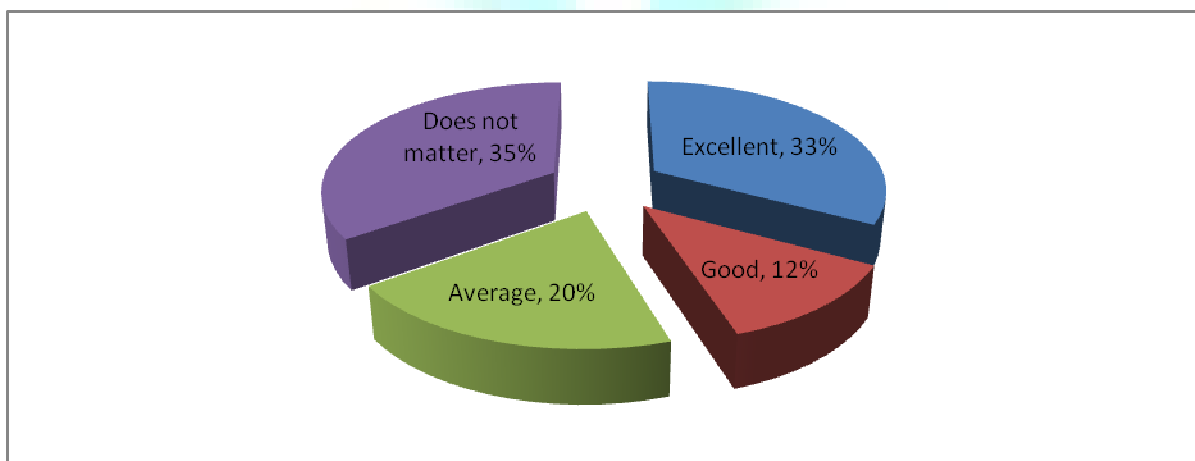
Can't say	Satisfactory	Average	Good	Excellent
23	47	6	9	15



ANALYSIS: According to my survey, with the help of 100 sample size I have found that the 47% of the people are satisfied with the price.

10) Currently we are offering yearly subscription for Rs 600 and half yearly for Rs 300. So your cost per paper become only Rs 1.68. How do you like the offer?

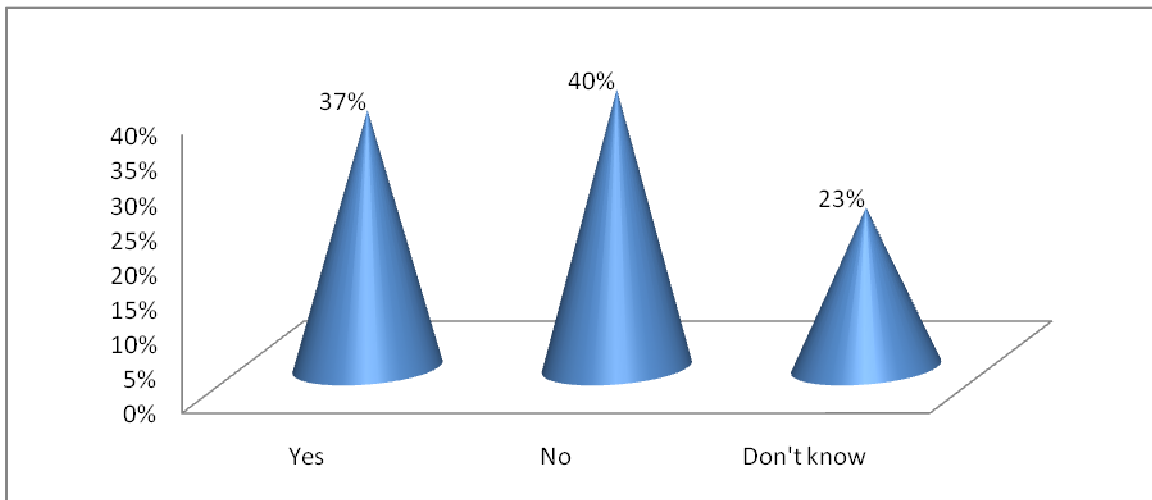
Excellent	Good	Average	Does not matter
33	12	20	35



ANALYSIS: According to my survey, with the help of 100 sample size I have found that the 33% of them liking the offer very much.

11) If you are provided with quality news that keeps you well informed about business scenario along with subscription discount, would you shift to Business Line?

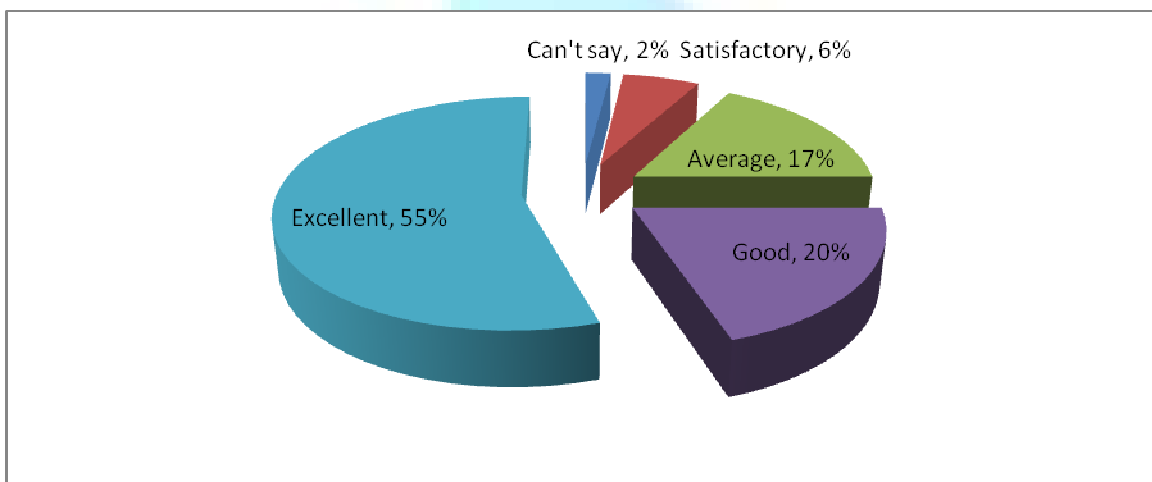
Yes	No	Don't know
37	40	23



ANALYSIS: According to my survey, with the help of 100 sample size I have found that the 37% of the people are interested.

12) What do you think about news in regional languages?

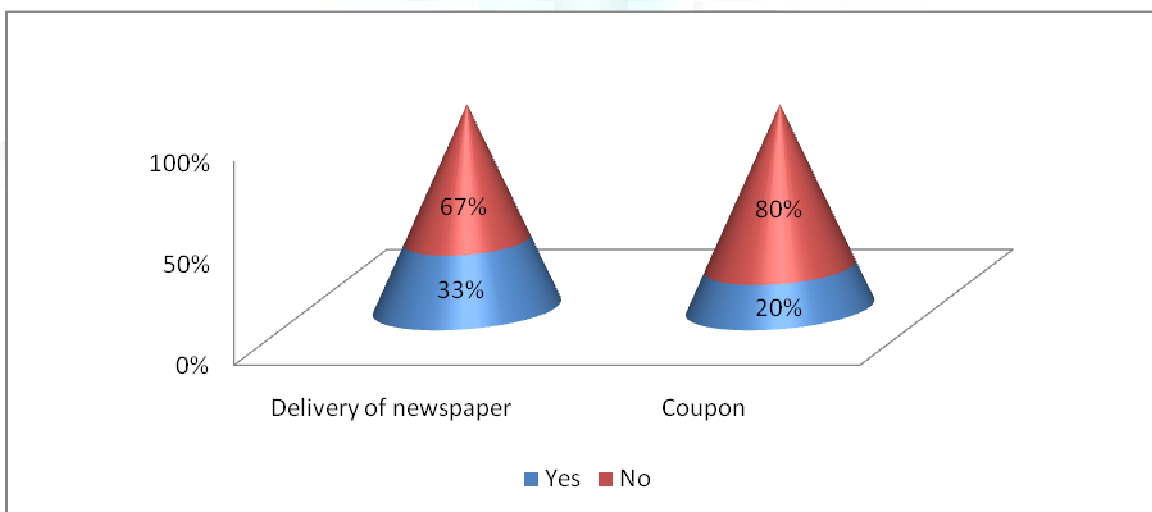
Can't say	Satisfactory	Average	Good	Excellent
2	6	17	20	55



ANALYSIS: According to my survey, with the help of 100 sample size I have found that the 55% of the people are really interested about this.

13) If you are a subscriber of "Business Line" using Special Subscription of BL. Is there any Problem with Logistic?

	YES	NO
Delivery of News Paper	5(33%)	10(67%)
Coupon	3(20%)	12(80%)



ANALYSIS: According to my survey, with the help of 100 sample size I have found that the 67% of the people think that there will be no problem related to the delivery of newspaper.

FINDINGS

1. Most of the customers liking The Economic Times (30%) comparing the other brands in this segment.
2. I have found that out of all the categories most of the people are mainly voted for excellent coverage of interest sections (34.56%).
3. Out of all the categories most of the people are mainly missing the general news (44.44%) in the business newspapers.
4. According to my survey, I have found that the 63% of the people have tried the Business Line.
5. According to my survey, I have found that the 59% of the people are aware of Business Line.
6. Around 67% of the people are not attracted by the white color of the Business Line.
7. Majority of the people (47%) liked the segregation with distinct selections like marketing, finance, and logistics.
8. Majority of the people (56%) are thinking that price is not a big factor at the time of purchasing the business newspaper.
9. 47% of the people are satisfied with the price of Rs.4 per paper.
10. 33% of the population liking the special subscription offer very much.
11. 37% of the people are interested to shift in BUSINESS LINE if they are provided with quality news that keeps them well informed about business scenario along with subscription discount.
12. 55% of the populations are really interested to read the news in regional languages.
13. 67% of the people think that there will be no problem related to the delivery of newspaper.

STRATEGIES TO ENHANCE THE READER FOR BUSINESS LINE

1. **Making newspaper more interesting:** The Hindu- Business Line has a serious tone. It should be made by more exiting by introducing 1-2 pages on entertainment. Along with the serious sentences some information cartoons can be included.
2. **Print & web: the quest for new readers:** It's not just a question to look at the Web as a way to increase traditional newspaper readership, but to look at print and web as to units that share, or should share, the same goal: to broaden our reach and get our contents into the hands or onto the screens of more readers around the world.
3. **Pitfalls for publishers in the mobile world:** Three-quarters of the population use mobile telephones and 70 percent of them use mobile internet. So reach to the reader through mobile is one of the best strategies to enhance the reader for "Business Line".
4. **Providing the newspaper to the reader, at the right time and right place:** It represents the service through a better channel partner which enhance the loyalty of the subscriber and easy to reach the remote reader.
5. **Making life easier for readers:** The paper is a complete business paper. Adding 2-3 pages on local and national news could increase its sales. This help to prevent spending on extra newspaper.
6. **Making readers loyal:** We can move the readers by small increments to more loyalty and more copies.

SUGGESTIONS

- Front page should be more attractive for readers.
- For subscription period reduction should help to increase number of subscribers as most of the people do not want to subscribe for a long time.
- Initiating customer suggestion and feedback as much as possible.
- Conducting surveys and promoting the product to facilitate publicity of the paper in the vast growing market.
- Building brand image to the highest extent by increasing product value.
- Carry out research work on the market to know what people exactly want from the product increase its demand.
- Its editorial 'THE HINDU' should be more focused in the product front page to utilize its brand image, which is much more famous than the BUSINESS LINE itself.

LIMITATION OF THE STUDY

- All the consumers were not very cooperative at the time of providing the information.
- The sample size is of 100 consumers. So, this study might not reveal or depict the real perception of the customer towards BUSINESS LINE.
- The study was limited to only in Kolkata.

CONCLUSION

It was a great opportunity for me to watch and analyze the market directly and cope up with the challenges. It is also at the same time not an easy job to do. However the information gathered from the survey is authentic. The business newspaper highlights trend of the day to day market and we should make reading it a habit to keep our knowledge regarding the business world updated every time. There is a lot of scope for the growth of business newspapers because right now the circulation of the business newspapers in India is more than 11 lakhs where as the population of India is more than 110 crores. In India newspapers reach only 35% of our adult population even though adult literacy is about 70%. To build this gap between readership and literacy business newspaper organizations need to adapt different strategies by targeting different customers.

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INTEREST RATE FUTURES MARKET IN INDIA

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ABSTRACT

The uncertainty in the movement of the interest rates has increased manifold due to the volatility of interest rates. Banks, insurance companies, primary dealers and provident funds, individuals bear a major portion of the interest rate risk. Interest rate risk management has become very important and assorted instruments like interest rate derivatives (interest rate swaps, forward rate agreement and interest rate futures) have been developed to deal with such types of risk. Therefore the present paper has been designed to throw light on Interest Rate Futures in India as well at global level. Further, it will focus on the regulatory framework on Interest Rate Futures laid by RBI. The paper will also analyze the applicability of Interest rate future in Indian economy. For this secondary data has been collected from the website of BIS, RBI, NSE, etc. The time frame used in the paper is from June 2003 to Sep 2003 as Interest Rate Futures were traded in those three months only and from 31 Aug.2009 till March 2010. This paper will focus on two interest rate futures contracts namely 10 YGS7 181209 and 10 YGS7 220310 offered by NSE. The study investigates the trading activity using volume, change in volume, open interest, change in open interest, open, close, low and settlement price, applicable and annualized volatility. It was found that Indian Interest Rate Futures market is dominated by hedgers as the volatility seems to be low. In spite of the decrease in the volume traded the market continues to grow at slow pace as new money is flowing in the market. As the investment in Government securities increases the investment in Interest Rate Futures will also increase.

KEYWORDS

Interest Rate Futures, trading activity.

INTRODUCTION

An interest rate is a rate which is charged or paid for the use of money, in return a lender receives for deferring the use of funds, by lending it to the borrower. There exists a risk in an interest-bearing asset, such as a loan or a bond, due to the possibility of a change in the asset's value resulting from the variability of interest rates. The risk that an investment's value will change due to a change in the absolute level of interest rates is often known as interest rate risk. In other words, Interest rate risk is the uncertainty in the movement of the interest rates. Banks, insurance companies, primary dealers and provident funds bear a major portion of the interest rate risk on account of their exposure to government securities. With a large stock of household financial savings on the asset side and an increasing quantum of housing loans on the liabilities side interest rate risk has become increasingly important for the household sector as well. It affects the value of bonds more directly than stocks, and it is a major risk to all bondholders. As interest rates rise, bond prices fall and vice versa. The rationale is that as interest rates increase, the opportunity cost of holding a bond decreases since investors are able to realize greater yields by switching to other investments that reflect the higher interest rate. For example, a 5% bond is worth more if interest rates decrease since the bondholder receives a fixed rate of return relative to the market, which is offering a lower rate of return as a result of the decrease in rates. Interest rates have never been constant in the past and one can easily presume they would not remain constant in the future. The volatility of interest rates has increased manifold in the last couple of years. The annualized volatility of yield of 10 year benchmark GOI security for the calendar year 2000 was 10.62%. It increases up to 14.17% in 2001 but decreases in next year. Again in 2003 the volatility was reported as 15.74% and in 2004 it reduces to 14.31%. In consecutive years, it remained almost stable 8.15%, 8.22% and 8.44% till 2007. In 2008 it has reached up to 19.75%. Such volatility in interest rate increases risk which requires tools to manage interest rate risk.

FIG. 1: ANNUALIZED VOLATILITY

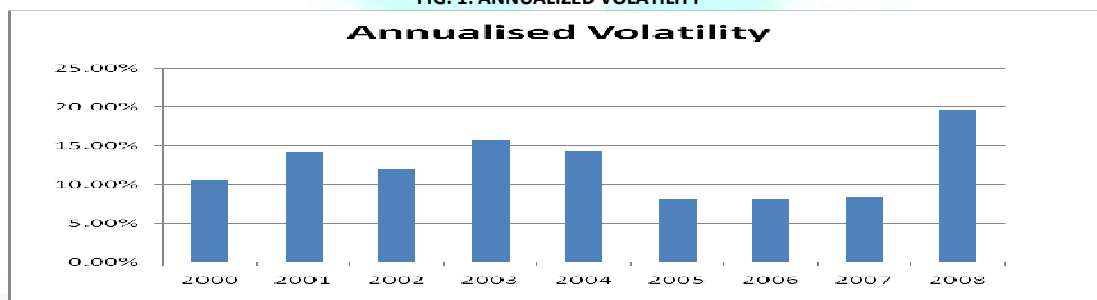


FIG. 2: GOVERNMENT OF INDIA 10 YEAR YIELD CURVE

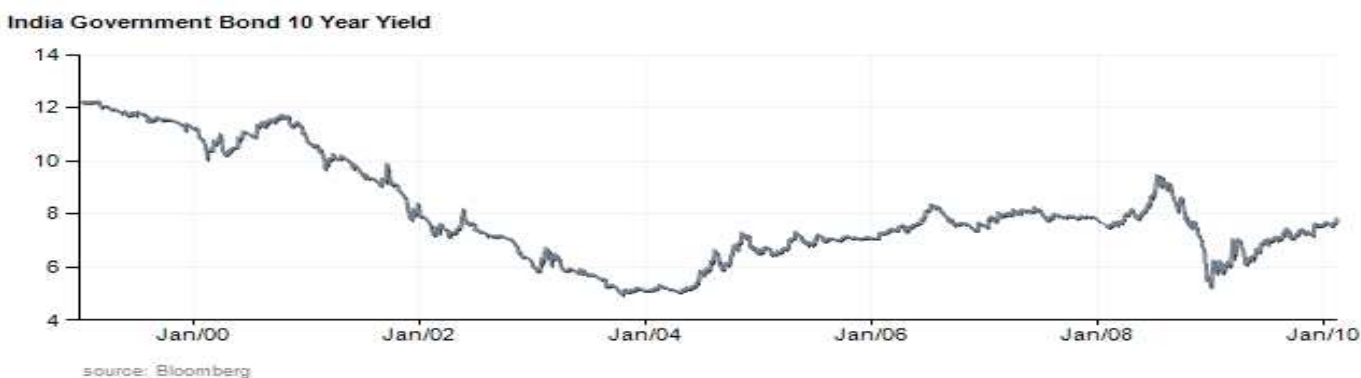


Fig: 2 shows 10 year Government of India bond yield curve. In the year 1999 the yield on 10 yr GOI bond was around 12% which was reduced to around 5% in 2004. Again it rose up to 9% in 2008. The yield in the month of Aug 2009 was 7.15%, 7.6% in Sep, 7.32% in Oct., 7.28% and 7.58% in Nov. and Dec respectively. Jan 2010 recorded the yield of 7.61%; it was 7.83% and 7.93% in Feb and Mar respectively. Therefore it is a need of hour to mitigate such type of fluctuation in interest rate.

The government of India has been taking a series of steps to reform the debt market in the country with the view of improving its transparency, efficiency and accessibility. The changes in interest rate can be mitigated by diversifying (investing in fixed-income securities with different durations) or hedging (e.g. through an interest rate swap). Thus, Interest rate risk management has become very important and assorted instruments like interest rate derivatives (interest rate swaps, forward rate agreement and interest rate futures) have been developed to deal with such types of risk.

Interest rate Derivative contracts are entered into or traded, either OTC or on exchanges. In Over the counter market, trades are contracted and prices agreed bilateral, i.e. between a pair of one seller and one buyer, either directly or through the intermediation of brokers through electronic communication system, for example, interest rate swaps and forward rate agreement. The other is exchange traded interest rate derivatives, which are preferred due to standardization, transparency and clearing house participation to narrow down counterparty risk. Interest Rate Futures are the product for managing the interest rate risk.

Therefore the present paper has been designed to through light on this particular segment with reference to Interest Rate Futures in India. An interest rate future is a financial derivative with an interest bearing instrument as the underlying asset. An IRF contract is a futures contract on an asset whose price is dependent on the level of interest rate.

PURPOSE OF IRF

Interest rate futures trading can be generally used for the following purpose:

1. Trading: Trading involves entering into positions in the futures market for the purpose of making a profit, assuming that market developments are forecasted properly.
2. Hedging: People holding a portfolio of bonds or investments subject to interest rate risk can reduce losses arising out of interest rate volatility by hedging.
3. Arbitrage: Arbitrage strategies take into account the price difference between the future prices and the underlying price.
4. Spreading: Spread trading is a trading method for traders who observe mispricing in the relative value of two different contracts. The same can be in two contracts on same underlying, with different expires or between two contract on two different underlying.

RESEARCH METHODOLOGY

The present paper will attempt to throw light upon interest rate futures at global level. It will examine the use of interest rate futures in India. Further, it will focus on the regulatory framework on IRFs laid by RBI. The paper will also analyze the applicability of Interest rate future in Indian economy. For this secondary data has been collected from the website of BIS, RBI, NSE, etc. The time frame used in the paper is from June 2003 to Sep 2003 as IRF was traded in those three months only and from 31 Aug.2009 till March 2010. This paper will focus on two interest rate futures contracts namely 10 YGS7 181209 and 10 YGS7 220310 offered by NSE. The paper concludes with suggestions and recommendations.

LITERATURE REVIEW

Investigating the relationship among information, volume, volatility and return is usually the starting point to understand the financial market (Pati P.C. 2007). Karpoff (1987) listed four reasons why the price-volume relationship is important: Firstly, it provides insight into the structure of financial markets. Secondly, it is important for event studies that use a combination of price and volume data from which to draw inferences. Thirdly, it is critical to the debate over the empirical distribution of speculative markets. Fourthly, price- volume relationships have significant implications for research into futures markets. Volume of trading is an important statistics which are closely monitored by exchanges, regulating agencies as well as investors. Hedgers are motivated to trade in futures contracts to stabilize their future income flow or cost. Similarly, speculators take interest in futures contracts based upon their expectations of futures prices volatility. Low volume usually implies that the market is illiquid and the bid/asks spread will tend to be large, resulting in high price volatility. Such a market will discourage hedgers, but may benefit speculators. On the other hand, high trading volume contributes to high liquidity and the bid/asks spread will tend to be small, resulting in low price variability. Hedgers prefer low day-to-day volatility while speculators usually do not, because low volatility reduces speculators profits.

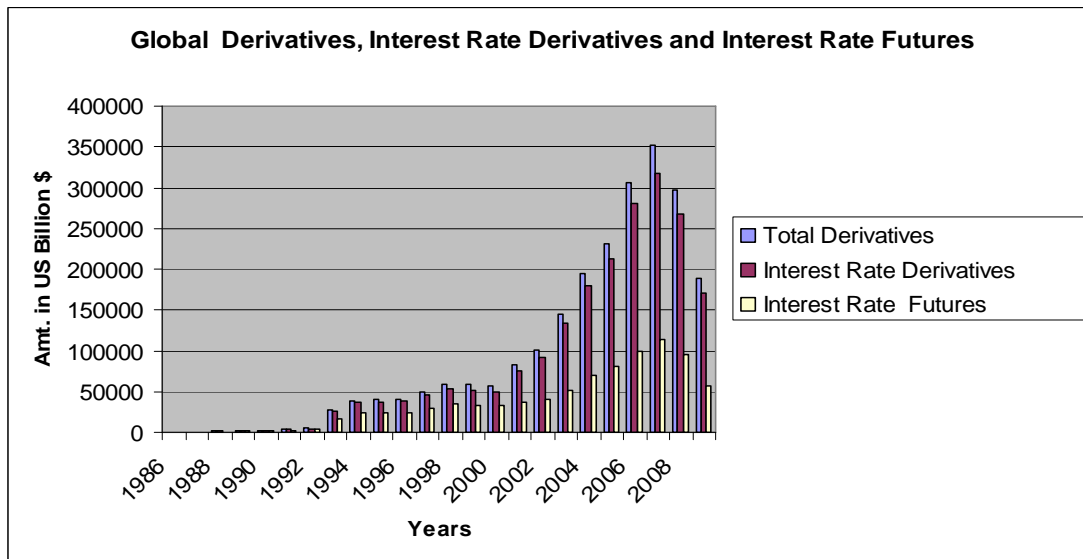
TABLE 1: BASIC INDICATORS MATRIX/RELATIONSHIP AMONG BASIC INDICATORS

Volume	Liquidity position	Spread	Price Volatility	Beneficiaries
Low	Illiquid	Large	High	Speculators
High	Liquid	Small	Low	Hedgers

Another important measure of trading activity is Open interest which is the sum total of all outstanding long and short positions of futures contracts that have not been closed out. By monitoring the changes in the open interest figures at the end of each trading day, some conclusions about the day's activity can be drawn. Increasing open interest means that new money is flowing into the market, while declining open interest means that the market is liquidating and implies that the prevailing price trend is coming to an end.

The relationship between futures trading activity and price volatility in Indian stock index futures market using volume and open interest was studied by (Pati P.C. 2007) shows that futures price volatility is positively related to volume but negatively related to the expected level of open interest. According to Bhar R P & Chiarella Carl (1995) hedging interest rate exposure using IRF contract requires some knowledge of volatility function of interest rate. Costa et al., 2007 finds IRF as predictor of short term interest rate at short forecast horizon.

FIG. 3: GLOBAL EXCHANGE TRADED DERIVATIVES, INTEREST RATE DERIVATIVES AND INTEREST RATE FUTURES



Global exchange traded derivatives was at its initial stage till 1992 but have tremendously increased over the years from 1994 till 2007 but declined in 2008 due to global meltdown. The data for 2009 include till Sep. only. Interest rate derivatives account nearly 95 % of total exchange traded derivatives in 1994-95. It slightly decreased by 2% in 1996-97, and again 3% in 1998-99. It again increased to 90% to 93 % in 2001-2004. The contribution slightly decreased but account 90 % of the total derivatives.

Interest rate futures shared 67% out of total Interest rate derivatives in 1994; it has increased till 2000 but has decreased over the years. In 2008-09, interest rate futures account for 36 % of the total interest rate derivatives.

INTEREST RATE FUTURES: AN INDIAN PERSPECTIVE

Interest rate futures market in India is at a nascent stage. Out of the total exchange traded derivatives market the contribution of Interest rate futures in terms of No. of contract traded was merely 0.355% in July 2003, it declined to 0.025% and 0.011% in Aug. and Sep. 2003 respectively. In 2009 the contribution of Interest rate futures in terms of No. of contract traded was only 0.012% in Aug. 2009 which has slightly increased to 0.019% in Sep. 2009, 0.028% in Oct. 09 and 0.039% and 0.149 in Nov.09 and Dec 09, respectively.

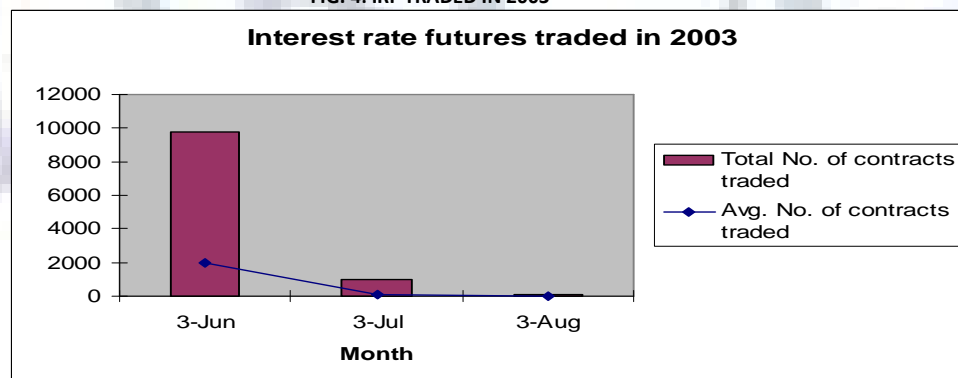
REGULATORY FRAMEWORK

In the wake of deregulation of interest rates as part of financial sector reforms and the resultant volatility in interest rates, a need was felt to introduce hedging instruments to manage interest rate risk. Accordingly, in 1999, the Reserve Bank of India took the initiative to introduce Over-the-Counter (OTC) interest rate derivatives, such as Interest Rate Swaps (IRS) and Forward Rate Agreements (FRA). With the successful experience, particularly with the IRS, NSE introduced, in2003, exchange-traded interest rate futures (IRF) contracts. However, for a variety of reasons, the IRF, failed to attract a critical mass of participants and transactions, with no trading at all thereafter. To review the experience with the Interest Rate Futures so far, with particular reference to product design issues and make recommendations for activating the Interest Rate Futures Technical Advisory Committee (TAC) on Money, Foreign Exchange and Government Securities Markets in December 2006 and July 2007, respectively. In October 13, 2008 has been decided to allow banks to take trading positions also in IRF. As announced in the Mid-Term Review of Annual Policy for the year 2008-09, RBI-SEBI Standing Technical Committee had been entrusted with the work relating to the operationalisation of the recommendations of the TAC Report. The report was released in June 2009. Ultimately interest rate futures has been launched by NSE from 31-Aug.2009. Four IRF contracts having maturity of three months will be offered by NSE in a year.

FIRST STAGE OF IRF

Interest Rate Futures was started on June 24, 2003 on the Exchange but was not successful as the No. of contracts declined from 9768 to 963 in Jun 03 and July 03 a tremendous decline of 90% and again declined to 50 contracts which was 94% in Aug 03 and reached to 0 in Sep 03. The total traded value was Rs.181.85 cr. in June 2003 which was reduced to nearly 90% amounting Rs.19.32 cr. in July. Further it again declined to 94% amounting only Rs.1.04 cr. in Aug 03.

FIG. 4: IRF TRADED IN 2003



One reason for IRF not taking off is describable to deficiency in the product design of the bond futures contracts which was required to be cash settled and valued of a zero coupon yield curve. As the ZCYC is not directly observable in the market and is not a representative of illiquid market, participants were not willing to accept a product which was priced off a theoretical ZCYC. The success of any financial product at in the early stages, critical depends not only upon the

presence of market makers but also on their credibility and ability to provide liquidity. At times of initial launch of IRF only primary dealers were allowed to take trading positions, hence the market was illiquid.

SECOND STAGE OF IRF

Conscious effort has been made by the regulatory bodies to relaunch IRFs on 31st Aug 2009. The re-launch of interest rate futures has been actively appreciated by the market with the highest no. of contracts traded 14559 on the first day of trading i.e. 31-Aug. In the month of Sep 79648 contracts were traded amounting Rs.1458.07 Cr. but a declining trend could be noticed till March. A steep decline of 73% was recorded in the month of Oct. with merely 21867 contracts, figuring Rs.373.56 Cr. This shows that the market was not so responsive as compared to previous month. A continuous declining trend was visible from Nov. till Feb. but it increased in March 2010. The total Number of contracts traded in the month of Nov. showed a decrease of 17% figuring 18134 contracts, it again fell to 10761, 6443 and 3124 contracts amounting Rs.197.62 Cr., Rs.118.82 Cr. and Rs.57.41Cr. in the month of Dec 09, Jan 10 and Feb 10 respectively. A sharp increase of 95% was viewed in the month of March. 6101 contracts were traded with the total value of Rs.111.38 Cr. The total volume of IRF traded till March was Rs.2921.02 Cr. The mean value was Rs. 20.86 cr. with the SD of Rs. 36.35 Cr. The data was positively skewed therefore the concentration of values are on the right side of distribution.

FIG. 5: IRF TRADED IN 2009-10

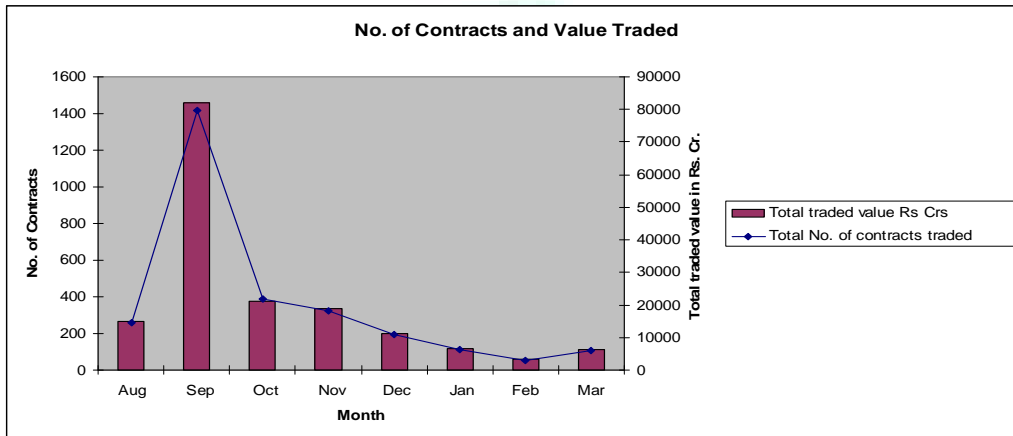
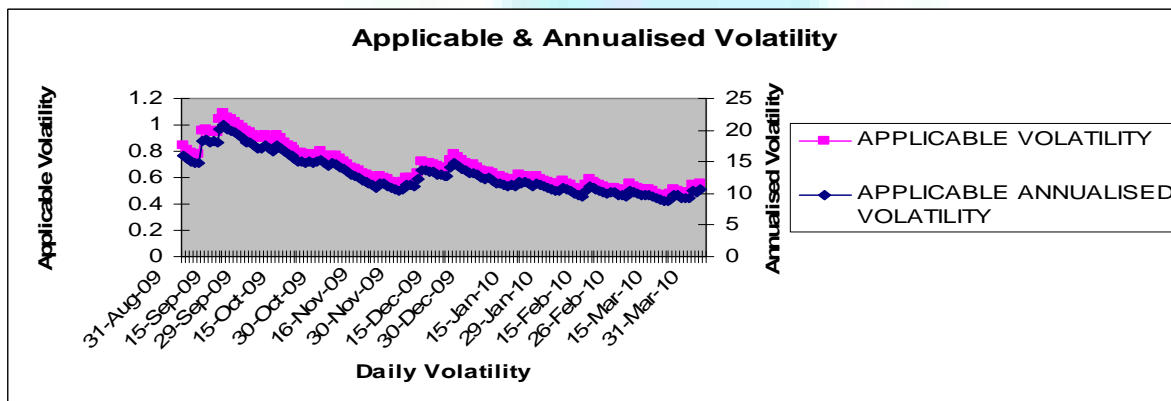


FIG. 6: APPLICABLE VOLATILITY & ANNUALIZED VOLATILITY



The Maximum applicable Volatility was recorded as 1.0883 while the minimum was 0.4573. The applicable annualized volatility was measured to be 12.0546 which range from 20.7919 to 8.7373. The volatility figure depicts almost a similar pattern in both the cases while the range for daily and annualized volatility was .6309 and 12.0546 respectively.

CONTRACT WISE

- a) 10 YGS 181209: The commencement of IRF was warmly welcomed by the market participants. On the first day, 13789 contracts valuing 253.29 Cr. were traded but it follows a continuous decline till maturity i.e. 18th Dec 2009.

FIG. 7 NO. OF CONTRACTS & VALUE IN DEC CONTRACT

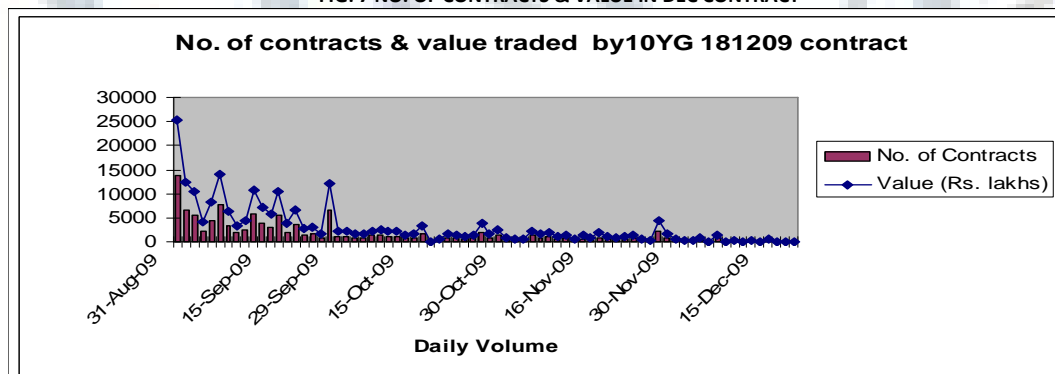
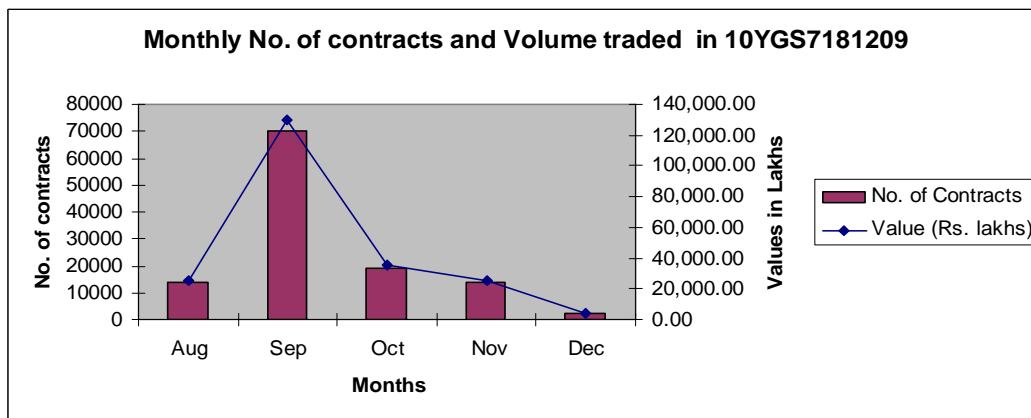
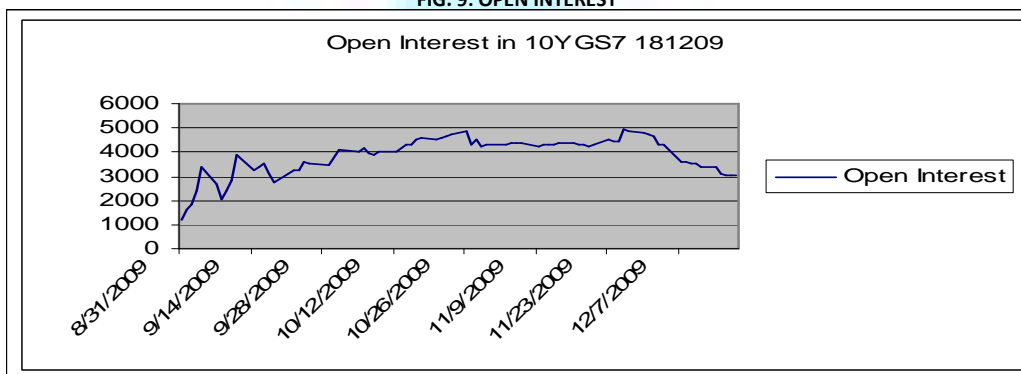


FIG. 8: MONTHLY NO. OF CONTRACTS & VALUE IN DEC CONTRACT



The total no. of contract traded was highest in Sep, 70002 contract amounting 1297.29Cr. The proceeding months recorded steep decline. Only 2195 contract were traded with the volume of 40.99 Cr. The total volume of Dec contract was Rs.2202.98Cr. the mean value was Rs.29.77Cr. with the SD of Rs.41.69Cr. The volume change for Dec contract has the mean value -6.93 Cr. with the SD 52.99 Cr. The data was negatively skewed as the concentrations of values are on the left side of distribution therefore there was a decline in the volume traded.

FIG. 9: OPEN INTEREST



The open interest for Dec contract has the mean value 76.62 Cr. with the SD 16.28 Cr. The data was negatively skewed therefore the concentration of values were on the left side of distribution. A declining trend was visible when the contract was about to mature. The change in open interest for Dec contract has the mean value .5027 Cr. with the SD 6.23 Cr. The data depicts positive skewness therefore the concentrations of values were on the right side of distribution this means that new money was flowing into the market.

FIG. 10: DAILY SETTLEMENT PRICE

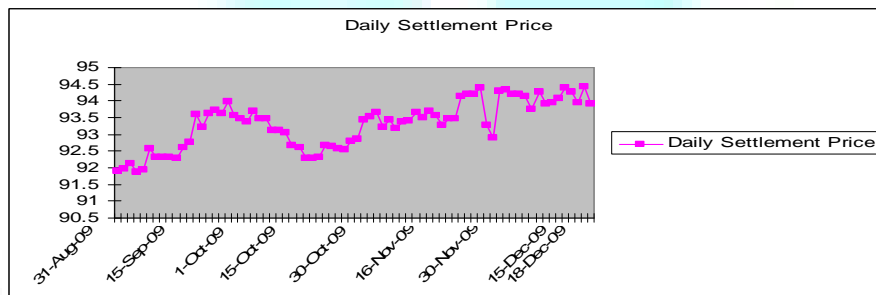
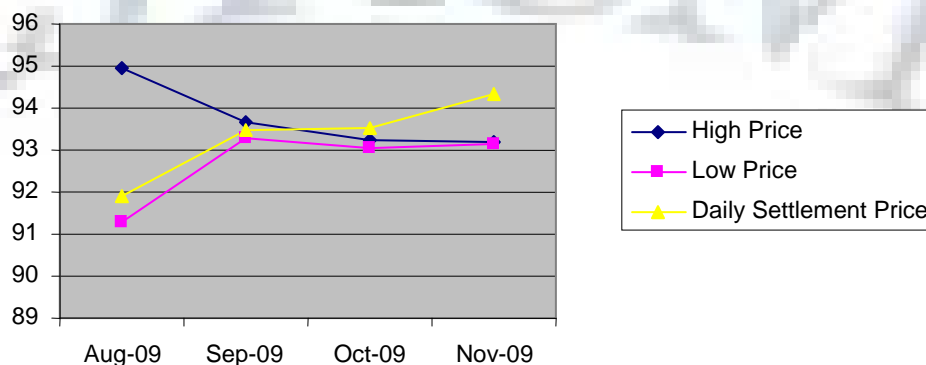


Fig11: Price Volatility (10 YGS7 181209)

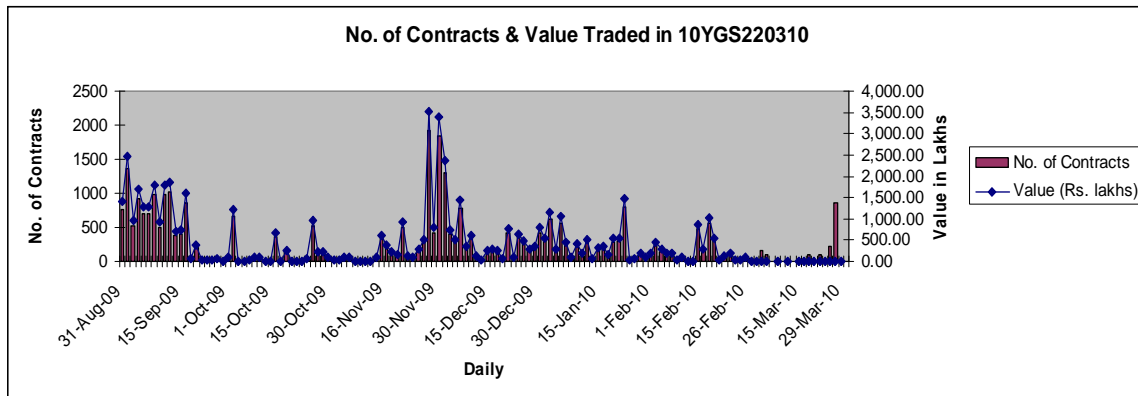


We can see that there are minor fluctuations between the high, low and settlement price. It is also clear that the fluctuation over the period of time is low ranging from 94.5 to 93 with the exception in Aug which range from 95 to 91 in 10YGS 181209. The daily settlement price ranges from 92 to 94.5.

b) 10YGS220310

The last trading day for Mar contract was March 19, 2010 which was revised to March 29, 2010.

FIG. 12: NO. OF CONTRACTS & VALUE IN MARCH CONTRACT



The total volume of Mar contract was Rs.610.53Cr. The mean value was Rs.4.45Cr. with the SD of Rs.6.34Cr. The data was positively skewed therefore the concentration of values are on the right side of distribution. The volume change for Mar contract has the mean value -0.33Cr. with the SD 6.86 Cr. the data was negatively skewed therefore the concentration of values are on the left side of distribution.

FIG. 13: MONTHLY NO. OF CONTRACTS & VALUE IN MARCH CONTRACT

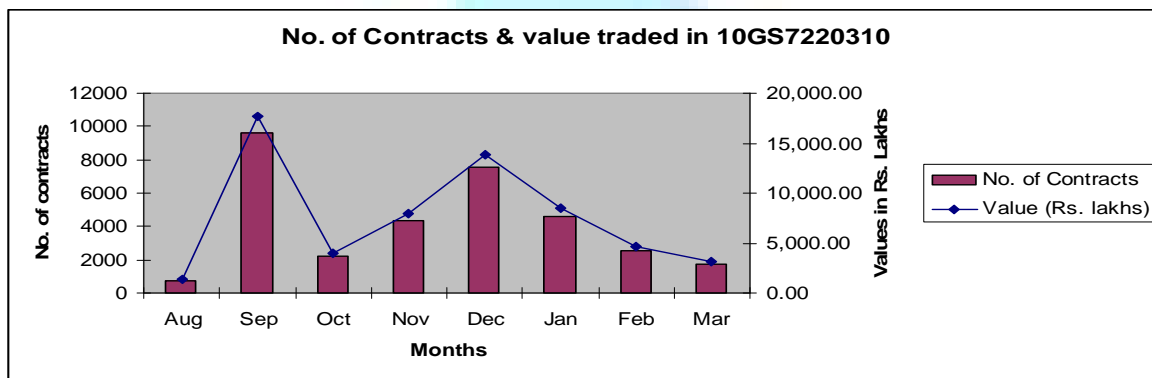
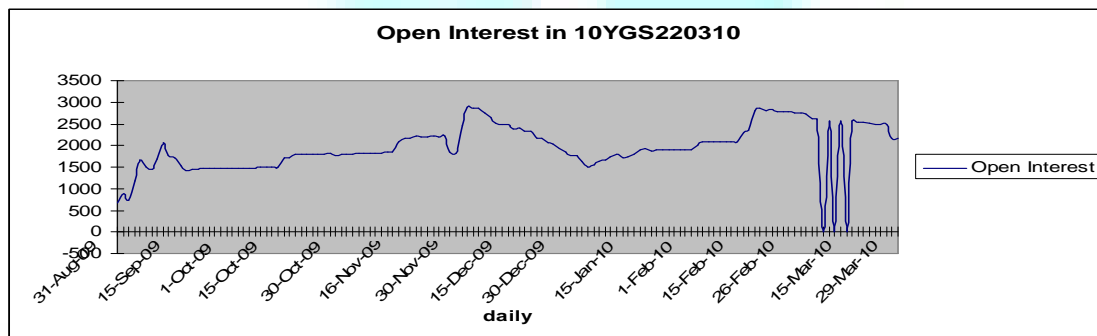


FIG. 14: OPEN INTEREST OF MARCH CONTRACT



The open interest for Mar contract has the mean value 40.16 Cr. with the SD 9.24Cr. The data was negatively skewed therefore the concentration of values are on the left side of distribution. The change in open interest for Mar contract has the mean value 0.2216 Cr. with the SD 2.61 Cr. The data was positively skewed therefore the concentration of values are on the right side of distribution.

FIG. 15: DAILY SETTLEMENT PRICE OF MARCH CONTRACT

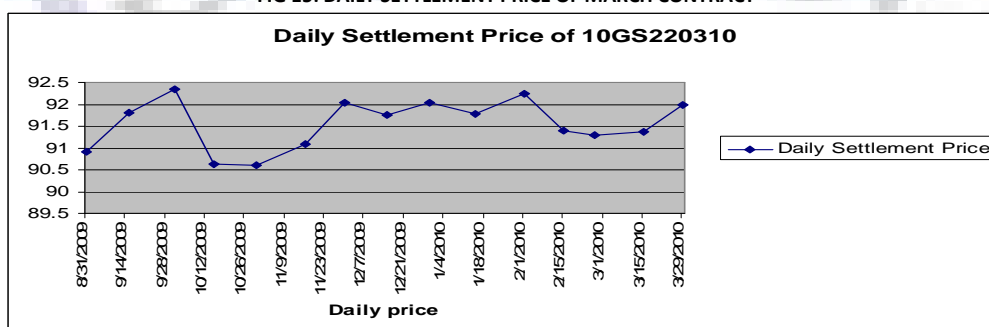
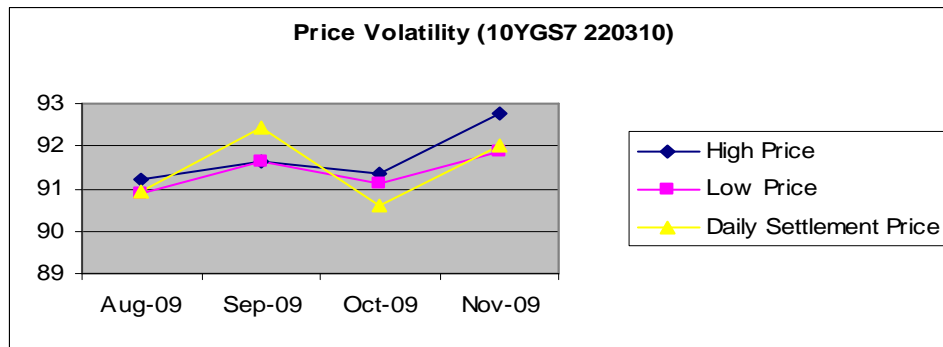


FIG 16: PRICE VOLATILITY OF MARCH CONTRACT

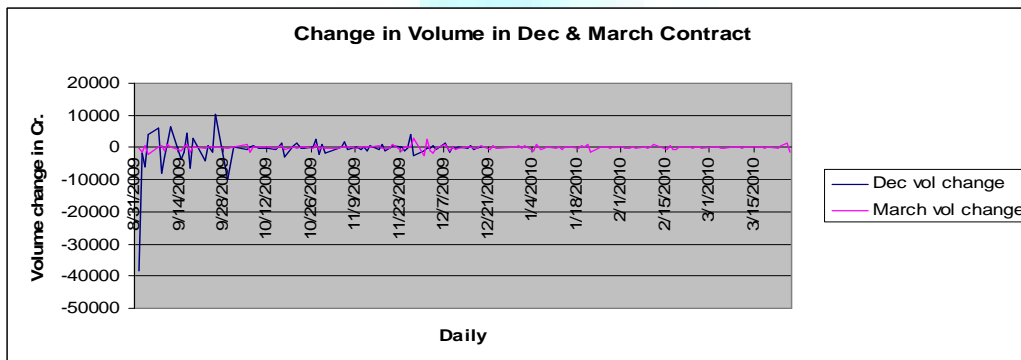


The daily settlement price ranges from 91 to 92.5. Price level change ranges from 91.5 to 93 in 10YGS7 220310.

FINDINGS

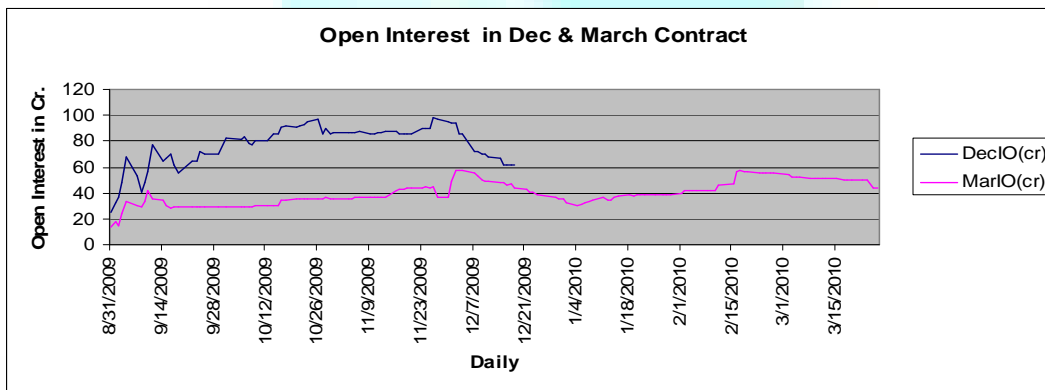
If we compare the number of contracts traded in 2003 and 2009, the same declining trend is evident from the data available.

FIG. 17: VOLUME CHANGE IN DEC & MARCH CONTRACT



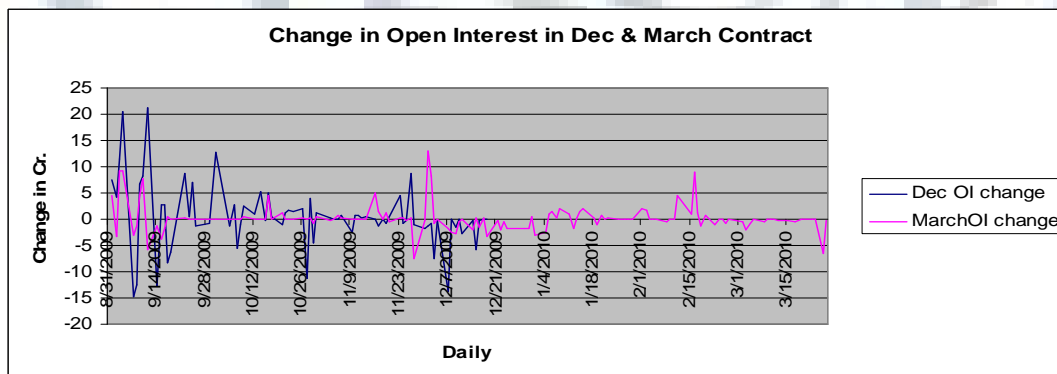
The change in volume in March contract was densely located around the mean (-0.33Cr.) with the SD of 6.86 while in Dec contract the values were more scattered, the mean was -6.93 Cr. with the SD 52.99 Cr.

FIG. 18: OPEN INTEREST IN DEC & MARCH CONTRACT



Increase in open interest means that new money is flowing into the market in both the contracts which could be considered as a positive indicator for the market players to ensure the flow of money in the market. While comparing the open interest in both the contracts it is evident that Dec contract has higher open interest. Open interest for Mar contract has been almost stable.

FIG. 19: CHANGE IN OPEN INTEREST IN DEC & MARCH CONTRACT



Price volatility is negatively related to the open interest in Dec contract but positively related to Mar contract. We can interpret that Indian IRF market is dominated by hedgers as the volatility seems to be low. The applicable volatility is positively related to the volume of IRF.

The investment in Government of India Securities and Interest rate futures are positively correlated, .378 at 0.05 level of significance. Hence we can predict that as the investment in GOI securities will increase the investment in IRF will also increase.

CONCLUSION

Hence it is evident from the above discussion that the number of contracts traded and its value have declined from 31 Aug 2009 to 31 Mar 2010. Low volume implies that the market is illiquid. Certain factors such as involvement of more market participants, awareness among investors and willingness to invest might be considered to increase trade in interest rate futures.

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ANNEXURE

IRF TRADED IN 2003

Month	Jun03	Jul03	Aug03	Sep03	Oct03	Nov03	Dec03	Jan04
No of days	5	23	20	22	23	20	22	21
Total traded value (Rs Crs)	181.85	19.32	1.04	0	0	0	0	0
Avg. daily traded value Rs Crs	36.37	0.84	0.05	0	0	0	0	0
Total No. of contracts traded	9768	963	50	0	0	0	0	0
Avg. No. of contracts traded	1954	42	2.5	0	0	0	0	0

IRF TRADED IN 2009-10

Month	Aug09	Sep09	Oct 09	Nov09	Dec09	Jan 10	Feb 10	Mar 10	Total
No. of days	1	19	20	21	21	20	19	20	141
Total value Rs. Cr.	267.31	1458.07	373.56	336.85	197.62	118.82	57.4105	111.3812	
Avg. value Rs Cr.	267.31	76.74	18.67	16.04	9.4	5.9	3.02	5.56	2921.02
Total No. of contracts	14559	79648	21867	18134	10761	6443	3124	6101	160637
Avg. No. of contracts	14559	4192	1093.35	863.52	512.42	322.15	164.4211	305.05	

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