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CONTENTS

Sr. No.	TITLE & NAME OF THE AUTHOR (S)	Page No.
1.	INNOVATION AS A SECRET FOR ORGANIZATIONAL SUCCESS: A LITERATURE REVIEW BASED ON INNOVATION IN ORGANIZATIONAL ENVIRONMENT <i>IMALI N. FERNANDO & T. C. WIJESINGHE</i>	1
2.	THE IMPACT OF SMALL BUSINESS MANAGEMENT ON PRODUCT QUALITY, PRODUCT FEATURES AND PRODUCT POSITIONING IN IBADAN METROPOLITAN, OYO STATE, NIGERIA <i>DR. HALIRU BALA</i>	5
3.	OWNERSHIP MIX AND FIRM'S RISK TAKING BEHAVIOR: EVIDENCE FROM PAKISTANI CAPITAL MARKET <i>SHAHAB-UD-DIN, DR. UMARA NOREEN & GIRMA TILAHUN</i>	10
4.	THE IMPACT OF STUDENTS' DIVERSITY ON GROUP WORK IN BAHIR DAR UNIVERSITY AND GONDER UNIVERSITY <i>GIRMA TILAHUN</i>	15
5.	A STUDY ON MOTIVES AND AWARENESS LEVELS OF STOCK MARKET INVESTORS – A CASE STUDY WITH REFERENCE TO ANANTAPUR DISTRICT IN A.P. <i>DR. P.BASIAH & K. TEJA PRIYANKA YADAV</i>	22
6.	SERVICE QUALITY AND PATIENT'S SATISFACTION TOWARDS PRIVATE HEALTH CARE INDUSTRIES IN INDIA <i>DR. A. P SINGH & SATENDRA THAKUR</i>	31
7.	IPO'S PERFORMANCE AND ITS RELATIONSHIP WITH QIB SUBSCRIPTIONS AND GRADE <i>DR. R DURAI PANDIAN & SURESH A.S</i>	35
8.	ECONOMICS OF FISHERMEN IN AKOLA DISTRICT <i>DR. ANILKUMAR RATHOD</i>	39
9.	CUSTOMER RELATIONSHIP MANAGEMENT IN INSURANCE SECTOR - A STUDY OF PERCEPTIONS OF CUSTOMERS AND EMPLOYEES IN VISAKHAPATNAM CITY <i>DR. MVS.SRINIVASA RAO</i>	41
10.	AN INNOVATIVE CRITICAL APPROACH TOWARDS ETHICAL BRVING AND CORPORATE REPUTATION IN BUSINESS WORLD <i>DR. SURENDRA KUMAR & ARUSHI BHASIN</i>	45
11.	IMPACT OF AGGRESSIVE WORKING CAPITAL MANAGEMENT POLICY ON FIRMS' PROFITABILITY <i>A. PALANI & DR. A. PEER MOHIDEEN</i>	49
12.	ORGANISATIONAL SUPPORT FOR CAREER DEVELOPMENT OF EMPLOYEES – A STUDY ON BBK LEATHERS PRIVATE LTD. <i>A. SEEMA & DR. S. SUJATHA</i>	54
13.	PERCEPTION AND CONSUMER BEHAVIOUR TOWARDS PRIVATE LABELS AT RETAIL OUTLET IN CHENNAI CITY – AN EMPIRICAL VIEW <i>V.VARATHARAJ, S. VASANTHA & DR. R.SANTHI</i>	60
14.	THE EFFECTIVENESS OF HUMAN RESOURCE MANAGEMENT PRACTICES ON HOTEL PERFORMANCE <i>DR. HAITHAM M. A. NAKHLEH., NISHA V. PATEL & DR. UMESH R. DANGARWALA</i>	64
15.	ROLE OF RISK AND RETURN IN INVESTMENT DECISIONS AMONG AUTOMOBILE AND BANK STOCKS AND PORTFOLIO SELECTION <i>S.PRAVEENA & DR. K. MAHENDRAN</i>	70
16.	STAKEHOLDERS' ROLE IN SUSTAINABLE TOURISM DEVELOPMENT: A CASE STUDY OF NORTH EAST AND LADAKH <i>VIVEK SHARMA & JEET DOGRA</i>	76
17.	STRESS MANAGEMENT FACTORS AND ITS INTERRELATIONSHIP WITH JOB SATISFACTION <i>ANIL KUMAR & NEELAM RATHEE</i>	80
18.	LEADERSHIP DEVELOPMENT FOR EXCELLENCE: A REVIEW <i>SHRADDHA KULKARNI</i>	86
19.	IMPACT OF TRAINING AND DEVELOPMENT IN PRODUCTIVITY MANAGEMENT– A STUDY <i>VENUKUMAR G</i>	90
20.	DEMAND ESTIMATION UNDER PUSH MARKETING STRATEGY: TOOL TO MITIGATE BULLWHIP EFFECT <i>SACHIN GUPTA</i>	93
21.	THE IMPACT OF WORKING CAPITAL MANAGEMENT ON PROFITABILITY AND LIQUIDITY <i>REKHA RAHEJA, RAJESH BHARDWAJ & PRIYANKA</i>	99
22.	MANAGING EMPLOYEE RETENTION AND TURNOVER IN THE RETAIL SECTOR <i>RASHMI KODIKAL, DR. P PAKKEERAPPA & NIDA AHMED</i>	103
23.	A STUDY ON AWARENESS OF ADVERTISING – WITH SPECIAL REFERENCE TO STUDENTS OF ARTS AND SCIENCE COLLEGES AFFILIATED TO MANONMANIAM SUNDARANAR UNIVERSITY, TIRUNELVELI <i>S. JEYARADHA, DR. K. KAMALAKANNAN & V. SANGEETHA</i>	108
24.	PERFORMANCE MANAGEMENT AS EFFECTIVE TOOL FOR SUSTAINABLE COMPETITIVENESS IN THE AIRPORT AUTHORITY OF INDIA <i>DR. KAMESHWAR PANDIT & PREETI RAINA</i>	111
25.	SALES: A LUCRATIVE BASKET FOR CONSUMERS AND SHOPKEEPERS <i>PREETI SODHI & PRATIBHA THAPA</i>	117
26.	CONSUMER PERCEPTION OF BRANDED PETROL IN NAVI MUMBAI <i>DR. ELIZABETH MATHEWS & SANGEETA TANAJI KAMBLE</i>	123
27.	STRESS MANAGEMENT- A COMPARATIVE STUDY OF SELECTED PUBLIC & PRIVATE SECTOR ORGANIZATION IN CHHATTISGARH <i>RUCHI SINHA</i>	126
28.	QUALITY OF WORK LIFE AMONG LIBRARY PROFESSIONALS IN HARYANA STATE <i>SOMVIR & SUDHA KAUSHIK</i>	131
29.	STUDY ON THE ENVIRONMENTAL CONCERNS ON CONSUMERS PURCHASING PATTERNS IN KOLKATA CITY <i>HINDOL ROY</i>	135
30.	INVESTORS ATTITUDE TOWARDS INVESTMENT OPTION IN NELLORE REGION <i>V. G. MURUGAN</i>	139
	REQUEST FOR FEEDBACK	144

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INNOVATION AS A SECRET FOR ORGANIZATIONAL SUCCESS: A LITERATURE REVIEW BASED ON INNOVATION IN ORGANIZATIONAL ENVIRONMENT

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ABSTRACT

Present context of globalized economy, the competition has intensified, product life cycles have compressed and product obsolescence has been occurring at a fast pace. This signals organizations to increase their efforts on innovations as to improve product development cycles, deliver innovative products and service innovations to get the competitive advantage from market. The study is a comprehensive literature review based on innovation focus with the organizational perspectives in different scenarios. Many scholars have viewed innovation as in different perspectives and have considered innovation as one of the key main factors for product enhancement and then how it combines with organizational success. Hence two propositions have developed as; proposition one: organizational culture has a relationship with the innovation orientation and imitative orientation of a firm and propositions two: radicalness of the product has a relationship with innovation speed, and analyzed based on the work on eminent scholars. Finally the innovation type mapping tool develop by Rowley et al., (2011) stated and it can use as a basis for greater clarity in terms to describe types of innovation, and could enhance consistency to refer innovation types in both research and practices. As for recommendations, managers should focus attention on innovation on different organizational cultural aspects as in diversely. Also organizations have to find ways to deliver radically innovative products and shorten the product development time and emphasized the importance of market attraction or relationship management to deliver those radical innovations to the market.

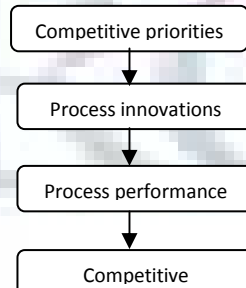
KEYWORDS

innovation, innovation orientation, imitation orientation, radicalness, organizational culture.

INTRODUCTION

In present context of immense competition in markets in globalized arena, organizations have realized the importance of innovation as one of the main competitive advantage to "be competitive". Eminent scholars have stressed the importance of innovation focus for an organization in different perspectives in literature. Porter (1990) stressed the importance of innovation in the publication of "Competitive Advantage of Nations" as "companies achieve competitive advantage through acts of innovation. Much innovation is mundane and incremental, depending more on accumulation of small insights and advances than on a single, major technological breakthrough." The importance of value innovation theme expressed by Leavy (2010) and mentioned about three most prominent themes of value innovation for a firm as; (a) disruptive innovation theory by Clayton Christensen (b) Blue Ocean Strategy by W.Chan Kim and Renee Mauborgne and (c) co-creation of value with customers perspective of C.K Prahalad. Herrmann (1999) explains in generally, there are two views of innovations in practice as radical (or generational) and incremental innovation. Herrmann (1999) explains innovation relate to both product and process design. As product matures through the cycles of introduction to full-blown production, the nature of the changes taking place tends to shift from product to process related changes. Hsu (2009) explained design innovation and marketing strategy in successful product competition. He argued the importance of design innovation as a marketing tool. Burgess et al.,(1998) explains in competitive priorities of organizational context and stated out the link between competitive priorities and relevant process configurations in manufacturing strategy. According to them, managers in the firms should take actions to improve process performance through the adaption of process innovations according to the figure below. (see figure 1)

FIGURE 1: COMPETITIVE PRIORITIES



Source: Burgess et al.,(1998)

However Valencia et al., (2011) explains innovation and imitation orientation has a relationship with the existing organizational culture. They further emphasized strategies introduced in innovation focus and practicability of them depends on how well people of organization tend to adapt them and according to different values and norms in their organizations. The scholars differentiated between innovation orientation and imitation orientation in firms clearly as (a) innovation orientation refers to a firm that has a strategy of developing and introducing innovative new products or services in market before their competitors and (b) imitation orientation refers to the organizations try to avoid the exorbitant costs associated with basic scientific investigation and development of novel technologies and adopt competitor's ideas and technology. Goktan et al., (2011) mentioned the firms has realized that speed in product development as a source of competitive advantage and emphasized the importance of speed in innovations in both product/ process within an organization.

INNOVATION BY DIFFERENT PERSPECTIVES

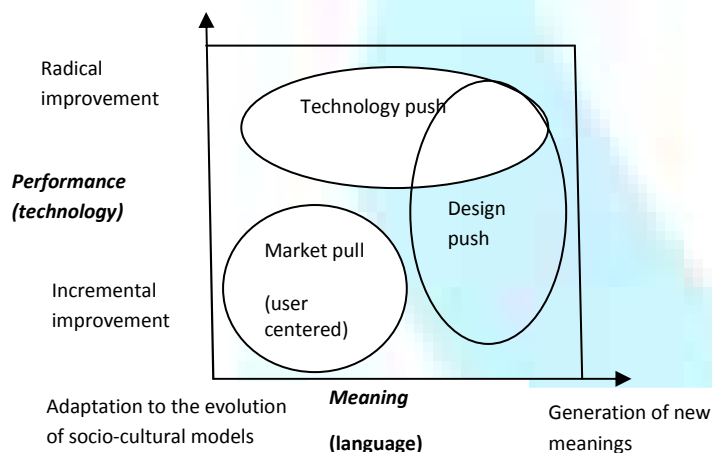
Innovation in general can be mentioned as developing a new thing or an idea by doing basic scientific investigations or research and it should be novel to the world. There are many definitions for the term innovation developed by many scholars. Weiermair (2004) explained this by taking the definitions provided by Schumpeter in 1997 as in to five areas that organizations can introduce innovation as,

- generation of new or improved products
- introduction of new production processes
- development of new sales markets
- development of new supply markets
- reorganization and/or restructuring of the organization

Valencia et al., (2011) emphasize innovation is not only choice for product introduction, because there can be only one pioneer in any product market, and therefore imitation remains a viable and more common strategy than innovation. Rowley et al., (2011) developed an innovation type mapping tool by taking into consideration of the different types of innovation explained by different scholars. They have further categorized innovations into two sectors as (1) foundation models and frameworks and (2) integrative models and frameworks. In their foundation models and frameworks have mentioned about product or service innovations, production-process innovations, organizational structure innovation, people innovation, administrative and technical innovation etc. and many integrative models and frameworks in other category.

Goktan et al., (2011) emphasized the innovation speed and radicalness and innovation as a dynamic capability of a firm. Further they mentioned it direct resources of organization towards the market needs and necessities. Leavy (2010) explains three types of knowledge that are essential for innovation as , knowledge about user needs, technological opportunities and product languages. Further innovation theory and practice has tended in focus on two strategies as technology push and market-pull and emphasized the importance of design driven innovation strategy as the one that balance three types of knowledge in three different ways as following diagram. (see figure 2)

FIGURE 2: THE THREE INNOVATION STRATEGIES



Source: Leavy (2010)

Herrmann (1999) stated the customers, manufactures and suppliers, in other words main stakeholders, have the potentiality to bring innovative ideas that can lead for productive changes of a firm. It further emphasized the importance of stakeholder participate on innovation in practice by firms.

OBJECTIVES OF THE STUDY

This study is a comprehensive literature review based on innovation focus with the organizational perspectives in different scenarios. Many scholars have viewed innovation in organization as in different perspectives and they have considered innovation as one of the key main factors for product enhancement and then how it combines with organizational success. Hence two main objectives have developed and analyzed based on the work on eminent scholars and finally stated an innovation-type mapping tool developed by Rowley et al., (2011). Objectives can be stated as;

- to analyze the innovation orientation and imitation orientation with the organization culture
- to analyze the innovation speed and the radicalness of innovation
- comprehended innovation type mapping tool by taking various types of innovations within one framework in organizational context

DISCUSSION

Innovation is crucial for attaining to competitive advantage and innovation motivates organization to launch new products and services to become pioneers in the market. Hence this literature review focus on two basic objectives in two different aspects of innovation with organization. Accordingly have stated two propositions based on those objectives as to summarize the ideas on two aspects on organizational success.

Proposition 1: Organizational culture has a relationship with the innovation orientation and imitative orientation of a firm

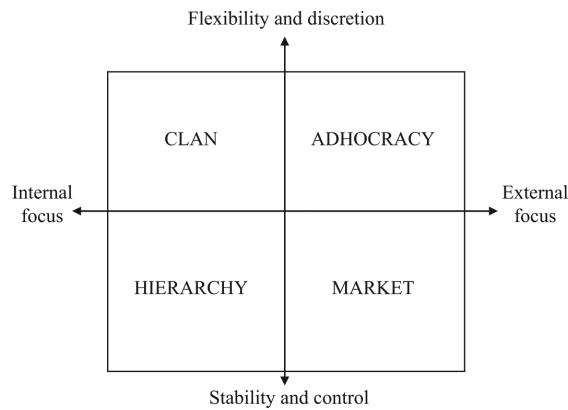
Proposition 2: radicalness of the product has a relationship with innovation speed

To emphasize the propositions, the work of eminent scholars have discussed in this literature review. As the key study , for the proposition one used Valencia et al., (2011) and for second proposition has used the study of Goktan et al., (2011). Finally the innovation type mapping tool developed by Rowley et al., (2011) been stated.

PROPOSITION 1: ORIENTATION OF INNOVATION AND IMITATION WITH ORGANIZATIONAL CULTURE

Both innovation as well as imitation orientation practice with organizational environment as in different strategies. According to Valencia (2011) , innovation orientation is a basic element of market entry strategy and also imitation remains viable and it as a more common strategy in practice. The scholars have analyzed the organization culture with different innovation strategic orientations as innovation orientation versus imitation orientation with cultural types. Valencia et al ., (2011) have used the Competing Values Framework proposed by Cameron and Quinn (1999), to analyze the culture as it explains four cultures as adhocracy, clan , market and hierarchy using two dimensions. According to this model *adhocracy culture* emphasizes flexibility and change and externally oriented and its key values are creativity, entrepreneurship and risk taking. *Clan culture* also flexible but focus on internal organization with values of teamwork, employee commitment and corporate commitment to employees. *Market culture* is externally focused but control oriented. It has core values as productivity and competitiveness. *Hierarchy culture* is also control oriented but focus on internal organization. (see figure 3)

FIGURE 3: ORGANIZATIONAL CULTURES TYPOLOGY DEVELOPED BY CAMERON AND QUINN (1999)



Source: Cameron and Quinn (1999)

Source: Valencia et al., (2011), originally adopted from Cameron and Quinn (1999)

Scholars have viewed adhocracy culture as most favored type for innovation orientation because it consists of values as flexibility, creativity and external orientation. Hierarchical culture characteristics by stability and internal orientation and stated it supports to imitation orientation. They have developed two hypothesis related with two of the cultures. In particular, *adhocracy culture* will have a positive effect on innovation orientation while *hierarchical culture* will foster imitative orientation. According to the statistical analysis of scholars (table 1) by comparing control variables with two cultures, R² is significant and beta (β) coefficients also positively related. (see table 1)

TABLE 1: RESULTS OF HIERARCHICAL REGRESSION ANALYSIS

Innovation orientation vs imitation orientation

variables	Control model	Model 1 (adhocracy culture)	Model 2 (hierarchical culture)
Size	0.121 **	0.102 **	0.122 ***
Age	-0.084 *	-0.082 *	-0.094 **
Adhocracy		0.290 ***	
Hierarchy			-0.199 ***
F	4.875 ***	17.002 ***	9.446 ***
R ²	0.018	0.099	0.055
DR ²	0.022 ***	0.084 ***	0.040 ***

Notes: *p, 0.1; **p, 0.05; ***p, 0.01

Source: Valencia et al., (2011)

According to the analysis, adhocracy culture is positively related to innovation orientation and hierarchical culture positively linked to imitation orientation. Their findings provide evidence that the organization dominant characteristics foster an innovation orientation as opposed to the imitative orientation. They emphasized the empirical relationship between organizational culture and the innovation strategy as imitation or innovation.

PROPOSITION 2: INNOVATION SPEED AND RADICALNESS OF INNOVATION

Innovations can be categorized into many different types by taking views of many scholars (Goktan et al., (2011), Valencia et al., (2011), Rowley et al., (2011), Weiermair (2004), Burgess et al., (1998). Among them, Goktan et al., (2011) explains innovations are categorized as radical vs incremental based on the degree of change achieved by the change. Innovation radicalness refers to the extent to which an innovation differs from existing alternatives. Thus it further simplify as the degree of newness and novelty of the innovation. Goktan et al., (2011) analyzed this innovation speed and radicalness of innovation by getting two hypothesis as;

Hypothesis 1: negative relationship between radical product innovation and innovation speed

Hypothesis 2: positive relationship between process innovation and innovation speed

According to the statistical analysis, researchers suggest positive relationship between radical product innovation and innovation speed. (Table 2)

TABLE 2: HIERARCHICAL REGRESSION RESULTS

variable	Hypothesis 1	Hypothesis 2
Radical product innovation	.33 *	
Radical process innovation		.44 **
Overall F	5.34 *	6.38 **
R ²	0.11	0.23
Adjusted R ²	0.09	0.19
Change in R ²	0.11	0.12
F change	5.38	6.68

p < 0.05 *, p < 0.01 **, p < 0.001 ***

Source: Goktan et al., (2011)

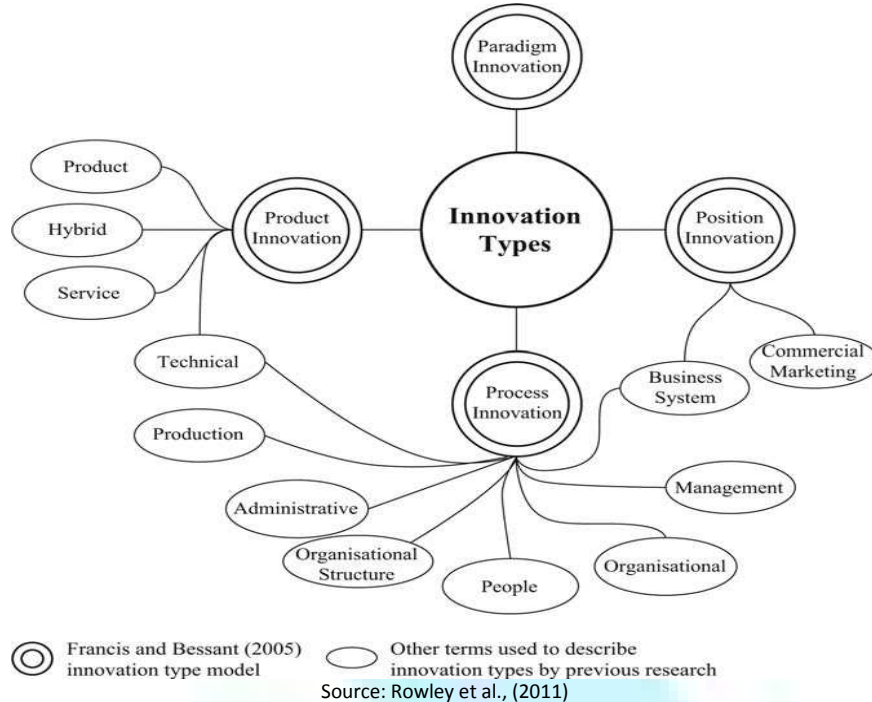
According to Goktan et al.,(2011), firms should not only deliver radically new products but also deliver them using radically different processes than competitors. Firms are pressured to deliver innovative products to the market fast while controlling their costs to remain competitive and to survive in the market.

INNOVATION-TYPE MAPPING TOOL

Rowley et al.,(2011) analyzed the types of innovations by different scholars, categorized into two main sectors and they have developed innovation – type mapping tool that shows the various types of innovations. They have considered the literature of past scholars as from 1970’s to develop the mapping tool by taking into consideration the Francis and Bessant (2005) classification of types of innovation. They stated four main innovation types by double lined circles and other innovation types by ovals. More over according to this model in figure 4, following basic types summarized.

- product innovation: product, service and hybrid innovation grouped
- process innovation: technical and organizational innovation and many different types as administrative, technical, production, management and business systems
- position innovation: commercial or marketing innovation with business system innovation
- paradigm innovation: further innovation types in product, position and process innovation

FIGURE 4: INNOVATION TYPE MAPPING TOOL



CONCLUSION

This literature review based on innovations and success of business firms based on the work of eminent scholars and focusing on two main objectives on organizational success. To comprehend, it has developed two propositions based on objectives and finally presented the innovation type mapping developed by Rowley et al., (2011) as it summarized the types of innovations from different scholars.

The innovation type mapping tool developed by Rowley et al., (2011) can be used as a guide for innovation types. It can be used as a basis for greater clarity in terms of describing types of innovation, and could enhance consistency to refer innovation types in both research and practices. Also focusing on different types of innovation, it helps to show the relationship between types of innovations to extended analysis in the future.

As for the proposition one, this study has taken into consideration the work of Valencia et al., (2011) who focused their work on imitation and innovation orientations with organizational culture. Scholars have used competing values framework with four cultures as adhocracy, clan, market and hierarchy with different characteristics and selected two cultural types among them. They found the relationship between organizational culture and innovation strategy empirically and concluded their findings as adhocracy culture better fit with innovation orientation while hierarchy culture fit with imitation orientation. Also summarized and expressed the complexity of past literature explanations on innovation with organization culture.

In proposition two, Goktan et al., (2011) focused their study on innovation speed and radicalness of the innovations. Scholars found significant positive relationships between radical product innovation development and innovation speed. They explain this as organizations that have to find ways to deliver radically innovative products and shorten the product development time. Also emphasized the importance of market attraction or relationship management to deliver those radical innovations to the market. Scholars have emphasized important implications for managers in the high-tech industries, as this is the industry they have taken for the study. Accordingly, managers should develop and implement radical process innovations of the firms not considering the risk to be late comers to the market. In simply, enhancing innovation speed and to deliver radically new products and process at the same time to the market. Thus future research could be focused more on innovativeness and innovation focus as it leads to the development of a country as by focus on entrepreneurial development and accessibility to new global markets.

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THE IMPACT OF SMALL BUSINESS MANAGEMENT ON PRODUCT QUALITY, PRODUCT FEATURES AND PRODUCT POSITIONING IN IBADAN METROPOLITAN, OYO STATE, NIGERIA

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ABSTRACT

The study investigated the impact of small business management on product quality, product features and product positioning. It aimed to identify the influence of small business management on product quality, ascertain the influence of small business management on product positioning and examine the extent to which small business management has influence on product features. The study was conducted in Ibadan metropolitan of Oyo State, Nigeria. Multi-stage and random sampling techniques were used in selecting 1,200 respondents of the study using staff of small business organizations, traders and consumers from Mokola, Dugbe, Bodiga, Agbeni, Sango and Aleshioye Areas of Ibadan metropolitan. Information was gathered using primary and secondary data. Questionnaires were used to elicit information and were validated by experts. The data generated from the survey were subjected to both descriptive and inferential analyses. The findings reveal that small business management had influence on product quality ($\chi^2 (6) = 155.51; p < 0.001$), small business management has influence on product positioning ($\chi^2 (6) = 52.19; p < 0.001$). The study further shows that small business management has influence on product features ($\chi^2 (4) = 111.83; p < 0.001$). The study concluded that small business management has impact on product quality, product features and product positioning.

KEYWORDS

Product Quality, Product Features, Product Positioning, Small Business Management, Ibadan, Metropolitan.

INTRODUCTION

The small business administration defines a small business as one that is independently owned and operated, not dominant in its field of operation, and meets certain standards of size in terms of employees or sales (depends on the size of others in the industry). Many small businesses fail because of managerial incompetence and inadequate financial planning. The reason the people of Ibadan start their own small businesses include; profit, independence, opportunity, and challenge. The attributes of successful small businessmen and women in Ibadan metropolitan are self-directed, self-nurturing, action-oriented, highly energetic, and tolerant of uncertainty. Small business management versus product quality, features and positioning is the main objective of this paper.

The quality to be built into a product is a conscious decision to be made by the manufacturer. Higher quality product is normally costlier to produce than a lower quality product, and so commands a higher price on the market. The quality level decision therefore should be related to the price range that will be attractive to the mainstream of potential buyers. However, quality is multi-faceted. It relates to, or depends on such factors as the quality of raw materials used, the production process itself, quality control during production, packaging or "dressing" of the product, price of the product, the environment in which the product is displayed for buyers, the durability of the product in use and last but not least, the buyer's expectation and appreciation. In general, product quality tends to be high to the extent that any of the above factors is good or high as the case may be.

Whereas quality is the totality of features and characteristics of a product or service that bear on its ability to satisfy stated or implied needs, positioning is the act of designing the company's offering and image to occupy a distinctive place in the target market's mind. However, product feature for example include product size, weight, materials, additives accessories of the product's versatility, safety, or convenience.

OBJECTIVE OF THE STUDY

This study aims at highlighting the impact of small business management on product quality, product positioning and product features in Ibadan metropolitan, Oyo State, Nigeria. Specifically, the purposes of this study are to:

- (a) identify the influence of small business management on product quality.
- (b) ascertain the influence of small business management on product positioning, and
- (c) examine the extent to which small business management has influence on product features.

SIGNIFICANCE OF THE STUDY

A study of this kind is expected to make some theoretical and practical contribution to the understanding of impact of small business management on product quality, product features and product positioning in Ibadan metropolitan, Oyo State, Nigeria. The study should be useful to business decision-makers, governments, organizations and individuals concerned with formulating marketing policies and marketing promotional strategies would benefit from this study.

SCOPE AND LIMITATIONS OF THE STUDY

This study seeks to ascertain and determine the impact of small business management on product quality, product features and product positioning in Ibadan metropolitan of Oyo State, Nigeria. The exploratory nature of this research should be noted so that its limitations can be understood. The usual problems associated with survey research methodology may constitute some of the limitations of this research.

THE STUDY AREA

The ancient city of Ibadan has been the state capital, since on 13th February 1976. It is on record that Ibadan has the first university in Nigeria in 1948. The University of Ibadan was the pride of the growing Nigeria then even though it was a college of the University of London. This city is an embodiment of Yoruba culture with the Olubadan overseeing the whole affairs of traditional institution. The capital, Ibadan is reputed to be the largest indigenous city in Africa. Ibadan had been the centre of administration of the old western region, since the days of the British Colonial rule. The climate in Ibadan favours the cultivation of crops like maize, yam, cassava, millet, rice, plantain, cocoa, tree, palm tree and cashew. There is abundance of clay, koolin and aquamarine.

Ibadan metropolitan climate is equatorial, notably with dry and wet seasons with relatively high humidity. The dry season lasts from November to March while the wet season starts from April and ends in October. Average daily temperature ranges between 25 degrees celsius and 35 degrees celsius, almost throughout the year. The polytechnic, Ibadan is one of the best polytechnics in Nigeria. Other noteworthy institutions in the city include the university college hospital; the first teaching hospital in Nigeria and the internationally acclaimed international institute of tropical agriculture (IITA). Another prominent landmark in Ibadan is cocoa house, the first skyscraper built in Africa, Ibadan is also home of NTA Ibadan (Nigerian Television Authority) the first television station in Africa and liberty stadium in Ibadan, the first stadium built in Africa. Small business dominates the overall business scene in Ibadan metropolitan. However, the Ibadan small

business can be classified as follows: production of basic commodities, processing or manufacturing, construction, commerce and services in the following areas; Mokola, Dugbe, Bodija, Agbeni, Sango and Aleshinoye.

THEORETICAL FRAMEWORK

The four premises underlying this research paper are: the small business management, product positioning, product quality and product features.

SMALL BUSINESS MANAGEMENT

Small business is a business activity that is independently owned and operated, is not dominant in its field of operation, and meets certain standards of size (set by the small business rules and regulation in terms of employees or annual receipts). However, small business management include the following elements such as small business planning, small business organizing, small business coordinating, small business command, small business direction and small business control of production of basic commodities, processing or manufacturing, construction, commerce and services to the consumers.

PRODUCT POSITIONING

Positioning is the act of designing the company's offering and image to occupy a distinctive place in the target market's mind. Positioning starts with a product. A piece of merchandise, a service, a company, an institution, or even a person. But positioning is not what you do to a product, positioning is what you do to the mind of the prospect. That is you position the product in the mind of the prospect. The seven different positioning strategies are: attribute positioning, benefit positioning, use or application positioning, user positioning, competitor positioning, product category positioning and quality or price positioning.

PRODUCT QUALITY

Whereas product is any physical good, service or idea that satisfied a want or need, quality is the totality of features and characteristics of a product or service that bear on its ability to satisfy states or implied needs. Quality improvement aims at increasing the product's functional performance – its durability, reliability, speed, taste. A manufacturer can often overtake its competition by launching a "new and improved" product. Some qualities can not be directly measures, these are called 'attributes'; measurable qualities are called variables'. Quality determines the direction or objective: control is the statistical element which measures product quality. Statistical quality control is a method of measuring deviations from standard quality by recording sample tests on charts.

PRODUCT FEATURES

Product feature characteristics include product size, weight, materials, additives, accessories that expand the product's versatility, safety, or convenience. Most products can be offered with varying features, characteristics that supplement the product's basic function. Being the first to introduce valued new features is one of the most effective way to compete. The company would also need to consider how many people want each feature, how long it would take to introduce each feature, and whether competitors could easily copy the feature. Companies must also think in terms of features bundles or packages.

LITERATURE REVIEW

The kinds of decisions to be made for products are product assortment, design, quality, branding and packaging, product additions, modifications and deletions (Bala, 2009) among others). Nwokoye (1987) states that the product is the offer the marketer makes to buyers and it is of central importance in the marketing effort. He defines a product as a bundle of physical and psychological satisfactions that a buyer receives from a purchase. It includes not only the tangible object, but also supportive elements as packaging, convenience of purchase, post-sale services and others that buyers value. Nwakaye (1987) says in modern marketing usage, the term "product" has come to apply not only to tangible goods, but also to intangible packages of carefully designed services.

Kotler (2001) states that an important early consideration during the design or formulation of the product is to decide on the product's position. Specifically, Nwokoye (1987) defined a product position (or brand position) as the intended way in which consumers are perceive the product (brand) in relation to the competition. The intended brand position is effectively communicated to buyers through advertising. Of course, the product design, price and performance should be consistent with the product position to that buyers would perceive it as such (Schumacher, 1973; Bala, 2010c; and Bala, 2010a, among others). Nwokoye (1987) has proposed the following positioning strategies categorization: By product attribute, by product benefit, by usage occasions, by class of users, against a competition, away from composition and against other related product classes.

Most product can be offered with varying features, characteristics that supplement the product's basic function. Being the first to introduce valued new features is one of the most effective ways to compete (Kotler,2001). How can a small business identify and select appropriate new features? The small business in Kano city can ask recent buyers: How do you like the product? Are there any features that could be added that would improve your satisfaction? How much would you pay for each? How do you feel about the features other customers have suggested. The next task is to decide which features are worth adding. Small business organizations must also think in terms of feature bundles or packages, product feature are; size, weight, materials, additives, accessories that expand the product's versality, safety, or convenience. (Bala, 2010b, Brench, 1963 and Drucker 1961, among others).

Kotler (2000) says most products are established at one of four performance levels: low, average, high, or superior. Performance quality refers to the level at which the product's primary characteristics operate. The important question here is: Does offering higher product performance produce higher profitability? The strategic planning institute studies the impact of higher relative product quality and found a significantly positive correlation between relative product quality and return on investment (ROI). High-quality business units earned more because their premium quality allowed them to charge a premium price; they benefited from more repeat purchasing, consumer loyalty, and positive word of mouth; and their costs of delivering more quality were not much higher than for business units producing low quality. (Bala 2010b; Fayol, 1949; Kempner, 1971 and Kotler, 2001, among others).

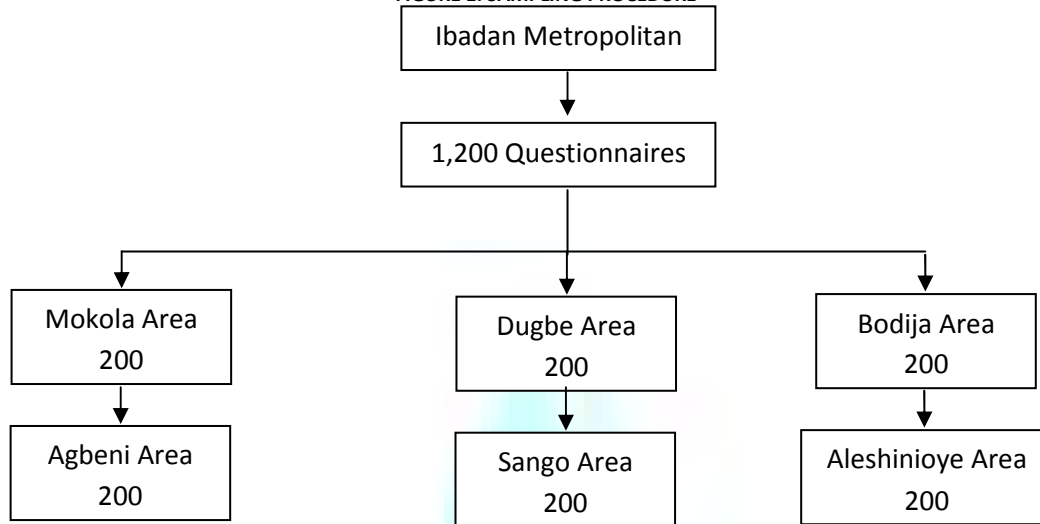
Quantity's link to profitability does not mean that the small business should design the highest performance level possible. There are diminishing returns to ever-increasing performance. The manufacturer must design a performance level appropriate to the target market and competitors' performance level. A small business must also manage performance quality through time. Three strategies are available. The first, where the manufacturer continuously improves the product, often produces the highest return and market share. The second strategy is to maintain product quality at a given level. Many business organizations leave their quality unaltered after its initial formulation unless glaring faults or opportunities occur. The third strategy is to reduce product quality through time. Some business organizations cut quality to offset rising costs; others reduce quality deliberately in order to increase current profits, although this course of action often hurts long-run profitability (Bala, 2010d; Lucy, 1976; Maintzberg, 1973 and Stewart 1963 among others).

METHODS

RESEARCH DESIGN

This study was designed to x-ray the impact of small business management on product quality, product features and product positioning in Ibadan metropolitan of Oyo State, Nigeria. The study is *ex post factor* in nature, since none of the variables was manipulated by the researcher. The data were collected through a survey conducted in the following areas; Mokola, Dugbe, Bodija, Agbeni, Sango and Aleshinoye.

FIGURE 1: SAMPLING PROCEDURE



Source: Bala (2001)

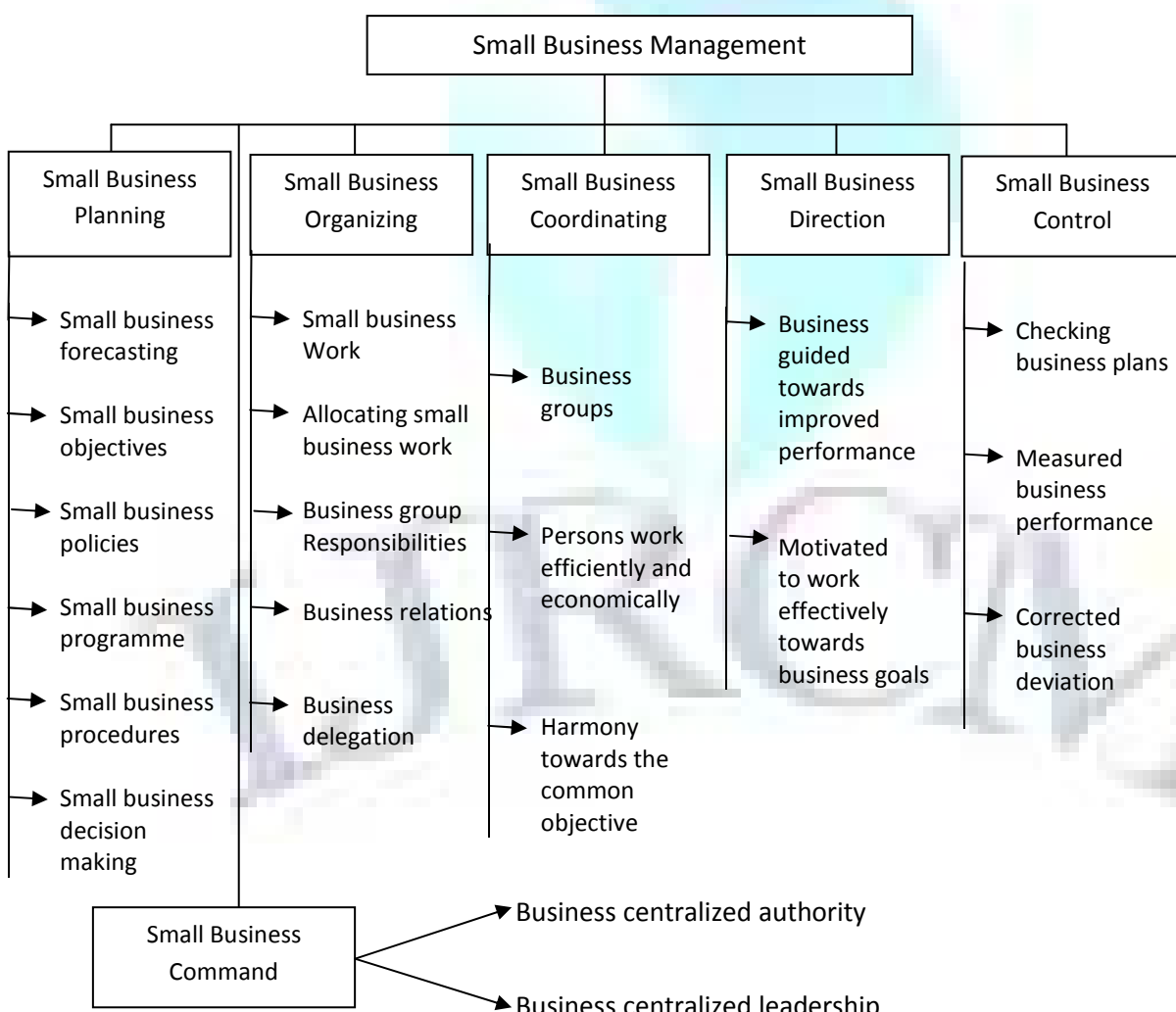
RESEARCH INSTRUMENTS

The major research instrument used for the collection of primary data for this research was 1,200 questionnaires.

MEASUREMENT OF VARIABLES

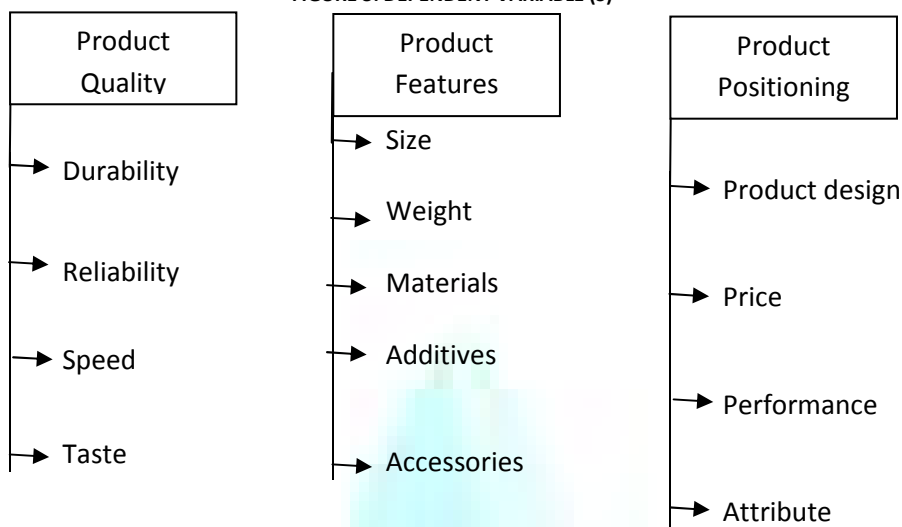
Independent and dependent variables were measured through the application of Likert scale. A 5 point scale viz: strongly agree (5-points), agree (4-points), undecided (3-points), disagree (2-points) and strongly disagree (1-point).

FIGURE 2: INDEPENDENT VARIABLE (S)



Source: Bala (2011)

FIGURE 3: DEPENDENT VARIABLE (S)



Source: Bala (2011)

FINDINGS AND DISCUSSION

The data for this study were collected from a sample of respondents residing in Mokola, Bodija, Agbeni, Sango and Aleshiniyoye Areas of Ibadan metropolitan which have many small business organizations. About 1,200 questionnaires were coded as SD, D, U, A and SA representing strongly disagree, disagree, undecided, agree and strongly agree respectively. The responses on small business variable(s) followed the same trend. Respondents indicated their opinion mostly on “agree” and “strongly agree” categories of the questionnaire. The responses for these two categories ranged between 88.7% and 99.7% for the ten items. On small business variables it is agreed that small business managers must participate in formulating strategies and policies designed to help the company win through total quality excellence 99%. There is agreement that the small business planning process is where decision of the highest significance to a company are made 92%. The respondents agreed that performance should be measured and deviations from plans corrected or accounted for 95%. Almost all participants 99.8% agreed that one of the major values customers expect from vendors is high product and service quality. There is agreement that today’s small businesses view the task of improving product and service quality as their top priority 92.3%. The respondent agreed that most customers of small business will no longer accept or tolerate average quality. The respondents agreed that a buyer’s satisfaction is a function of the product’s perceived performance and the buyer’s expectation 93.3%.

There is overwhelming agreement that the end result of positioning is the successful creation of a market-focused value proposition, a cogent reason why the target market should buy the product 94.5%. Respondents also believed that small business positioning starts with a product 96.3%. There is a common agreement that product positioning is what small business do to the mind of the prospect 95% and that a small business organizations positions itself on an attribute, such as size or number of years in existence. The participants are all fully aware that a small business product is positioned as the leader in a certain benefit 98.2%. Majority also agreed that the product is positioned as offering the best value. It is agreed that the small business specializes in producing a certain type of product or product feature 90%. There is agreement that small business product features improvement aims at adding new features for example product size, product weight, materials, additives, accessories that expand the product’s versatility, safety, or convenience 89%. Almost all participants 99% agreed that most products can be offered with varying features, characteristics that supplement the product’s basic function 92%. Majority also agreed that small business organization must also think in terms of feature bundles or packages 95.5%.

The result of cross tabulation presented in table 1 revealed significant impact among Mokola, Dugbe, Bodija, Agbeni, Sango, Aleshiniyoye Areas of Ibadan metropolitan on variables(s) of small business, product quality, product features and product positioning. There were no significant differences among six areas on variables of small business planning, small business organizing, small business coordinating, small business command and small business control ($\chi^2(8) = 53.45; p<0.001$). There were no significant difference among the six areas on product quality variables such as product durability, product reliability, product speed and product taste ($\chi^2(6) = 155.51; p<0.001$). There were no significant difference among the six areas of Ibadan metropolitan on product features such as product size, product weight, product materials, product additives and product accessories ($\chi^2(4) = 111.83; p<0.001$). There were no significant difference among the six areas of Ibadan metropolitan on product positioning variables such as product design, product price, product performance, and product attribute ($\chi^2(6) = 52.19; p<0.001$).



TABLE 1: CROSS-TABULATION OF MOKOLA, DUGBE, BODIJA, AGBENI, SANGO, ALESHINIYE AREAS OF IBADAN METROPOLITAN AND INDEPENDENT AND DEPENDENT VARIABLES

	Variables		χ^2	df	p-val
1	Small business planning	Independent Variable(s)	53.45	8	0.001
2	Small business organizing				
3	Small business coordinating				
4	Small business command				
5	Small business control				
Dependent Variables					
6	Durability	Product Quality	155.51	6	0.001
7	Reliability				
8	Speed				
9	Taste				
10	Size	Product Features	111.83	4	0.001
11	Weight				
12	Materials				
13	Additives				
14	Accessories				
15	Product design	Product Positioning	52.19	6	0.001
16	Price				
17	Performance				
18	Attribute				

Source: Field Survey (2011)

Statistically significant: $p < 0.001$

CONCLUSION

Based on the findings of this study, it is safe to conclude that small business management has influence on product quality, product positioning and product features in Ibadan metropolitan of Oyo State, Nigeria. In other words, this paper shows that there is a significant impact between independent variable(s) that is small business management and independent variables such as product quality, product positioning and product features.

RECOMMENDATIONS

It is the key finding of this paper that small scale business owners should recognize that small business's success is ultimately a function of the customers acceptance of the quality of its product, the positioning of its product and features of its product, and that this success does not come easily. So to be successful, small business organization's product quality, product positioning and product features must continuously be improved to meet the needs and wants of customers and competitors quality, features and positioning policies and strategies.

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OWNERSHIP MIX AND FIRM'S RISK TAKING BEHAVIOR: EVIDENCE FROM PAKISTANI CAPITAL MARKET**SHAHAB-UD-DIN****LECTURER****COMSATS INSTITUTE OF INFORMATION TECHNOLOGY****WAH CAMPUS****PAKISTAN****DR. UMARA NOREEN****ASST. PROFESSOR****COMSATS INSTITUTE OF INFORMATION TECHNOLOGY****ISLAMABAD****ABSTRACT**

This study evaluates the relation between ownership mix and the firm's market risk from 2004 to 2009, considering a sample of 50 manufacturing firms listed at KSE-100 index in the Pakistani capital market. The dependent variable is Risk which is measured by standard deviation of the annual return of stocks, and the independent variable is ownership mix. Linear regression model is used for estimation along correlation analysis. There is a negative and statistically significant relation between the foreign ownership (FO) and market risk. Like the family oriented firms the foreign owned firms are more concerned about their profit and earnings per share. There is a positive coefficient reported between the Market risk and government ownership (Gov). This study also reports a negative coefficient with the size of the firm. It means that larger sized firms will have low market risk the ownership mix variable i.e. institutional ownership has reported negative association with the market risk, but this association is statistically insignificant. This study also documented a negative relation between the foreign controlled firm and the market risk. Like the family owned firm the foreign firms have low market risk.

KEYWORDS

Family ownership, Market Risk, Agency theory, corporate governance.

INTRODUCTION

Risk management strategy is a pre-requisite in corporate decision making. Risk is generally measure in variation of firm's performance through statistically, variance in the returns. This is the true definition of risk in the field of economics, finance and strategic management. Literature has defined the risk-return relation as the variation in the firm's income stream (Bowman 1980, Figenbaun and Thomas 1985). The uncertainty of the outcomes of an organization's resource commitment, and by the observed ex-post variance of firm's return on investment or equity (Singh 1986). The scholar of the risk analysis generally provides little information about the relationship between the firm's strategic actions and outcomes within a given risky decision environment. The relationship between ownership structure and firm's performance is a key issue in understanding the effectiveness of alternative corporate governance mechanisms. Due to massive privatization in developed countries like United States, Japan, and Western Europe. The scholars of these developed economies have tested various corporate governance issues raised by the theory.

The literature on corporate governance documented several testable hypotheses as well as empirical evidence from different economies. The backbone of the governance theory is the agency relationship. Agency relation discusses the conflict between separation of the ownership and management. Jensen and Meckling (1976) introduced cost agency relationship in corporations. They suggested that in the presence of governance mechanism this conflict can be resolved to a certain extent. This conclusion supports the evidence that governance mechanism affects the firm performance. Fama (1980) claimed that a well-functioning managerial labor market will impose the necessary discipline on managers. Shleifer and Vishay (1986) pointed out the benefits of ownership concentration in enhancing the functioning of a takeover market. They also argued that the large shareholders have the capability of monitoring and controlling managerial activities. So, they have the responsibility of the corporate performance. It is the liability of the large shareholders to select or invest in such projects which are less risky. The literature of governance has documented an ambiguous role of large shareholders, supported both theoretically and empirically a quadratic-shaped relationship between level of firm performance.

The corporate governance structure is composed of a variety of elements, which includes the management, ownership, and board of directors or manager stock holders that manage performance. Good corporate structure encourages companies to generate value, in terms of innovation, development, and exploration and provides accountability to control system corresponding with the risks involved.

In terms of ownership structure, Pakistani entities can be categorized as highly concentrated, family owned firms attached to a group of companies generally owned by the same family or a group of families. These individual and group concentrations have pyramidal and crossholding ownership pattern which leads to agency conflict and risk adverse strategies of the firm.

This study investigates whether the ownership structure is related to the risk behavior of Pakistani non-financial firms. Two dimensions are mostly used to define the ownership concentration: the ownership concentration and ownership mix. The percentage of share owned by majority shareholders is categorized in ownership concentration. The ownership mix is related to identity of shareholders. The ownership mix is categorized into four main groups like Family ownership, Institutional ownership, Government ownership and foreign ownership. This paper only attempts to uncover the impact of ownership mix on the firm's risk taking behavior.

OBJECTIVES OF THE STUDY

The main focus of this study is to investigate relationship between ownership mix and risk behavior for publicly listed KSE firms. The risk taking decision is a key element of corporate finance strategy, and an essential part of the corporate performance. Therefore it is an important object of corporate governance. In Pakistani capital market, traditionally low dispersion of ownership, the primary tool to solve agency problem are the legal protection of minority investors, the use of boards as monitors of senior management. In contrast to development markets in Pakistan, corporate governance is characterized by lesser reliance on capital market and outside investors, and strong reliance on larger inside investors and financial institutions, to achieve efficiency in the corporate sector

The main objectives of this study are:

- To find out the relationship between ownership mix and risk taking behavior of firms in capital environment of Pakistan.
- To investigate that how much firm's investment decisions are affected by the ownership patterns.
- To investigate that what factors determine risk behavior in case of KSE listed non-financial firms.

SIGNIFICANCE OF THE STUDY

This study helps investors to understand the ownership mix and risk taking strategies in the capital market of Pakistan. It also helps the managers to solve agency conflicts with the shareholders and to take sound decisions about their corporate policies, namely, their dividend and debt decisions. This study assists the investors to take decisions about their investment and the market value of their stocks in the capital market (KSE).

SCHEME OF THE STUDY

The study is organized as follows: Section two briefly reviews the theoretical and empirical literature in this area. The methodology and data is presented in section three. The section four discusses the results and last section concludes the study.

LITERATURE REVIEW

The risk preferences vary from owners to managers. Agency theory presumed that managers have invested their non-diversifiable human capital in the firm are going to pass up risky projects that are desirable from the perspective of a diversified shareholders. They can diversify up to a certain extent but owners tend to take relatively higher risks than managers.

Saunders et al. (1990) documented that owner-controlled banks exhibit higher risk-taking behavior than banks controlled by managers with small shareholdings. Stockholders have the incentives to take higher risks at the expense of creditors if the latter cannot monitor shareholders. Downs and Sommer (1999) examined the managerial ownership and the risk taking relation and concluded that there is a significant positive relationship between managerial ownership and risk. By giving managers an ownership stake, risk preferences of managers can be altered in order to align the conflicting interests of managers and owners.

Academicians have documented conflicting arguments about the firm's diversification and ownership structure on their strategic risk taking behavior. Fama and Jensen (1983) argued that the owner CEO can be biased against the risky investments. They justify it due to the large share of their personal net worth tends to be invested in their firms equity.

Eisenmann (2002) explored the effects of CEO equity ownership and corporate diversification on the firm's risk taking and risk avoidance behaviors. He studied the sample of US cable television industry for the period of 1987-1995. Logistic regression was employed to analyzing sample data. His study documented negative impact of CEO equity on risk taking strategy of the sample firms.

Zeitun and Tian (2007) examined the impact of ownership structure on the firm's performance and the default risk of a sample of 59 publicly listed firms of Jordan during the period of 1989 to 2002. Stata.8 software package was used to estimate the models. Both probit and logit model were applied on the sample data. They provided the evidence that ownership structure has significant effects on the accounting measures of the performance (ROE & ROA). Government ownership is significantly negatively related to the firm's default risk. Foreign ownership is positive but insignificantly related with the default risk. The paper has also documented a positive significant relation between the ownership concentration and default risk. They measured ownership concentration of the highest five shareholders of the firm.

Chen et al (2011) analyzed the effect of managerial ownership on the risk-taking behavior of Korean and Japanese banks during the relatively regulated period of the late 1990 to 2000. Panel Regression technique was used for estimation purpose. Both random and fixed effect was applied to examine the relation among risk and ownership structure for banks in Korea and Japan. In their model Risk was taken as dependent variable, and explanatory variables were Insider holding, Quick ratio, Log of total assets, ROA, Financial leverage, Market Beta for systematic risk and standard deviation of the residual error, term used proxy for Unsystematic risk. Their study found mixed results. In Korean Banks the managerial ownership alone didn't affect either the risk or the profit level. In Japanese economy bank's total risk will increase with the increase of managerial ownership. They also provided the evidence that increase in risk-taking behavior does not produce higher levels of profit for Japanese banks.

Cole and Sommer et al (2011) studied the association between ownership separation and risk taking behavior of the Insurance industry of United States over the period of 1996-2004. Ordinary Least Squares (OLS) was used as estimation technique. Standard error used to measure the market risk as a dependent variable in the model. The explanatory variables were stock indicators, stock owned, firm size, percentage of outside board members. They suggest a negative relationship between the degree of separation of ownership and firm's risk taking behavior.

METHODOLOGICAL FRAMEWORK AND DATA

The literature provided various studies on the relationship between ownership structure and risk taking behavior of firms. These studies have conflicting results on the relationship. The varying results are due to the wide variety of ownership structure, different corporate mechanisms across the countries and industry difference. Risk preferences generally vary from owners to managers. Agency theory suggests that managers, who have invested their non-diversifiable human capital in the firm, prefer to reject the projects. But the diversified stockholders prefer those risky projects. The owners want maximum returns on their investment, to the extent that they tend to take relatively higher risks than managers. Firms managed by a single family are managed by either a family member or a manager who has close ties to the family. This causes an alignment with the risk preferences of managers and owners, leading to a decrease in a firm's market risk.

Government concentrated firms do not bother risk, because their main focus is on social benefits rather than profit. Government ownership firms could affect the performance negatively but it will definitely decrease the probability of default risk. Institutional ownership firms are profit oriented and may have more concern to monitor the firm. The firms having institutional ownership will have low probability of default risk as they keenly monitor the firm and their goal is profit maximization. Like the institutional ownership the foreign ownership firms are more profit orientated and have more incentive to monitor the firm. The foreign ownership entities have proper risk assessment procedures to avoid investment in risky projects and minimize the risk in the existing projects. Due to the strong risk adverse strategies, foreign ownership firms have lower probability of default risk. In the light of above discussion, this study presumed following hypothesis for the Pakistani capital market.

Ho: There is a relationship between ownership mix and risk-taking strategies of firms.

MODEL SPECIFICATION

The literature provides conflicting models and results for the ownership and the firm's financial policies. Some of the researchers used logit approach to solve this issue. Chun et al used panel regression approach to explore the relation between the ownership structure and risk taking behavior, both at random and fixed effect. Demsetz and Lehn (1986) stated that ownership is endogenous (i.e. dependent on firm-specific factors). Some firms (e.g. risk ones) need monitoring owners. This paper used OLS estimation for the analysis of data.

The OLS technique is used for the estimation procedure.

$$Risk = \alpha_0 + \alpha_{it}FO_1 + \alpha_2DIV_{it} + \alpha_3LEV_{it} + \alpha_4G_{it} + \alpha_5NE_{it} + \alpha_6SIZE_{it} + \varepsilon_{it} \quad (1)$$

$$Risk = \alpha_0 + \alpha_{it}GOV_1 + \alpha_2DIV_{it} + \alpha_3LEV_{it} + \alpha_4G_{it} + \alpha_5NE_{it} + \alpha_6SIZE_{it} + \varepsilon_{it} \quad (2)$$

$$Risk = \alpha_0 + \alpha_{it}IO_1 + \alpha_2DIV_{it} + \alpha_3LEV_{it} + \alpha_4G_{it} + \alpha_5NE_{it} + \alpha_6SIZE_{it} + \varepsilon_{it} \quad (3)$$

$$Risk = \alpha_0 + \alpha_{it}Fm_1 + \alpha_2DIV_{it} + \alpha_3LEV_{it} + \alpha_4G_{it} + \alpha_5NE_{it} + \alpha_6SIZE_{it} + \varepsilon_{it} \quad (4)$$

To test above stated hypothesis, Risk is taken as dependent variable and regressed against in- dependent variable ownership mix. The ownership mix variable is measured in four levels, the foreign ownership (FO), Government ownership (Gov), Institutional ownership (IO) and family ownership (Fm). While the explanatory variables are Dividend (DIV), Leverage (LEV), Growth (G) is used as proxy for investment opportunities. Net Income (NE) and Size of the Firm.

DEFINITION OF VARIABLES

Variables		Explanatory Variables
Risk	Rsk	The risk is measured by the standard deviation of annual stock returns (stdev) used a proxy for market risk.
Family Ownership	Fm	%age family shareholding in the firm i at time t, i.e. the shares held by the directors and spouses and other family persons.
Govt Ownership	GOV	%age Govt shareholding in the firm i at time t.
Institutional Ownership	IO	Shares held by the corporation and the Financial Institution.
Foreign Ownership	Fo	The percentage of shares held by the foreign companies.
Dividend	DIV	Variable used to measure dividend paid to outside shareholders.
Leverage	LEV	Long term debt divided by total long term debt plus market value of the common stock outsiders.
Size	SIZE	Natural log (total assets). This variable is expected to have a positive coefficient as larger and more diversified firms are likely to have lower bankruptcy and can sustain a higher level of debt (Scott and Martin 1975, Ferri and Jones 1979).
Growth	G	Growth in this study has used as proxy to investment opportunity and obtain by book to equity value of the market.
Net Income	NE	Net income used as explanatory variable and can be obtained by dividing net income over net sales. The same variable used by the Amitabh (1999) to find impact of insider holding on the financial policy of US banking Industry.

DATA AND SAMPLE SELECTION

Data set includes KSE 100 index non-financial firms for the period of 2004 – 2010. Initially we started with 67 listed firms from the different sectors and the time under consideration was 2006-2010. But due to unavailability of published reports of some firms we have excluded those firms from our sample. At the end we got sample of 50 firms representing all sectors of KSE. As we got most of our variables from Balance Sheet Analysis of listed firms published by State Bank of Pakistan and its recent edition was having data up to year 2010. Some firms have been privatized in year 2003 & 2004 so their data of 2002 was not available as those firms were not listed in KSE due to which we were facing problems in collection of data & using proxy figures. There was another problem of authenticity of available data, as those were not using IFRS.

EMPIRICAL RESULTS

DESCRIPTIVE STATISTICS

As our sample consists of 50 manufacturing firms listed at KSE-100 index. Table 4.1 explains the characteristics of the sample firms.

TABLE 4.1: SAMPLE DISTRIBUTION BY INDUSTRIES

Sectors	No. of Companies Selected	%
Textile & Fabrics	12	24.0%
Cement	12	24.0%
Steel	3	6.0%
Sugar	7	14.0%
Others	16	32.0%
Total	50	100%

Source: Balance sheet Analysis of Joint Stock Companies

The textile sector and the cement sector of the Pakistan are family concentrated firms. The textile and cement sector contribute 24.0% and 24.0% of the sample respectively. While, some firms selected across different sectors, which are 32.2% of the selected sample. The data for this study covered the time period from 2004 to 2009. Table 4.2 presents the descriptive measure of ownership variable yearly.

TABLE 4.2: DESCRIPTIVE STATISTICS OF VARIABLES FROM 2004-2009

	FO		GOV		IO		FM	
	Mean	STD	Mean	STD	Mean	STD	Mean	STD
2004	25.91	13.94	12.73	11.60	25.23	19.25	39.65	32.00
2005	26.68	14.18	13.28	11.16	25.20	19.26	39.10	31.84
2006	26.72	14.12	13.06	10.48	25.27	19.36	38.97	32.46
2007	27.96	15.61	13.42	10.31	23.60	18.28	38.34	30.59
2008	26.74	14.43	12.67	10.14	23.90	18.65	36.95	30.89
2009	27.00	14.20	12.65	9.31	24.26	18.96	38.40	31.53

The mean value of family ownership was 38.40 percent (taking the percentage share captured by family members) which shows that the ownership remains constant over the period. This supports that in Pakistan major firms are family oriented and they encourage holding maximum share with them. The standard deviation value is 31.53 recommend the maximum and minimum fluctuation in the mean value. The average values of Institutional ownership, Government ownership and foreign ownership are 24.26, 12.6 and 27.0 respectively. The descriptive results support that major shares are held by the family members in contrast to foreign ownership. The government holds minimum shares in the sample firms.

TABLE 4.3: DESCRIPTIVE STATISTICS OF EXPLANATORY VARIABLES FROM 2004-2009

	Lev		SIZE		G		NE		DIV		Risk	
	Mean	STD	Mean	STD	Mean	STD	Mean	STD	Mean	STD	Mean	STD
2004	4.66	1.54	7.04	2.21	2.42	1.18	8.76	4.49	2.06	0.57	0.45	0.39
2005	4.69	1.22	7.10	2.24	3.07	0.91	13.05	7.11	2.48	0.53	0.31	0.42
2006	4.77	1.17	7.19	2.23	2.08	1.35	12.01	5.66	2.26	0.79	0.28	0.31
2007	4.72	1.17	7.57	2.09	2.01	1.69	10.52	8.96	2.36	0.71	0.48	0.47
2008	4.77	1.13	7.94	1.84	2.18	1.17	12.14	10.85	2.52	0.78	0.22	0.22
2009	4.72	1.09	8.12	1.84	2.75	1.25	22.48	11.54	2.42	0.76	0.26	0.18

The mean value of the Leverage is 4.72 and the standard deviation is 1.09. This is minimum deviation, so the data is consistent. The Risk variable data which was taken as standard deviation in the annual stock returns is also consistent having average value is 0.26 and standard deviation is 0.18. In the sample data we find

much deviation in the Net Income variable. The mean is 22.48 and the standard deviation is 11.54. Size is measured by log of total assets and Growth which is as proxy for investment opportunities found minimum variation in the mean.

TABLE 4.4: DESCRIPTIVE STATISTICS OF THE VARIABLES IN A POOLED SAMPLE

	DIV	FM	FO	G	IO	GOV	LEV	NE	RISK	SIZE
Mean	2.35	24.36	26.65	2.42	12.93	37.65	4.79	13.64	0.33	7.43
Median	2.40	7.20	0.00	2.60	6.78	33.35	4.84	4.70	0.20	7.44
Maximum	5.10	82.00	95.00	7.20	59.08	99.99	20.78	56.50	2.55	11.85
Minimum	0.47	0.00	0.00	-1.20	0.00	0.00	0.92	-106.40	0.00	0.00
Std. Dev.	0.71	18.95	14.14	1.34	10.66	30.73	1.54	7.68	0.36	2.06
Skewness	0.41	1.08	1.70	-0.38	1.80	0.40	4.00	-1.15	2.47	-0.94
Kurtosis	4.95	2.72	4.36	3.22	5.92	1.79	42.68	20.44	10.45	5.50
Probability	0.00	0.00	0.00	0.02	0.00	0.00	0.00	0.00	0.00	0.00
Observations	295.00	295.00	295.00	295.00	295.00	295.00	295.00	295.00	295.00	295.00

The summary statistics of the pooled data is presented in table 4.4. The sample consists of 50 manufacturing firms of KSE-100 index. The total number of observation 300, EVIEW 3.0 software package was used for estimation purpose. The package eliminated some of the observations for descriptive analysis and estimated the results at 295 observations. The mean value of the Family ownership (FM), foreign ownership (FO), Institutional ownership (IO) and Government (GOV) was 24.36, 26.65, 12.93 and 37.65 respectively.

The average value of the LEV was 4.79 and the media value was 4.84 %. This is closely related to the average value of the leverage and concludes that large number of firms in the sample have value equal to 4.79. The Risk had average value 0.33 and the median 0.20. These values are also closely related to each other. Risk is measured by the standard deviation of annual stock returns (stdev) used as proxy for market risk.

CORRELATION ANALYSIS

The correlation matrix defines the relationship between the explanatory variables and also with the dependent variables. It also used as a tool to identify multicollinearity between the explanatory variables. The matrix indicated negative relationship between Risk and Family ownership. The correlation value is -0.078, which indicates week relationship. Similarly the correlation between foreign ownership (FO) is week negative, the “r” value is -0.086. This supports that foreign companies are more profit oriented and take investment decisions only in positive NPV projects.

TABLE 4.5: CORRELATION MATRICES

S	FM	FO	GOV	IO	LEV	DIV	NE	G	RISK	SIZE
FM	1.000									
FO	-0.028	1.000								
GOV	-0.119	-0.437	1.000							
IO	0.150	-0.188	-0.304	1.000						
LEV	0.113	-0.079	-0.147	0.222	1.000					
DIV	-0.019	-0.090	0.143	0.015	0.022	1.000				
NE	0.061	0.140	-0.04	0.057	-0.009	-0.029	1.000			
G	0.078	0.072	-0.13	0.012	0.019	0.054	0.016	1.000		
RISK	-0.028	-0.086	0.07	-0.05	0.002	-0.059	-0.06	-0.067	1.000	
SIZE	0.030	0.267	0.239	-0.18	0.000	0.092	0.062	0.040	-0.02	1.000

This study also found a week positive relation (r=0.07) between the risk and the government ownership. It can be concluded that the firms with government held shares can be described with high risk and high payout ratio. The drawbacks of government ownership as a mechanism are well known in the literature. The present study also documented a negative relationship between the dividend and family owned firms. Hence the family owned firms are more likely to hold the cash instead of paying dividends to the shareholders. The correlation between Foreign owned firms and dividend is also negative, which concludes that the foreign firms also prefer to invest in projects rather than paying cash to their shareholders.

REGRESSION RESULTS

This study also considered the role of ownership mix with the risk taking behavior strategies of the sampled firms. The ownership mix variable is operationalized into four variables, Foreign owned firms, Family owned firms, Government owned firms and Institutional owned firms. These variables were taken as independent variables in the model. The explanatory variables were Leverage (LEV), Net income (NE), Dividend (DIV) and size of the firms. The dependent variable is risk, regressed against independent and explanatory variables. The results are reported in the table 4.6.

TABLE 4.6 OWNERSHIP MIX AND RISK BEHAVIOR

Variable	Model 1	Model 2	Model 3	Model 4
C	5.30* (9.06)	18.4*** (1.52)	5.94*** (1.10)	
FM	-0.0031*** (-1.29)			
FO		-0.125* (-2.50)		
IO				-0.58 (-0.38)
GOV			0.032*** (1.46)	
DIV	-0.0082*** (-1.20)	-0.12 (-0.91)	0.05 (0.87)	0.42 (0.001)
LEV	0.00085 (5.82)*	-0.006* (-2.19)	0.0006 (-0.51)	3.65* (1.50)
G	0.28 (3.23)*	1.66 (0.91)**	0.27 (-0.34)	(9.99)** (2.07)
NE	0.0011 (.502)	0.07*** (1.43)	-0.033*** (-1.51)	(6.53)* 14.53
SIZE	-0.0051 (0.72)	(0.33)* 2.30	(0.11)** 1.84	(-1.61)** -1.40
R2	0.24	0.13	0.64	0.45
DW	1.95	1.69	1.51	1.82
N	295	295	295	295

Note: The * indicates significant at 1%, ** indicates significant at 5% and *** indicates significant at 10%. The Dependent variable is RISK and the independent variable is Ownership mix

In model 1 Risk is regressed the family ownership variable with the explanatory variables reported a negative coefficient of -0.0031, statistically significant at 10% significance level. It can be concluded that the family oriented firms have relatively less market risk. The firms owned by family or family managers closely tied with the family. This affiliation leads to the risk adverse strategies that decrease the market risk. This study also reports a negative coefficient with the size of the firm, which means that large sized firms will have low market risk. Growth variable used proxy for investment opportunities have positive significant coefficient (3.32) with the risk, conclude that if firms go for expansion they will face high market risk. The R^2 is 0.24; it means that the dependent variable is explain 24% by the explanatory variables.

There is a negative and statistically significant relationship between the foreign ownership (FO) and market risk. Like the family oriented firms, the foreign owned firms are more concerned about their profit and earning per share. They take investment decisions in projects which have high NPV. The evidence was documented by Zeitun and Tian (2007) in the Jordan market. The overall regression model presents that the ROE is 13 % ($R^2=0.13$) explained by the independent variables. The value of Durbin-Watson is 1.69 which is close to 2 and proves that there is no autocorrelation in our data.

The third regression model presented in table 4.6 column 4, dependent variable market risk is regressed with Government ownership (GOV) and other explanatory variables. There is a positive coefficient reported between the Market risk and GOV. This coefficient (1.46) is significant at 10% significance level. The same result was documented by the Aydogan and Gursy (2002) in the Turkish economy. But the same result was reported as negative coefficient by Zeitun and Tian (2007) in the Jordan market. The literature documented both positive and negative sign for this variable. The overall regression model indicates that there is ($R^2=0.64$) 64% independent variable by the explanatory variables.

The fourth ownership mix variable i.e. institutional ownership has reported negative association with the market risk, but this association is statistically significant. The overall regression model indicates that there is ($R^2=0.45$) 45% independent variable by the explanatory variables.

CONCLUSION

This study examines the link between the market risks of the firms with ownership mix for the period of 2004-2009, of the manufacturing firms listed at KSE 100 index. The sample of this study consisted of 50 manufacturing firms. The study was conducted to focus the Pakistani capital market, where the investors have less protection and the corporate governance is immature. Besides, most of the list firms are family owned and the owners of these firms take operations according their own philosophy.

The empirical analysis revealed that highly concentrated and less diffuse firms were at higher risk, as reported by a large deviation by the annual stock returns. Government controlled firms in our study sample exhibit high market risk. On the other hand the family owned firms have reported low market risk. The study also documented a negative relationship between the foreign controlled firm and the market risk. Like the family owned firm, the foreign firms have low market risk. The overall findings of the analysis were consistent with the empirical findings in the literature. The ownership mix is a significant determinant of the corporate governance mechanism.

LIMITATION OF THE STUDY

There are many gaps in this paper for the future scholars. Due to the time constraint and unavailability of data, the study was conducted on only 50 manufacturing firms. The new researchers should increase the sample size including financial firms and new estimation techniques with introduction of new variables. The present study measured the risk by standard deviation of the annual stock returns. The new coming researchers should estimate it by market model of equity. The findings of this study can be enhanced by coming researchers covering a wide range of international data.

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THE IMPACT OF STUDENTS' DIVERSITY ON GROUP WORK IN BAHIR DAR UNIVERSITY AND GONDER UNIVERSITY

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ABSTRACT

Student community in higher learning institutions encompasses a complex pattern of diversity. It includes important dimensions of human identity such as race, ethnicity, national origin, religion, gender, sexual orientation, class, age, and ability. Ethiopia's higher learning institutions have students of diverse languages, ethnic groups, religions, culture, race, gender and the like (MOE, 2008). This paper aimed to find out the impact of diversity on group work in selected Ethiopian Higher Learning Institutions. The sample size consisted of students and instructors from Bahir Dar University and Gondar University, Ethiopia. Purposive sampling was used. To get diverse sample students and instructors from eight departments were taken. Data collection strategy consisted of questionnaire, interview and observation. Both open ended and close ended type of questions have been prepared and dispatched to respondents. 160 students and 36 instructors were selected. The questionnaire return rate was 74 % for students and 61% for instructors. The collected data were analyzed using tables and percentages. The results of the findings indicated that diversity has positive impact on group activity and students prefer heterogeneous groupings to homogenous groupings although the actual practice showed that the learners formed groupings from similar backgrounds such as sex, religion, ethnicity and the like.

KEYWORDS

Diversity, Group work, Heterogeneity, Homogeneity.

INTRODUCTION

Student community in higher learning institutions encompasses a complex pattern of diversity. It includes important dimensions of human identity such as race, ethnicity, national origin, religion, gender, sexual orientation, class, age, and ability. They influence ways of understanding and interpreting of the world. (Kazanjan, 1999)

Ethiopia's higher learning institutions have students of diverse languages, ethnic groups, religions, culture, race, gender and the like. (MOE, 2008). The encouragement of learners to participate in the learning tasks can be achieved by means of group work among other factors. To get better result from team work, group tasks must be given for the learners. The formation of groups must take into account the diverse nature of the learners and better learning and knowledge could be realized if diversity is recognized.

Making students work together in groups is beneficial and can be used in a variety of contexts. Groups can be created in class or outside class, around projects, or weekly assignments. Methods of grouping are various. Allowing students to create their own groups should be done sparingly, as it can be used to create or reinforce social group differences within the class. Heterogeneous groups can be made across certain characteristics such as gender, race, area of residence, and/ or level of achievement in a particular discipline to improve interpersonal relationships among students.

Psychological theories state that discontinuity of students from home environment improves the chances for enhanced cognitive and identity development. But a sustained and coordinated effort is needed to increase the positive effects of diversity on student development and learning (Milem, et al, 2005).

What is being observed in Bahir Dar University (BDU) and Gondar University (GU) and perhaps other universities in Ethiopia concerning group formation and its relation with diversity has triggered the writer of this paper to make assessment of the role of diversity in the effectiveness of group activity to promote active learning.

There is a tendency in the courses which the researcher has taught that students have formed groups based on homogeneous backgrounds rather than from diverse settings.

PURPOSE OF THE STUDY

Those people engaged in teaching learning process might not be well versed with the tenets of diversity on the effectiveness of learning. As literatures indicate there are insurmountable benefits that can be obtained from diversity. But many teachers would not sense what is going on after class room with regard to students' group activity and what and how it can be achieved from various groupings. Thus this paper focuses on the impact of diversity on group work. More specifically an attempt will be made to pin point and address issues like the extent to which group formation takes diversity in to account, what the role of instructor must be in the formation of groups, and how diversity influences group work.

SIGNIFICANCE OF THE STUDY

The study will be useful to:

1. Create awareness for instructors and university academic managers to incorporate diversity issues in group tasks of students.
2. Narrow the gap in the perception of students and instructors about diversity and group work.
3. Add to the existing literature.
4. Initiate scholars to do further research on the issue in large scale at national and international level.
5. Provide the researcher with evidence upon which to initiate innovations in his own approach to group work

From the findings of the research, the researcher has planned to make necessary changes in the delivery and assessment practices of the courses in the future. Besides, the results of this study can serve as basis for other instructors to shape their student groupings for effective implementation of active learning.

STATEMENT OF THE PROBLEM

There are no universal solutions or specifications for responding to ethnic, gender and cultural diversity in the classrooms, and research on best practice in Ethiopia is limited. Indeed, the topic is complicated, confusing, and dynamic and for some faculty it is fraught with uneasiness, difficulty, and discomfort. Perhaps, the overriding principle is to be thoughtful and sensitive and do what you think is best (Davis, 1999).

From the experience of the writer of this paper as a lecturer in BDU and from preliminary discussions with colleagues in the university and in workshops the writer participated in from November 2 to November 6, 2009 given by Leeds Met University lecturers at Addis Ababa and also discussions with some Bahir Dar University students, it became obvious that students in BDU and GU are forming groups for group tasks on the bases of either background of origin or

geographic location, race, ethnicity, religion, parental status, or personal habits. When they are doing certain group tasks, the learners favor only one or two of these dimensions and they are inclined to homogeneous dimension of these diversity elements rather than joining with other's diverse contexts.

As far as the researcher's knowledge is concerned, there is no research done on diversity and group work in Ethiopian context.

Despite its potential benefits it seems that diversity is not well recognized by learners and instructors while forming groups. The expectation is that students get along with varied learning environments and instructors would play a role to facilitate learning in diverse situations. Thus, this paper will attempt to address the following basic research questions in light of the problems raised.

1. To what extent have group formations taken diversity into account?
2. What is the role of instructors in the formation of groups?
3. How does diversity influences group work?

SCOPE AND LIMITATION OF THE STUDY

The research focuses mainly on undergraduate level students of eight selected departments from BDU and GU. Since there are no foreign students in these universities, national diversity issues are assessed. Diversity and group work was studied at higher institutions of learning by delimiting to BDU and GU for manageability.

Because of financial and time constraints the population of the study was restricted. Lack of appropriate measuring tools and resources for developing instruments were also encountered. There was lack of understanding of some questions properly by students and instructors. The other limitations were carelessness and unwillingness of some instructors in filling the questionnaire and unclear handwriting.

DESIGN OF THE STUDY AND METHODOLOGY

The study is a descriptive survey of target respondents.

POPULATION AND SAMPLE

The population of the study was undergraduate students and instructors from Bahir Dar University and Gondar University. To have a diverse sample, purposive sampling was used.

The population sample were taken using purposive sampling from accounting, marketing management, geography, law, medical science, plant science, computer science, and textile departments final year students of both Bahir Dar University and Gondar University. Accordingly, of the total population of students in these departments, 160 (about 20%) of them were selected randomly to fill questionnaires. The data were collected from final year students assuming these students can judge the instruction activities in a good way. In addition 36 (about 15%) of the total teacher population were selected randomly from similar departments of both universities to fill questionnaires. The questionnaire return rate was 74 % for students and 61% for instructors.

DATA COLLECTION INSTRUMENTS

To explore the issue of diversity and its impact on the group work of students, questionnaires were used to collect first hand information. The questionnaire was designed by the researcher after examining various literatures on the issue. The questionnaire was pilot tested with 60 marketing management graduating class students to assure its reliability. The validity of the questionnaire was seen by an expert from pedagogical department at Bahir Dar University. The researcher also made observation of group activity to get additional information. To substantiate the study on solid theoretical foundations, a review of earlier related literature was made.

DATA ANALYSIS PROCEDURE

The data were then tabulated and analyzed using mean and percentages, and descriptions and interpretations were made.

REVIEW OF RELATED LITERATURE

This section presents a brief discussion on rationale for group work, types of group formation, group work perception, problems and challenges of group work, impact of group diversity in knowledge spill over, importance of diversity in higher education, diversity as engagement.

The rationales for group work are to facilitate student learning, to improve interpersonal relationships among students, to foster students' responsibility for their own learning and the learning of others, and to prepare students to work in groups in their future careers.

Some major advantageous of group tasks are improvement of the overall quality of student learning, development of specific and generic skills sought by employers, and reduction of workload involved in assessing, grading and providing feedback to students (James, R., McInnis, C. and Devlin, M., 2002).

Groups can be classified into three types (informal learning groups, formal learning groups, and base groups) that can enhance collaborative learning (Sherpa, 2000). There can also be groups such as lab groups, homework groups, problem solving groups, and study groups.

There are no hard and fast rules about how to set up groups but two factors are worth mentioning, group size and group type (Ibid). There are a number of options for determining group membership, including letting students choose their group ('friendship groups') and staff assigning students to groups by matching groups or mixing them up randomly. The appropriate size of the group really depends on the context - How big is the class? What are the learning outcomes desired? How much work is involved in the associated task? What are your resources? What meeting facilities are available? and so on. According to Phil Race and Sally Brown cited in Sherpa 2000, group size can consist of pairs, threes, fours, fives, sixes and sevens.

According to a study made in New Zealand University in 2005, Asian students valued highly the significance of classroom group discussions where they could interact with students from other cultures and backgrounds, improve their English-language skills, enhance their cultural understanding and provide them with opportunities to make friends. However, they held intensely negative views about group assignments that required students to complete a project as a group with shared marks determined by the performance of the group (Li & Campbell, 2008). We must be ready to challenge assumptions that groups will either be aided or hindered by having certain kinds of students in their group. One way to reduce the likelihood of such assumptions manifesting in group work would be to inform the class that each individual brings a different combination of strengths and weaknesses into the group work context and that students should not make assumptions about what these might be (Sherpa, 2000).

There is a relationship between workforce diversity and productivity. A group work's effect on performance and knowledge spill over has scarcity of empirical research but a noticeable empirical research on the issue was made by Hansen, Owan, and Pan (Hansen, Owan, and Pan, 2006). The difficult issue in team work is self selection rather than the exogenous assignment of groups. But Hansen, Owan, and Pan's study used exogenous assignment. Their findings provide empirical evidence that age and gender diversity matter in group performance and group learning in certain team environments. Their study indicates that they do not find any significant effect of ethnic or racial diversity on performance. (Hansen, Owan and Pan, 2006:3). Unless randomly assigned, subjects of teams usually self select into team groups.

Surface-level social differences like race/ethnicity, gender, or age tend to have negative effects on the ability of groups to function effectively but underlying differences like functional background, education, or personality are more positively related to performance by facilitating creativity or group problem solving when group process is carefully controlled.

The contradicting views stated in the above two paragraphs that race and ethnicity have insignificant impact on performance on the one hand and that they have positive impact on performance on the other hand could be proved or disproved through further research.

Gender diversity has a favorable impact on group performance and learning is striking (Ibid).

Gender composition of the group an individual belonged to had noticeable influence over individual performance. Specifically, a student in a male-dominant group tended to do worse in exams compared to another student in a mixed-gender group. Age heterogeneity within a group reflects the differences in group members' college year levels (i.e. knowledge accumulation in college), as well as the maturity of individuals.

Basic analytical and cognitive skills which are much more correlated with students' natural ability cannot be easily transferred through teamwork (Hansen, Owan and Pan, 2006:22-23).

An individual's knowledge and skill set prior to entering college on his or her college performance diminishes over time and is replaced by newer knowledge set obtained through the learning process in college (Ibid).

There are several educational outcomes of diversity. Some of these are learning outcomes and democracy outcomes. Learning outcomes include active thinking skills, intellectual engagement and motivation, and a variety of academic skills. Democracy outcomes include perspective-taking, citizenship engagement, racial and cultural understanding, and judgment of compatibility among different groups in a democracy. The impact of diversity on learning and democracy outcomes is believed to be especially important during the college years because students are at a critical developmental stage (Gurin, et al, 2001:4).

According to psychologist Erik Erickson (1946, 1956), who introduced the concept of identity, late adolescence and early adulthood are the unique times when a sense of personal and social identity is formed (Ibid). Universities can assist in the identity development of learners. Continuing higher education in home environment impedes the personal struggle and thinking important for identity development. Change in political and social attitude occurs in students to whom new ideas and attitudes are presented by peer influence (Ibid). Students who graduate from a university with diverse population are able to suit the cultural, social and technical demands of the workplace and are better able to participate as citizens of local, national and international communities. (Ambrose, et al, 2004)

General education curricula, specifically diversity course requirements, can play a meaningful role in diminishing divisive racial prejudices and can subsequently improve race relations (Ibid: 10). An illustration of research made by Chang et al, 2004 cited in Milem, Chang, and Antonio (2005:12) shows that a supportive campus climate and set of institutional practices might be linked to, or serve as a proxy for, high levels of cross-racial interaction among students—and make it possible for all students to improve their knowledge of and ability to accept others from different backgrounds and cultures.

According to Hurtado and colleagues (2003) cited in Milem, Chang, and Antonio(2005) the higher education literature identifies several important elements that link diversity to student learning, including factors related to individual development and the environments within which students are educated. They also note that three themes have emerged from hundreds of research studies that have explored these issues:

1. Individuals who are educated in diverse settings are far more likely to work and live in racially and ethnically diverse environments after they graduate.
2. Individuals who study and discuss issues related to race and ethnicity in their academic courses and interact with a diverse set of peers in college are better prepared for life in an increasingly complex and diverse society.
3. Increasing the compositional diversity of the student body is essential to create the kind of learning environment described here.(Ibid:13)

ANALYSIS AND INTERPRETATION OF DATA

This part deals with the analysis and interpretation of data. Data collected from two groups of respondents, namely, students and instructors are presented.

Then, the responses were tallied and tabulated in tables and the major findings were analyzed using percentages.

The following results were derived from responses of students and instructors to separate set of questionnaires.

TABLE 1: CHARACTERISTICS OF RESPONDENTS

No.	Item	Respondents			
		Students		Instructors	
		No.	%	No.	%
1	Sex				
	Male	84	71	22	100
	Female	34	29	0	0
	Total	118	100	22	6
2	Age				
	A. <20 years	5	4	-	-
	B. 20-30	111	94	15	68
	C. 31-40	1	1	6	27
	D. >40	1	1	1	5
	Total	118	100	22	100

Source: Survey 2010

1. According to the personal data obtained from questionnaire analysis 71 % (84) of the students and 100 % (22) of the teachers are male. This shows that the number of females is very small.

TABLE 2: GROUP FORMATION FAVORED BY LEARNERS OF DIVERSITY

No.	Item	Respondents /Students/			
		No.	%	No.	%
1	Interest of learners in group formation is based on				
	A. Grouping made by interest				
	A. Mixed ability	43	38.39		
	B. Ethnic /age/gender	24	21.43		
	C. Random	9	8.04		
		36	32.14		
		100			
2	Type of group formation enhancing best learning diversity				
	A. interest grouping				
	B. Ability grouping	49	63.64		
	C. Random Grouping	17	22.08		
	D. Homogenous grouping	4	5.19		
	E. None	1	1.30		
		6	7.80		
	Total	77	100		

Source: Survey 2010

2. The response of learners indicates that majority of learners (38.39%) i. e., 43 prefer grouping based on interest. Similarly, many students (64%) i.e., 49 said interest grouping enhances best learning in diversity.

TABLE 3: INSTRUCTOR'S ROLE IN GROUPING ACTIVITY

NO.	ITEM	RESPONDENTS			
		STUDENTS		INSTRUCTOR	
		NO.	%	NO.	%
1	WHETHER GROUPING TASKS ARE APPLIED IN CLASS ROOM OR NOT A. YES B. NO			17 5	77 23
	TOTAL			22	100
2	GROUP FORMATION FOLLOWED BY INSTRUCTORS A. BY STUDENTS INTEREST B. " MIXED ABILITY C. " ETHNIC LARGE/SEX/ GENDER D. RANDOM E. SYSTEMATIC F. NONE G. OTHER	48 13 2 8 45 1	41 11 2 7 38 1	11 4 2	65 24 11
	TOTAL	117	100	17	100
3	TYPE OF GROUP FORMATION & SPLITTING FOR GROUP WORK IN DIVERSE SETTINGS A. BY STUDENTS FRIENDSHIP B. SPLITTING UP VERY SMALL MINORITY GROUPS C. PAIRING DIVERSE STUDENTS AS CRITICAL FRIENDS D. REQUIRING STUDENTS TO WORK IN OTHER GROUPS E. NO REPLY			5 0 1 9 7	23 0 5 40 32
	TOTAL			22	100
4	WHETHER INSTRUCTORS PROVIDE ASSISTANCE IN GROUP ACTIVITY BY CONSIDERING DIVERSITY A. YES B. NO C. NONE	39 68 10	33 58 9		
	TOTAL	117	100		
5	IF THE INSTRUCTORS PROVIDE ASSISTANCE, THE FREQUENCY OF THEIR ASSISTANCE IS A. FREQUENTLY B. OCCASIONALLY C. SELDOM D. NEVER	14 18 7 -	36 46 18 -		
	TOTAL	39	100		

Source: Survey 2010

3. With regard to instructor's role in group activity, most of instructors (77%), i.e., 17 replied they apply group tasks in classrooms and 65% (11) of the instructors make groups randomly. 40% (9) instructors form groups or split for group work in diverse setting by requiring students to work in other groups. More than half of the students (58%), ie, 68 said that instructors do not provide assistance in group activity by considering diversity. 33% (39) of the students said instructors offer assistance in group activity and the frequency of the assistance is said to be occasionally by 46% (18) of the students and frequently by 36% (14) of the students. So, frequency of assistance can said to be infrequent.

TABLE 4: IMPACT OF DIVERSITY ON GROUPING TASKS

No.	Items	Respondents			
		Students		Instructors	
		No.	%	No.	%
1	Whether students prefer groups of diverse learners A. yes B. No	71 29	71 29		
	Total	100	100		
2	If you prefer to function 1 above yes, the reason is A. Broadening of thinking B. To get new knowledge C. To share culture of values with others D. Other to learn difference in views	29 17 19 15	36 21 24 19		
	Total	80	100		
3	If you say No. to question. 1 above, the reason is A. It could lead to adverse completion B. It is not comfortable to debase with different culture, religion ethnic, or gender groups C. Moe effective performance is achieved with homogenous groping	5 8 17	17 26 57		
	Total	30	100		
4	How diversity in fluency teaching learner process? a. It promotes multiple and different perspectives b. It has positive impact on learning outcome c. It engages in active thinking process, growth in intellectual motivation , and growthin intellectual & academic & social attitudes d. To appreciate both similarities & differences e. Better quips to function in an increasingly diverse world f. None	22 20 25 7 25 8	21 19 23 7 23 7	9 3 9 1	41 13 41 5
	Total	107	100	22	100

Source: Survey 2010

4. Student responses show that most of (71%), ie, 71 of them prefer groups of diverse learners. Their reason for preference of groups of diverse learns is to broaden thinking (36%) ie. 29, to share values (24%), ie, 19, and to get new knowledge (21%),ie,17 . Hence their main reason is broadening of thinking. But those who do not prefer diverse learners forward the rationale that more effective performance is achieved when they work in homogenous groups.

The students indicated that the influence of diversity in teaching learning process is: it engages learners in active thinking process, it enhances intellectual motivation, and it develops intercultural and academic skills (23%),ie, 25. Another 23% of students said diversity better equips to function in an increasingly diverse world. For similar question, instructors also have the same focus on the influence that diversity engages in active thinking process, growth in intellectual motivation, and promotes multiple and different perspectives.

TABLE 5: HETEROGENEOUS VIRUS HOMOGENEOUS GROPING WOK AND PERFORMANCE &PERCEPTION OF DIVERSITY IN INSTRUCTIONAL PROCESS

No.	Items	Students	
		No.	%
1	“The result of performance in diverse groupings is better than in homogenous group”		
	a. strongly agree	62	54
	b. agree	25	22
	c. neither agree nor disagree	8	6
	d. disagree	10	9
	e. strongly disagree	3	3
2	f. no reply	7	6
	What is your perception of diversity in the learning teaching process		
	A. varied counters form high schools and van form junior to senior classes	6	5
	B. students in colleges with different diverse setting becomes successful in diverse world of work after graduation	81	70
	C. Companies who employees graduates prefer students exposed to diverse learning set	11	10
	D. Diversity is and for identity and it will lead to conflict of interest among students	6	5
E. No reply	12	10	

Source: Survey 2010

5. The study indicated that more than 70% of the students support the proposition that “the result of performance in diverse grouping is better than in homogenous grouping.”

Regarding the perception of diversity in instructional process a majority (70%) of the students are of the view that students in college with different /diverse settings become successful in the diverse world of work after graduation. The next important rationale is companies’ preference of graduates exposed to diverse learning sets.

TABLE 6: EMPHASIS BY STUDENTS & INSTRUCTORS ON VARIOUS DIVERSITY ELEMENTS IN GROUP ACTIVITY

No.	Items	Respondents			
		Students		Instructors	
		No.	%	No.	%
1	Emphasis given to				
	A. Gender /sex	18	17	4	18
	B. Ethnicity /race	15	14	2	9
	C. Home geographical location/langue	4	4	2	9
	D. Religion	16	15		
	E. Educational background	42	39		
	F. Income	14	13		
	G. Others				
	H. Ability			6	27
	I. Age				
J. No reply			8	37	
	Total	109	100	22	100

6. The emphasis on where diversity issues are more significant in group activity by students is educational back ground given first attention followed by gender, religion, ethnicity, income, and home geographical location. On the instructors’ side, the emphasis is on ability followed by gender, ethnicity and language. Thus, both students and instructors put ethnicity in the second place in the emphasis on diversity.

TABLE 7: CAMPUS CLIMATE, DIVERSITY & GROUP WORK

No.	Items	Respondents/Students/	
		No.	%
1.	Institution’s emphasis to courage contacts from different backgrounds (economic, social, racial, cultural, etc)		
	A. very much	18	15
	B. Quit a bit	17	14
	C. Some	31	26
	D. Very Little	34	20
	E. None	18	15
	Total	118	100
2	Level of institutions assistance for learners to cope with non academic responsibility(Work, family, etc)		
	A. very much	11	9
	B. Quiet a bit	15	13
	C. Some	33	28
	D. Very little	39	34
	E. None	18	16
	Total	116	100

Source: Survey 2010

7. 34% of the students indicated that the level of institutional assistance for learners to cope up with non academic responsibilities (work, family, etc) is too low.

TABLE 8: GROUP DISCUSSION/TASK IN DIVERSIFIED OPINIONS AND BELIEF SYSTEMS

No.	Items	Respondents	
		Respondents/Students/	
		No.	%
1	How often have you had serious conversations with religious beliefs, political opinions, or personal values very different from yours?		
	A. very often	8	7
	B. Often	18	15
	C. Come times	55	47
	D. Never	19	16
	E. None	18	15
	Total	118	100

Source: Survey 2010

8. Student responses show that only few (7%) students have serious conversations with diversified groups who are different in religion, ethnicity, beliefs, and political systems from their own

OPEN ENDED QUESTIONS ANALYSIS

A. STUDENT RESPONSES

A majority of responses indicated that instructors do not emphasize or give very little attention to diversity in group work. But some (a few) respondents said some (limited) instructors do give consideration to this issue.

Several reasons were put forward for the absence of conducive environment in the campus, including:

- Coordination and communication problems.
- Interest based grouping.
- Intolerance & disagreement among groups in terms of political opinions, religion, nationality, race.
- Lack of sharing information, lack of background, lack of knowledge about existing various diversity issues, no promotion by instructors & their lack of support for diversity, biases of grading by some teachers, aggressive behavior of some teachers
- Ethnocentricity, negative attitude, ignorance, disrespect, stereo-type, prejudice to diversified nationalities, cultures etc., low self esteem, and irrationality about diversity.
- No of university regulations on diversity issues
- No orientation in freshman on diversity by universities
- Regional placement (Nowadays)
- No good attitude of university top administrators toward diversity

The majority of student responses indicate that instructors and university administrators must do more on promotion of each ethnicity, religion, culture, language, etc. and tolerance among various diverse groups in group activity. Furthermore, most of these students underlined the instructors' responsibility in terms of focusing on random grouping and the university administrators' requirement to encourage instructors to consider diversity by the instructors. The other most important factor that students consider in related issue are instructors /administrators should avoid segregation / discrimination, and the instructors /administrators need to teach, orient and appreciate diversity.

Students also indicated that instructors should give group tasks based on diversified groupings and then assess the result of the learners.

B. INSTRUCTOR RESPONSES

The instructor responses for open end questions are as follows.

Asked what opportunities were given to students to study particular issues of diversity, a variety of replies included:

- Some say equal opportunity is given, but others replied that very little attention is given
- Some claimed that the course deals with similarities & diversities
- Some said whether the composition of students' grouping is diverse or not, they are encouraged to work in groups
- Some gave projects regarding diversity of culture

Asked about assistance for assistance for students to look in to their own values & compare with others different from them, different responses to were:-

1. No ways
2. Dialogue & discussion of differences
3. The subject matter sometimes doesn't invite diversity
4. Practically not considered
5. Create awareness and create favorable condition (example, presentations)

Asked how to improve effectiveness and efficiency of team discussion and time table arrangement, some of the main replies were:-

1. small class size usage
2. Random grouping
3. Specifying topic of discussion for the group task
4. Enhance students' interest to work in group

CONCLUSION, MEASURES TO BE TAKEN AND RECOMMENDATIONS

On the basis of the findings and review of related literature, the following conclusions are drawn.

1. As the instructor and student replies indicated, group work is practiced in various courses at different levels but the extent of group activity to incorporate diversity is insignificant.
2. The group formation used by students is based on friendship and self selection but instructors and administrators preferred random grouping. This leads us to the conclusion that the diversity grouping that is most probably created by random grouping is not practiced by students unless they are forced to do so.
3. The findings indicate that the majority of students are male.
4. Most of the students form homogenous groups, but they indicated that the performance result of heterogeneous groups is better than that of homogenous groups. Although students know and prefer the results of heterogeneous groups, they still practice homogenous grouping. Administrators said diversity is yet not given much consideration in the universities.
5. To realize the benefits of group work, instructors can design realistic goals and assist students to develop the necessary teamwork to share ideas and learn from each other. Nevertheless, students indicated that most of the instructors do not provide the necessary assistance to encourage team work in diversified groups.
6. Students gave emphasized educational background where as instructors emphasized ability in the formation of groups to enhance diversity in learning. We thus see deviation on emphasis between students and instructors on diversity issues.
7. Only limited attention was given by the institutions and instructors on diversity and students' interaction and this has lead to unconducive campus climate in terms of tolerance, repetitiveness, appreciation of one another's views and opinions from different cultural contexts.

MEASURES TO BE TAKEN TO IMPROVE THE CONTEXT OF MY COURSE DELIVERY

In the courses which I taught so far I did not recognize diversity issues in group activity. As a result of this research finding, I will take the following measures (changes) in the courses I am going to offer.

- Read and learn about diversity and group work and train students about the benefits of working with diversity.
- Work on changing the students' perception on diversity towards its benefit.
- Teach the benefits of doing with diverse groups such as sharing ideas, learning from each other, companies' preference of graduates from diverse settings, better performance result of heterogeneous groups, and easy adaptation to life situations.
- Incorporate and promote diversity issues (ethnicity, language, gender, ability, etc) an tolerance in the modules I teach.
- Focus on random grouping and do assessment of projects and assignments accordingly, that is, give more incentive for groups based on diverse settings. I will do this by introducing marking schemes where groups of heterogeneous settings formed randomly by alphabet sequence or ID. No. or mixed gender, or mixed ability, etc get more marks than groups of homogeneous settings so that students increase participation on group activity under diverse settings.
- Raise the issue of diversity in department meeting so that it will be aired up the ladder of the top management of the university for due attention.
- Forward suggestions to my college administration so it might go forward to top officials for reconsideration of the current placement strategy of students to universities by the Ministry of Education.
- Attempt to increase institutional emphasis to encourage instructors to consider diversity in the teaching learning process
- Set projects to be done by heterogeneous groups
- Practice mixed gender grouping, mixed ability grouping and consider the educational backgrounds of learners in group formation.
- Give the necessary assistance to students who are doing projects and assignments in diverse groups

Based on the investigation of the impact of diversity on group work, the following recommendations are forwarded.

1. Since there is ineffective work done to incorporate diversity in group activity, significant attention must be given by staff and administrators of higher learning institutions in this regard
2. Since male dominant groups are more likely to suffer coordination failures and free riding in group projects, and male students are more motivated to work hard in the presence of female students, ministry of education shall give more due attention in encouraging female participation in education and perpetuate the special consideration it started to the female to join higher learning institutions. The reason is almost two third of campus students are male dominated and it is impossible to match the benefits of gender diversity for the successful performance on group projects.
3. The research result that students prefer diversified grouping but they practice homogeneous grouping based on interest is paradoxical. Thus, further research has to be done to identify the underlying cause of this paradox.
4. The assistance given by instructors to students' team activity should be improved. Promotion of diversity benefits, follow up group tasks, encouraging members to work in the group, elimination of discrimination to diversified learning sets, focusing on random grouping to create heterogeneous groups should be expected to be worked out by instructors and university administrators.
5. University administrators should strive more to have a healthy campus climate because it will both promote and reflect the inclusion of all cultures and perspectives in the research, curriculum and pedagogy across all cultures.

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A STUDY ON MOTIVES AND AWARENESS LEVELS OF STOCK MARKET INVESTORS – A CASE STUDY WITH REFERENCE TO ANANTAPUR DISTRICT IN A.P.

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ABSTRACT

Stock markets play a crucial role in the acceleration of the pace of growth in a developing economy like India. Today the stock markets in India are scaling new and all-time highs. The Foreign Institutional Investors (FIIs) and the domestic investors, mainly the mutual funds, appear to have been showing their persistent faith and unshaken confidence in Indian stock markets. The investors' confidence and faith in stock markets is an essential prerequisite for the smooth, steady and stimulating performance of the stock markets in any country. Moreover, the spread of investment culture among the small and retail investors, especially among the rural investors also goes a long-way in the sustained development of stock markets and helps in capital formation in the country. Further with the advent of second phase of economic reforms, especially the reforms in the stock markets, the subject of 'investor protection' have been subjected too much debate and increased emphasis. Today, the small and rural investors are more exposed to investments risks because of insider trading, price rigging by organized brokers, manipulative and fraudulent practices of market intermediaries. It is in this context, the present work entitled "Motives and Preferences of Stock Market investors" has been taken up.

KEYWORDS

Motives and Preferences, Motives and Preferences of Stock Market investors, Motives of Stock Market investors, Preferences of Stock Market investors, Stock Market investors.

INTRODUCTION

 Stock markets play a crucial role in the acceleration of the pace of growth in a developing economy like India. Today the stock markets in India are scaling new and all-time highs. The Foreign Institutional Investors (FIIs) and the domestic investors, mainly the mutual funds, appear to have been showing their persistent faith and unshaken confidence in Indian stock markets. The investors' confidence and faith in stock markets is an essential prerequisite for the smooth, steady and stimulating performance of the stock markets in any country. Moreover, the spread of investment culture among the small and retail investors, especially among the rural investors also goes a long-way in the sustained development of stock markets and helps in capital formation in the country.

Further with the advent of second phase of economic reforms, especially the reforms in the stock markets, the subject of 'investor protection' have been subjected too much debate and increased emphasis. Today, the small and rural investors are more exposed to investments risks because of insider trading, price rigging by organized brokers, manipulative and fraudulent practices of market intermediaries. It is in this context, the present work entitled "Motives and Preferences of Stock Market investors" has been taken up.

REVIEW OF LITERATURE

It is extremely important for the policy makers and regulatory authorities to understand the investors' perceptions, preferences and their concerns about the financial markets and specifically on the stock market. This has become necessary on account of dramatic withdrawal of small investors from the capital market and it resulted in a virtual collapse of the capital market as a source of corporate financing after the mid-1990s. Despite great technological strides in the market's trading system, we have not yet truly recovered from this collapse.

It is pertinent to note the observation made by Prof. V. Gangadhar and M.Yadagiri to analyze and bring out the trends and pattern of capital issues in India during pre and post economic reforms period (1988 – 1994) covering three years each and to assess the impact of liberalization and economic reforms on the capital issues in India. The study was made with the help of simple techniques such as annual rate of change, ratio of capital issues as a percentage of Net Domestic Savings.

Sujit Sudhakar and Amritpal Singh of Gauhati University studied the behavioral aspects of the investors in and around Gauhati towards equity and mutual funds investment portfolio. The study attempted to highlight the investment decisions vis-à-vis (1) income earning, (2) capital appreciation and (3) tax benefits.

A study was undertaken by Prof. R.P. Hooda in his book entitled 'Indian Securities Market: Investors view point' primarily to present a detailed picture on investors viewpoints on different aspects of the functioning of securities market. The study was completely relied on primary data obtained through a well-designed structured questionnaire, which was administered among the effective size of 2460 respondents spreading over 21 cities across the country. This data collection was taken place for more than one year since September 1995. The data thus procured was processed with the help of statistical tools like chi-square (χ^2) test, coefficients of contingency of the purpose of analysis and to arrive at meaningful conclusions.

An interesting study was conducted by R. Shanmugham of Bharathiar University in connection with information sourcing of investors, their perceptions of various investment strategy dimensions along with the factors motivating investment decisions on a sample of 201 individual investors in Coimbatore. The analysis of investors view points on investment strategy dimensions was carried out by employing multiple discrimination analysis with the formation of three groups of investors i.e., tax savers, traditionalists and risk takers.

A survey was conducted by T.S. Rajeswari and V.E.Ramana Murthy to measure the mutual fund concept awareness level of potential retail investors and their perception level of the future performances of mutual fund industry. In addition, attempt was also made to identify the demographic and financial factors that influence their awareness and perception levels. The required data was collected through a pre-tested questionnaire, which was administered on a convenient sample of 350 educated potential retail investors.

G.Y. Shitole in his paper entitled 'Investment awareness in changing environment' submitted to the 54th All India Commerce Conference, observed that since 1991, there has been a marked change in the economic outlook of the country including the capital market. He was of the opinion that the factors like 1) age of investors, 2) savings volume with investors 3) investment avenues in the market, 4) financial commitments of investors, 5) risk taking capacity of investors and intentions of the investors are influencing the investment decisions.

A paper entitled "The Evolution of the Securities Market in India in the 1990's" by Ajay Shah and Susan Thomas threw much light on the changes taken place on India's equity and government bond markets during 90's. While the authors were fully convinced with the fact that the transformation of market design of the equity market is completed to a considerable extent, they wanted improvements in investigation and enforcement at SEBI so far as equity market is concern. They also provided some proposals for principles that are to be employed at RBI in moving forward on the Government of India bond market along with raising some issues on human capital and organizational design at SEBI and RBI.

A comprehensive study was made by Dr. Anand Mittal in his book 'Economic Reforms and Capital Market in India' in relation to capital market developments as a sequential to economic reforms.

The research paper presented by Dr. K. Santi Swarup reviews various measures in relation to revival of common investor confidence in the Indian equity primary markets. The study is based on questionnaire survey results in ten cities of India. The study pays attention to the decisions taken by the investors while investing in primary markets. It is clear from the analysis that the sample investors give preference to own analysis over brokers advice. They also believe market price as a better indicator than analyst recommendations.

An overview of the above studies reveal that some of them are of research studies, while the rest belongs to general studies focusing on the Indian capital market scenario and the related issues taken place over period of time representing times of pre and post reform period. Though some of them had a focus on motives and preferences of investors in Indian capital market in general, the absence of studies in this regard at regional level with particular reference to Anantapur of Andhra Pradesh has been felt very much. Moreover, it is an undisputable fact to mention that the socio economic characteristic features of investors in terms of their motives and preferences definitely varies from region to region, necessitating to take up the study in this direction in the Anantapur District of Andhra Pradesh.

In view of the above and to identify the possible areas for future research, the present study is a modest attempt to study the motives and awareness levels of stock market investors in Anantapur District of Andhra Pradesh.

NEED FOR THE STUDY

After thorough review of literature, there is a need to study the motives and perceptions of investors, a very crucial area in the formulation of policies and procedures for the orderly growth and development of securities markets in any nation. Most of the studies reviewed have mainly covered the aspects at macro level, like the ownership patterns in the capital market, occupation-wise break up of paid up value of share holdings of individuals, ownership pattern of shares/debentures, geographical distribution of share ownership in India.

There are only a few studies covering the issue of investor motives and perceptions at district level. Especially in the context of decline in the participation of small and household investors in the primary market operations, withdrawal of investors from the capital market, diversion of household savings into other safer investment avenues, it becomes all the more important to study and analyze the investors motives and awareness levels towards various investment avenues available to them in the securities markets.

OBJECTIVES OF THE STUDY

The basic objective of the present research work is to study the motives and perceptions of stock market investors. The specific objectives of the study are as follows:

1. To examine the socioeconomic profile of stock market investors in Anantapur District.
2. To analyse the motives of stock market investors.
3. To find out the awareness levels of investors towards different avenues of stock market.
4. To examine the awareness levels of investors towards different sectors of stock market.
5. To offer suitable suggestions for investors and policy makers.

METHODOLOGY OF THE STUDY

PRIMARY DATA

Primary data has been collected through structured questionnaire.

SECONDARY DATA

Data and information has been collected from Primary as well as Secondary sources. The secondary data has been collected from Books, Journals, Magazines, Business News papers, SEBI publications, BSE, NSE reports, RBI publications etc.

AREA SELECTION FOR PRIMARY DATA COLLECTION

Anantapur District of Andhra Pradesh has been selected for the study. Anantapur is the largest district in the state of Andhra Pradesh in terms of geographical area (19,13,000 ha) with nearly 13% of the district's area under forests. The district has a population of 36,40,478 with 5,89,465 rural households. The rural literacy rate is 61.6% with over 67% of the work force engaged in agriculture and the rest in non-agricultural activities. Three important towns like Anantapur, Dharmavaram and Hindupur in Anantapur District have been taken up for the study.

SAMPLING DESIGN

As the universe of the study is entire Anantapur District. A sample of 175 respondents from each city/town has been collected for the purpose of the study. The total sample size is 525 respondents as given under:

S.No	Name of the Town	Sample Size
1	Anantapur	175
2	Dharmavaram	175
3	Hindupur	175
TOTAL:		525

After elimination of few partially filled questionnaires, the resultant sample size is 513.

HYPOTHESIS

Hypothesis 1:

H₀₁ = Investors not worry about stock market

H₁₁ = Investors worry about stock market

Hypothesis 2:

H₀₂ = there is no significant difference in Investment in different avenues of capital markets

H₁₂ – there is significant difference in investment in different avenues of capital markets

Hypothesis 3:

H₀₃ = there is no significant difference in High growth as a motive for investing in stock market

H₁₃ = there is significant difference in Diversification as a motive for investing in stock market

TOOLS OF ANALYSIS

The statistical tools used to carry out the analysis are given below. The mean scores, frequencies, percentages for all the variables used in the study are calculated. The nature of distribution of the variables examined in the study could be assessed from mean scores and standard deviations of the same. For selected variables, based on the scores given by the sample respondents, ranks are also awarded in order to know their level of significance. Chi-Square analysis and ANOVA have been used.

SCOPE OF THE STUDY

The present study aims at analyzing the investment behavior of individual investors with special reference to Anantapur. Hence, the scope of the present study is confined to the study of motives and preferences of small and household investors of Anantapur district in the state of Andhra Pradesh. Three major cities of Anantapur district have been taken for study.

ANALYSIS AND INTERPRETATION**EDUCATION****TABLE 1: EDUCATIONAL BACKGROUND OF RESPONDENTS**

S.No	Educational Qualification	Sample Size	Percentage
1	Up to S.S.C.,	78	15.20
2	S.S.C., and +2	105	20.47
3	Diploma	39	7.60
4	Graduation	117	22.81
5	Post-Graduation	33	6.43
6	Professional Qualification	141	27.49
Total:		513	100.00

Source: Field Survey

INFERENCE: It can be interpreted from the above table that, a majority of the respondents (27.49 percent) are having professional qualification, followed by 22.81 percent are graduates, followed by 20.47 percent belong to S.S.C., and Intermediate group, followed by 15.20 percent up to S.S.C., followed by 7.60 percent belong to diploma level and 6.43 percent of the respondents are post-graduates.

OCCUPATION

High level occupations that produce high incomes usually require advanced educational training. For the purpose of the study categories are selected: Employee, Business, Professional, Agriculture, Students and others. An attempt has been made to know the relationship between occupation and investment behaviour.

TABLE 2: OCCUPATIONAL BACKGROUND OF RESPONDENTS

S.No	Occupation	Sample Size	Percentage
1	Employee	153	29.82
2	Business	96	18.71
3	Professional	147	28.65
4	Agriculture	78	15.20
5	Student	15	3.51
6	Others	24	4.68
Total:		513	100.00

Source: Field Survey

INFERENCE: It can be inferred from the above table that, a majority of the respondents (29.82 percent) are employees, followed by 28.65 percent are professionals, followed by 18.71 percent belong to business group, followed by 15.20 percent belong to agriculture segment, followed by 4.68 percent belong to other occupations (house wives etc) and 3.51 percent of the respondents are students.

SIZE OF THE FAMILY**TABLE 3: FAMILY SIZE OF RESPONDENTS**

S.No	Number of Family Members	Sample Size	Percentage
1	Up to 3	69	13.45
2	Above 3 and up to 5	411	80.12
3	Above 5	33	6.43
Total:		513	100.00

Source: Field Survey

INFERENCE: It can be interpreted from the above table that, a majority of (80.12 percent) the respondents' family size is 3 to 5 members, followed by 13.45 percent of the respondents family size is up to 3 and a small segment of 6.43 percent of the respondents family size is above 5.

INCOME**TABLE 4: INCOME LEVEL OF RESPONDENTS**

S.No	Income per Month	Sample Size	Percentage
1	Up to Rs. 10,000/-	39	7.60
2	Above Rs. 10,000/- and up to Rs. 20,000/-	114	22.22
3	Above Rs. 20,000/- and up to Rs. 30,000/-	147	28.65
4	Above Rs. 30,000/-	213	41.52
Total:		513	100.00

Source: Field Survey

INFERENCE: It can be evident from the above table that, a majority of (41.52 percent) the respondents are having family monthly income above Rs. 30,000/-, followed by 28.65 percent of the respondents are having family monthly income above Rs. 20,000/- and below Rs. 30,000/-, followed by 22.22 percent of the respondents are having family monthly income above Rs. 10,000/- and below Rs. 20,000/-, and a small segment of respondents 7.60 percent are having family monthly income less than Rs. 10,000/-.

DURATION OF OPERATION**TABLE 5: DURATION OF OPERATION IN STOCK MARKET**

S.No	Particulars	Sample Size	Percentage
1	Less than 1 year	189	36.84
2	1 to 3 years	163	31.77
3	3 to 6 years	114	22.22
4	Above 6 years	47	9.16
TOTAL:		513	100 percent

Source: Field Survey

INFERENCE: It can be inferred from the above table that, a majority of (36.84 percent) the respondents have been operating in the stock market for less than 1 year. 31.77 percent of the respondents have been operating in the stock market for 1 to 3 years. 22.22 percent of the respondents have been operating in the stock market for 3 to 6 years. 9.16 percent of the respondents have been operating in the stock market for above 6 years. It can be concluded that most of the respondents are new entrants.

AWARENESS ABOUT STOCK MARKETS

TABLE 6: AWARENESS ABOUT STOCK MARKETS

S.No	Particulars	Sample Size	Percentage
1	Media	233	45.42
2	Family members	55	10.72
3	Friends	176	34.31
4	Colleagues	32	6.24
5	Others	17	3.31
TOTAL		513	100.00

Source: Field Survey

INFERENCE: It can be analyzed from the above table that, a majority of (45.42 percent) the respondents revealed that they came to know about the stock market through media. 34.31 percent of the respondents revealed that they came to know about the stock market through friends. 10.72 percent of the respondents revealed that they came to know about the stock market through family members. 6.24 percent of the respondents revealed that they came to know about the stock market through colleagues and 3.31 percent of the respondents revealed that they came to know about the stock market through other sources like dealers, brokers etc. It can be concluded from the above table that, mode of awareness is mainly by media and friends. Hence, it is suggested in view of the importance of media, more programmes on stock market operations should be carried out to increase awareness level of investors. The business newspapers and magazines should also give technical analysis and fundamental analysis about different companies and industries in all regional languages understandable to all the investors across India irrespective of their educational level.

MOTIVES OF INVESTORS

SAFETY AS A MOTIVE

TABLE 7: SAFETY AS A MOTIVE FOR INVESTING IN STOCK MARKETS

S.No	Particulars	Sample Size	Percentage
1	First motive	43	8.38
2	Second motive	72	14.04
3	Third motive	101	19.69
4	Fourth motive	165	32.16
5	Fifth motive	132	25.73
TOTAL		513	100.00

Source: Field Survey

INFERENCE: It can be observed from the above table that, a majority of (32.16 percent) the respondents are safety is the fourth motive for investing in stock market. For 25.73 percent of the respondents safety is the fifth motive for investing in stock market. For 19.69 percent of the respondents safety is the third motive for investing in stock market. For 14.04 percent of the respondents safety is the second motive for investing in stock market and for 8.38 percent of the respondents safety is the first motive for investing in stock market. It can be concluded from the above table that for majority of the respondents are safety is not a prime motive for investing in stock market.

LIQUIDITY AS A MOTIVE

TABLE 8: LIQUIDITY AS A MOTIVE FOR INVESTING IN STOCK MARKETS

S.No	Particulars	Sample Size	Percentage
1	First motive	139	27.10
2	Second motive	121	23.59
3	Third motive	85	16.57
4	Fourth motive	76	14.81
5	Fifth motive	92	17.93
TOTAL		513	100.00

Source: Field Survey

INFERENCE: It can be seen from the above table that, a majority of (27.10 percent) the respondents' liquidity is the first motive for investing in stock market. For 23.59 percent of the respondents liquidity is the second motive for investing in stock market. For 17.93 percent of the respondents liquidity is the fifth motive for investing in stock market. For 16.57 percent of the respondents liquidity is the third motive for investing in stock market and for 14.81 percent of the respondents liquidity is the fourth motive for investing in stock market. It can be concluded from the above table that for majority of the respondents' liquidity is a motive for investing in stock market.

HIGH GROWTH AS A MOTIVE

TABLE 9: HIGH GROWTH AS A MOTIVE FOR INVESTING IN STOCK MARKETS

S.No	Particulars	Sample Size	Percentage
1	First motive	138	26.90
2	Second motive	115	22.42
3	Third motive	99	19.30
4	Fourth motive	70	13.65
5	Fifth motive	91	17.74
TOTAL		513	100.00

Source: Field Survey

INFERENCE: It can be interpreted from the above table that, a majority of (26.90 percent) the respondents expressed that high growth is their first motive for investing in stock market. For 22.42 percent of respondents, high growth is the second motive for investing in stock market. For 19.30 percent of respondents, high growth is the third motive for investing in stock market. For 17.74 percent of respondents, high growth is the fifth motive for investing in stock market and for 13.6 percent of respondents; high growth is the fourth motive for investing in stock market. It can be concluded from the above that, high growth is prime motive for investing in stock market for majority of the respondents.

HIGH RETURNS AS A MOTIVE

TABLE 10: HIGH RETURNS AS A MOTIVE FOR INVESTING IN STOCK MARKETS

S.No	Particulars	Sample Size	Percentage
1	First motive	141	27.49
2	Second motive	127	24.76
3	Third motive	103	20.08
4	Fourth motive	82	15.98
5	Fifth motive	60	11.70
TOTAL		513	100.00

Source: Field Survey

INFERENCE: It can be inferred from the above table that, a majority of (27.49 percent) the respondents expressed that high returns is their first motive for investing in stock market. For 24.76 percent of respondents, high returns is the second motive for investing in stock market. For 20.08 percent of respondents, high returns is the third motive for investing in stock market. For 15.98 percent of respondents, high returns is the fourth motive for investing in stock market and for 11.70 percent of respondents, high returns is the fifth motive for investing in stock market. It can be concluded from the above that, high returns is prime motive for investing in stock market for majority of the respondents.

DIVERSIFICATION AS A MOTIVE

TABLE 11: DIVERSIFICATION AS A MOTIVE FOR INVESTING IN STOCK MARKETS

S.No	Particulars	Sample Size	Percentage
1	First motive	52	10.14
2	Second motive	78	15.20
3	Third motive	125	24.37
4	Fourth motive	120	23.39
5	Fifth motive	138	26.90
TOTAL		513	100.00

Source: Field Survey

INFERENCE: It can be analyzed from the above table that, a majority of (26.90 percent) the respondents stated that, diversification is their fifth motive for investing in stock market. For 24.37 percent of respondents, diversification is the third motive for investing in stock market. For 23.39 percent of respondents, diversification is the fourth motive for investing in stock market. For 15.20 percent of respondents, diversification is the second motive for investing in stock market and for 10.14 percent of respondents; diversification is the first motive for investing in stock market. It can be concluded from the above that, diversification is not a prime motive for investing in stock market for majority of the respondents.

AWARENESS TOWARDS EQUITY SHARES

TABLE 12: LEVEL OF AWARENESS TOWARDS EQUITY SHARES

S.No	Particulars	Sample Size	Percentage
1	Know very well	496	96.69
2	Know some what	17	3.31
3	Don't know	00	00.00
TOTAL		513	100.00

Source: Field Survey

INFERENCE: It can be observed from the above table that, an overwhelming majority of (96.69 percent) the respondents revealed that, they know very well about equity shares and a small segment of 3.31 percent of the respondents revealed that they know some what about equity shares. It can be concluded from the above table that, for majority of the stock market investors equity shares are very familiar.

AWARENESS TOWARDS DEBENTURES

TABLE 13: LEVEL OF AWARENESS TOWARDS DEBENTURES

S.No	Particulars	Sample Size	Percentage
1	Know very well	32	6.24
2	Know some what	44	8.58
3	Don't know	437	85.19
TOTAL		513	100.00

Source: Field Survey

INFERENCE: It can be seen from the above table that, a majority of (85.19 percent) respondents revealed that, they don't know about debentures. 8.58 percent of the respondents revealed that, they know some what about debentures and 6.24 percent of the respondents revealed that they know very well about debentures. It can be concluded from the above table that, for majority of the stock market investors debentures are not very familiar. Hence, it is suggested that awareness levels of potential investors towards debentures should be increased in view of the safety and security of debentures.

AWARENESS TOWARDS MUTUAL FUNDS

TABLE 14: LEVEL OF AWARENESS TOWARDS MUTUAL FUNDS

S.No	Particulars	Sample Size	Percentage
1	Know very well	263	51.27
2	Know some what	208	40.55
3	Don't know	42	8.19
TOTAL		513	100.00

Source: Field Survey

INFERENCE: It can be inferred from the above table that, a majority of (51.27 percent) of the respondents revealed that, they know very well about mutual funds. 40.55 percent of the respondents revealed that, they know some what about mutual funds and 8.19 percent of the respondents revealed that they don't know about mutual funds. It can be concluded from the above table that, for majority of the stock market investors mutual funds are very familiar.

AWARENESS TOWARDS UNIT LINKED PLANS

TABLE 15: LEVEL OF AWARENESS TOWARDS UNIT LINKED PLANS

S.No	Particulars	Sample Size	Percentage
1	Know very well	91	17.74
2	Know some what	153	29.82
3	Don't know	269	52.44
TOTAL		513	100.00

Source: Field Survey

INFERENCE: It can be inferred from the above table that, a majority of (52.44 percent) of the respondents revealed that, they don't know about unit linked plans. 29.82 percent of the respondents revealed that, they know some what about unit linked plans and 17.74 percent of the respondents revealed that they know very well about unit linked plans. It can be concluded from the above table that, for majority of the stock market investors unit linked plans are not known very well. Hence, it is suggested that awareness levels about unit linked plans should be increased as they serve the dual purpose – investment and insurance.

AWARENESS TOWARDS GOLD TRADED FUNDS

TABLE 16: LEVEL OF AWARENESS TOWARDS GOLD TRADED FUNDS

S.No	Particulars	Sample Size	Percentage
1	Know very well	67	13.06
2	Know some what	86	16.76
3	Don't know	360	70.18
TOTAL		513	100.00

Source: Field Survey

INFERENCE: It can be analyzed from the above table that, a majority of (70.18 percent) the respondents revealed that, they don't know about gold traded funds. 16.76 percent of the respondents revealed that, they know some what about gold traded funds and 13.06 percent of the respondents revealed that they know very well about gold traded funds. It can be concluded from the above table that, for majority of the stock market investors gold traded funds are not known very well. Hence, it is suggested that measures must be taken to create awareness about gold traded funds so as to avoid the possibility of wear and tear and depreciation associated with custody of gold

AWARENESS TOWARDS FUTURES AND OPTIONS

TABLE 17: LEVEL OF AWARENESS TOWARDS FUTURES AND OPTIONS

S.No	Particulars	Sample Size	Percentage
1	Know very well	83	16.18
2	Know some what	69	13.45
3	Don't know	361	70.37
TOTAL		513	100.00

Source: Field Survey

INFERENCE: It can be observed from the above table that, a majority of (70.37 percent) the respondents revealed that, they don't know about futures and options. 16.18 percent of the respondents revealed that, they know very well about futures and options and 13.45 percent of the respondents revealed that they know some what about futures and options. It can be concluded from the above table that, only few stock market investors know about futures and options. Hence, it is suggested that a great deal of awareness about futures and options must be created among potential investors in view of the importance of futures and options trade. The awareness level is very low. As such SEBI and other government agencies have to undertake adequate measures to create awareness.

AWARENESS TOWARDS COMMODITIES

TABLE 18: LEVEL OF AWARENESS TOWARDS COMMODITIES

S.No	Particulars	Sample Size	Percentage
1	Know very well	41	7.99
2	Know some what	78	15.20
3	Don't know	394	76.80
TOTAL		513	100.00

Source: Field Survey

INFERENCE: It can be seen from the above table that, a majority (76.80 percent) the respondents revealed that, they don't know about commodities trading. 15.20 percent of the respondents revealed that, they know some what about commodities trading and 7.99 percent of the respondents revealed that they know very well about commodities trading. It can be concluded from the above table that, only a small segment of the stock market investors know very well about commodities trading. Hence, it is suggested that a great deal of awareness about commodities trading must be created among potential investors in view of the importance of commodities trade. The awareness level is very low. As such SEBI and other government agencies have to undertake adequate measures to create awareness.

LEVEL OF AWARENESS TOWARDS AUTOMOBILE SECTOR

TABLE 19: LEVEL OF AWARENESS TOWARDS AUTOMOBILE SECTOR

S.No	Particulars	Sample Size	Percentage
1	Know very well	281	54.78
2	Know some what	168	32.75
3	Don't know	64	12.48
TOTAL		513	100.00

Source: Field Survey

INFERENCE: It can be inferred from the above table that, a majority of (54.78 percent) the respondents revealed that they know very well about automobile sector. 32.75 percent of the respondents revealed that they know some what about automobile sector and 12.48 percent of the respondents don't know about automobile sector. It can be concluded from the above table that majority of the respondents are having awareness about automobile sector.

LEVEL OF AWARENESS TOWARDS BANKING SECTOR

TABLE 20: LEVEL OF AWARENESS TOWARDS BANKING SECTOR

S.No	Particulars	Sample Size	Percentage
1	Know very well	268	52.24
2	Know some what	153	29.82
3	Don't know	92	17.93
TOTAL		513	100.00

Source: Field Survey

INFERENCE: It can be inferred from the above table that, a majority of (52.24 percent) the respondents revealed that they know very well about banking sector. 29.82 percent of the respondents revealed that they know some what about banking sector and 17.93 percent of the respondents don't know about banking sector. It can be concluded from the above table that majority of the respondents are having awareness about banking sector.

LEVEL OF AWARENESS TOWARDS CONSUMER DURABLES SECTOR

TABLE 21: LEVEL OF AWARENESS TOWARDS CONSUMER DURABLES SECTOR

S.No	Particulars	Sample Size	Percentage
1	Know very well	239	46.59
2	Know some what	161	31.38
3	Don't know	113	22.03
TOTAL		513	100.00

Source: Field Survey

INFERENCE: It can be observed from the above table that, a majority of (46.59 percent) of the respondents revealed that they know very well about consumer durables sector. 31.38 percent of the respondents revealed that they know some what about consumer durables sector and 22.03 percent of the respondents don't know about consumer durables sector. It can be concluded from the above table that majority of the respondents are having awareness about consumer durables sector.

LEVEL OF AWARENESS TOWARDS FMCG SECTOR

TABLE 22: LEVEL OF AWARENESS TOWARDS FMCG SECTOR

S.No	Particulars	Sample Size	Percentage
1	Know very well	305	59.45
2	Know some what	162	31.58
3	Don't know	46	8.97
TOTAL		513	100.00

Source: Field Survey

INFERENCE: It can be seen from the above table that, a majority of (59.45 percent) the respondents revealed that they know very well about FMCG sector. 31.58 percent of the respondents revealed that they know some what about FMCG sector and 8.97 percent of the respondents don't know about FMCG sector. It can be concluded from the above table that majority of the respondents are having awareness about FMCG sector.

LEVEL OF AWARENESS TOWARDS INFORMATION TECHNOLOGY SECTOR

TABLE 23: LEVEL OF AWARENESS TOWARDS INFORMATION TECHNOLOGY SECTOR

S.No	Particulars	Sample Size	Percentage
1	Know very well	265	51.66
2	Know some what	212	41.33
3	Don't know	36	7.02
TOTAL		513	100.00

Source: Field Survey

INFERENCE: It can be inferred from the above table that, a majority of (51.66 percent) of the respondents revealed that they know very well about Information Technology sector. 41.33 percent of the respondents revealed that they know some what about Information Technology sector and 7.02 percent of the respondents don't know about Information Technology sector. It can be concluded from the above table that majority of the respondents are having awareness towards Information Technology sector.

LEVELS OF AWARENESS TOWARDS OIL AND GAS SECTOR

TABLE 24: LEVEL OF AWARENESS TOWARDS OIL AND GAS SECTOR

S.No	Particulars	Sample Size	Percentage
1	Know very well	253	49.32
2	Know some what	156	30.41
3	Don't know	104	20.27
TOTAL		513	100.00

Source: Field Survey

INFERENCE: It can be inferred from the above table that, a majority of (49.32 percent) of the respondents revealed that they know very well about oil and gas sector. 30.41 percent of the respondents revealed that they know some what about oil and gas sector and 20.27 percent of the respondents don't know about oil and gas sector. It can be concluded from the above table that majority of the respondents are having awareness towards oil and gas sector.

LEVEL OF AWARENESS TOWARDS PUBLIC SECTOR UNDERTAKINGS SECTOR

TABLE 25: LEVEL OF AWARENESS TOWARDS PUBLIC SECTOR UNDERTAKINGS SECTOR

S.No	Particulars	Sample Size	Percentage
1	Know very well	192	37.43
2	Know some what	147	28.65
3	Don't know	174	33.92
TOTAL		513	100.00

Source: Field Survey

INFERENCE: It can be analyzed from the above table that, a majority of (37.43 percent) the respondents revealed that they know very well about public sector undertakings sector. 28.65 percent of the respondents revealed that they know some what about public sector undertakings sector and 33.92 percent of the respondents don't know about public sector undertakings sector. It can be concluded from the above table that majority of the respondents are having little knowledge about public sector undertakings sector.

LEVEL OF AWARENESS TOWARDS REALTY SECTOR

TABLE 26: LEVEL OF AWARENESS TOWARDS REALTY SECTOR

S.No	Particulars	Sample Size	Percentage
1	Know very well	221	43.08
2	Know some what	135	26.32
3	Don't know	157	30.60
TOTAL		513	100.00

Source: Field Survey

INFERENCE: It can be observed from the above table that, a majority of (43.08 percent) the respondents revealed that they know very well about Realty sector. 26.32 percent of the respondents revealed that they know some what about Realty sector and 30.60 percent of the respondents don't know about Realty sector. It can be concluded from the above table that majority of the respondents are having some knowledge about Realty sector.

LEVEL OF AWARENESS TOWARDS HEALTH CARE SECTOR

TABLE 27: LEVEL OF AWARENESS TOWARDS HEALTH CARE SECTOR

S.No	Particulars	Sample Size	Percentage
1	Know very well	271	52.83
2	Know some what	173	33.72
3	Don't know	69	13.45
TOTAL		513	100.00

Source: Field Survey

INFERENCE: It can be seen from the above table that, a majority of (52.83 percent) of the respondents revealed that they know very well about health care sector. 33.72 percent of the respondents revealed that they know some what about health care sector and 13.45 percent of the respondents don't know about health care sector. It can be concluded from the above table that majority of the respondents are having good knowledge about health care sector.

LEVEL OF AWARENESS TOWARDS METALS SECTOR

TABLE 28: LEVEL OF AWARENESS TOWARDS METALS SECTOR

S.No	Particulars	Sample Size	Percentage
1	Know very well	295	57.50
2	Know some what	172	33.53
3	Don't know	51	9.94
TOTAL		513	100.00

Source: Field Survey

INFERENCE: It can be inferred from the above table that, a majority of (57.50 percent) of the respondents revealed that they know very well about metals sector. 33.53 percent of the respondents revealed that they know some what about metals sector and 9.94 percent of the respondents don't know about metals sector. It can be concluded from the above table that majority of the respondents are having good knowledge about metals sector.

LEVEL OF AWARENESS TOWARDS TECHNOLOGY SECTOR

TABLE 29: LEVEL OF AWARENESS TOWARDS TECHNOLOGY SECTOR

S.No	Particulars	Sample Size	Percentage
1	Know very well	327	63.74
2	Know some what	134	26.12
3	Don't know	52	10.14
TOTAL		513	100.00

Source: Field Survey

INFERENCE: It can be inferred from the above table that, a majority of (63.74 percent) the respondents revealed that they know very well about technology sector. 26.12 percent of the respondents revealed that they know some what about technology sector and 10.14 percent of the respondents don't know about technology sector. It can be concluded from the above table that majority of the respondents are having good knowledge about technology sector.

LEVEL OF AWARENESS TOWARDS POWER SECTOR

TABLE 30: LEVEL OF AWARENESS TOWARDS POWER SECTOR

S.No	Particulars	Sample Size	Percentage
1	Know very well	249	48.54
2	Know some what	156	30.41
3	Don't know	118	23.00
TOTAL		513	100.00

Source: Field Survey

INFERENCE: It can be analyzed from the above table that, a majority of (48.54 percent) of the respondents revealed that they know very well about power sector. 30.41 percent of the respondents revealed that they know some what about power sector and 23.00 percent of the respondents don't know about power sector. It can be concluded from the above table that majority of the respondents are having good knowledge about power sector.

LEVEL OF AWARENESS TOWARDS ELECTRONIC GOODS SECTOR

TABLE 31: LEVEL OF AWARENESS TOWARDS ELECTRONIC GOODS SECTOR

S.No	Particulars	Sample Size	Percentage
1	Know very well	247	48.15
2	Know some what	164	31.97
3	Don't know	102	19.88
TOTAL		513	100.00

Source: Field Survey

INFERENCE: It can be observed from the above table that, a majority of (48.15 percent) of the respondents revealed that they know very well about electronic goods sector. 31.97 percent of the respondents revealed that they know some what about electronic goods sector and 19.88 percent of the respondents don't know about electronic goods sector. It can be concluded from the above table that majority of the respondents are having good knowledge about electronic goods sector.

TESTING OF HYPOTHESIS

Hypothesis to test whether Investment is made or not in different avenues of Capital markets

1. **Statement of the Problem:** Whether the investors invested or not invested in different avenues of capital markets

2. **Hypothesis 1:**

H_0 = there is no significant difference in Investment made in different avenues of capital markets

H_1 – there is significant difference in investment made in different avenues of capital markets

3. **State the Decision Rule:** Accept the null hypothesis H_{01} if the calculated value of χ^2 is less than or equal to the table value, otherwise reject H_{01} .

	Invested (Actual)	Not invested (Actual)	Invested (Expected)	Not invested (Expected)
Equity shares	427	86	153	360
Debentures	18	495	153	360
Mutual Funds	276	237	153	360
Unit Linked Plans	152	361	153	360
Gold Traded Funds	58	455	153	360
Futures & Options	96	417	153	360
Commodities	45	468	153	360

The χ^2 statistic for the above data = **3.71**

4. **Table value:**

d.f (c-1) (r-1) = (2-1) (7-1) = 6.

For 6 d.f the table value χ^2 at 5% LOS = **12.59**.

5. **Make Decision:** Since the calculated value of χ^2 (= **3.71**) is less than the table value of χ^2 (= **12.59**) at **0.05%** we accept the H_{01} . That means the investors are invested in different avenues of capital markets.

HYPOTHESIS TO TEST WHETHER HIGH GROWTH AND DIVERSIFICATION IS A PRIME MOTIVE FOR INVESTING IN STOCK MARKETS

1. **Statement of the Problem:** Whether the investor look for High growth or Diversification as a motive for investing in stock markets

2. **Hypothesis 2:**

H_0 = there is no significant difference in High growth as a motive for investing in stock market

H_1 = there is significant difference in Diversification as a motive for investing in stock market

3. **State the Decision Rule:** Accept the null hypothesis H_{02} if the calculated value of χ^2 is less than or equal to the table value. If calculated χ^2 value is more than the table value reject H_0 . In other words accept the alternative hypothesis H_{12} .

Particulars	High growth (Actual)	Diversification (Actual)	High (Expected)	Diversification (Expected)
First motive	138	52	95	95
Second motive	115	78	96.5	96.5
Third motive	99	125	112	112
Fourth motive	70	120	95	95
Fifth motive	91	138	114.5	114.5

The χ^2 statistic for the above data = **9.26**

4. **Table value:**

d.f (c-1) (r-1) = (2-1) (5-1) = 4.

For 4 d.f the table value χ^2 at 5% LOS = **11.07**.5. **Make Decision:** Since the calculated value of χ^2 (= **9.26**) is less than the table value of χ^2 (= 11.07) at **0.05%**, as per decision rule accept the H_{02} . That means high growth is a First motive for investing in stock market not for diversification.**ANALYSIS OF VARIANCE**1. **Statement of the Problem:** Whether the investors' worries about stock market or not like volatility and unfair trade practices regarding selling and buying of shares in market2. **Hypothesis 7:** H_0 = Investors not worry about stock market H_1 = Investors worry about stock market

Particulars	Too much volatility	Unfair practices
1 st reason to worry	152	177
2 nd reason to worry	157	185
3 rd reason to worry	204	151

ANOVA: SINGLE FACTOR

Source of Variation	SS	df	MS	Computed F	P-value	F crit
Between Groups	169	2	84.5	0.120199	0.890808	9.552094
Within Groups	2109	3	703			
Total	2278	5				

Interpretation: Tabulated value of F for 5% significance level with degrees of freedom 2, 3 ($F_{2,3,0.5}$) = 9.55. Since the computed value is (0.12019) less than the tabulated value (9.55), we reject H_0 and accept H_1 and concluded that the most of the investors worry about stock market i.e., 3rd reason to worry.**SUGGESTIONS**

- It is suggested in view of the importance of media, more programmes on stock market operations should be carried out to increase awareness level of investors. The business newspapers and magazines should also give technical analysis and fundamental analysis about different companies and industries in such a language understandable to all the investors across India irrespective of their educational level.
- It is suggested that a great deal of awareness about futures and options must be created among potential investors in view of the importance of futures and options trade. The awareness level is very low. As such SEBI and other government agencies have to undertake adequate measures to create awareness.
- It is suggested that a great deal of awareness about commodities trading must be created among potential investors in view of the importance of commodities trade. The awareness level is very low. As such SEBI and other government agencies have to undertake adequate measures to create awareness.
- It is suggested that the companies should practice good corporate governance by disclosing true accounting and financial position. The indulgence in unethical and unscrupulous activities will erode the investor confidence in the companies. The balance sheet should be transparent and reflect the true financial position of the company.
- It is suggested that the media should guide the investors properly in investing their hard earned money. The media should invite stock market experts to give valuable tips to the potential investors through their programmes. The media should also conduct programmes to create awareness about investment in stock market operations. They should also educate the uneducated investors about technical analysis and fundamental analysis and intricacies involved in stock market trading.
- It is suggested that SEBI has to play very active role in protecting the interest of the investors by regulating the companies. They should check the irregularities, corporate mis-governance, insider trading and price rigging of companies. The SEBI should be given proper teeth to check and to regulate the activities of companies.
- It is suggested that awareness levels of potential investors towards debentures should be increased in view of the safety and security of debentures.
- It is suggested that awareness levels about unit linked plans should be increased as they serve the dual purpose – investment and insurance.
- It is suggested that measures must be taken to create awareness about gold traded funds so as to avoid the possibility of wear and tear and depreciation associated with custody of gold.
- For small investors and investors without much knowledge about stock market operations, mutual funds prove to be Best Avenue for investment. Hence, it is suggested that measures should be taken to develop confidence among investors about mutual funds.

LIMITATIONS OF THE STUDY

In a study of this magnitude though, meticulous care has been taken in each and every aspect of study. Certain limitations are likely to be there in the study.

- Since the study is a sample based and undertaken in Anantapur District, Andhra Pradesh, the findings of the study may have the limitation of generalization to the entire population.
- Despite the care taken to understand the feelings and opinions of the respondents, some articulation error may have crept into the study.
- Some respondents may not be aware of certain latest procedures and aspects of stock market.
- A few respondents were hesitant to give details.
- There might be a sense of bias crept in answers given by the respondents.
- The conclusion may or may not be generalized since the study is confined to Anantapur District of Andhra Pradesh only.

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ABSTRACT

In this research article we have discuss about relationship between service quality and patient's satisfaction towards the private sector health industries in India, five service quality dimensions has been discussed namely tangibility, reliability, responsiveness, empathy and assurance to determine the quality of service provided by health industries from the patients point of view, data has been taken from 97 individual who have subscribed service from the health care industries. Finding of the study suggested that there is positive relationship between service quality and patient's satisfaction in the dimension of reliability, empathy and assurance on the other hand there is no significant relationship between service quality and customer satisfaction in the dimension of tangibility and responsiveness, with the help of finding we have suggested that private sector health care industries should be proper attention towards the service in order to maintain their tangibility and responsiveness.

KEYWORDS

service quality, health care industries, patient's satisfaction.

INTRODUCTION

 Service quality and customer satisfaction has become very important issue for private sector organization, however we can say that this is important for both customer as well as organization. Determination of service quality and customer satisfaction is very complex issue because both issues differ from product to product and person to person. Quality is the combination of need as well as expectation of customer (Parsuraman et al 1991)^[17]. And customer satisfaction is fulfillment of customer response towards service provider (Oliver 1997)^[16], it is also to be say that as judgments of product or service feature. Whereas service quality is very important for private sector industries, in present number of personal industries providing different type of service to their customer, Due to variation in service quality it is difficult to maintain customer in long run. In this study we have discuss about service quality and customer satisfaction towards personal health care industries providing different type of service to the patients in various area, due to the ability of latest and update machinery towards medical facility number of people subscribed service from there. In the past few decades India has become popular about medical facility and so many private health care industries has been come before us. Now a days it has become great challenge to personal health care industries to consider all aspect of medical facility including Physicians, professionalism level, latest treatment technology cleanness moral behavior of hospital employee, certification of service and ethical issue. While we can say that development of health care industries may be positive impact on development of country. In the present time due to competition among the health care industries all the personal health care industries improving service quality by including commitment to the patients and other people about other facility such as travel arrangement, consideration in cost of treatments, visit of out side physicians etc. (York, Dino 2008)^[25]

REVIEW OF LITERATURE

SERVICE QUALITY

If we are talking about service quality so we can define service quality has become very significant issue for survive the business for a long period. So many researches has been conduct to measure the service quality of the industries, Parasuraman (1985, 1988, and 1994)^[18, 19, 20] has developed 22 item of SERVQUAL with the help of five quality dimension namely reliability, tangibility, assurance, empathy and responsiveness for the determination of gap between expectation and actual performance. Rust and Oliver (1994)^[19] provide a model for calculating quality of service by including three components known as service product, service delivery and service environment, but not many researchers has used this model for measuring the quality of service but after some time (Mc Alexander, Kaldenberg and Koenig 1994) tested this model in retail banking and health care industries and define support to measure the service quality. According to the kotler et al (2006)^[9] service quality must be concern with four characteristic of service namely intangibility, perishability, inseparability and heterogeneity

PATIENT'S SATISFACTION

Patients satisfaction may be define as the satisfaction of customer towards the service provider because a patient is just like a customer. Customer satisfaction may be described as expectation and perception of customer where expectation refers to the pre purchase intention of the customer and perception refers to the post purchase intention of the customer towards the service provider (Oliver 1997, Westbrook & Oliver 1991)^[16, 23]. However according to the Levesque and McDougall (1996)^[12] customer satisfaction may be calculated as a customer overall attitude towards service provider on the other hand customer satisfaction is customer fulfill response about service or product (Oliver 1997)^[16]. Customer satisfaction is known as customer experience after subscribed service from ant particular service provider. Yi. (1990)^[24] has defined that customer satisfaction may be influenced by two factor expectation before purchased and experience after purchased towards the service provider, on the other hand we may say that customer may be satisfy if service provider perfume well Three general components for satisfaction are expectation or not. This is in strict conformance with the described below: (i) Satisfaction is a response, which can models in the literature on service quality, which be emotional or cognitive; (ii) The response related to a describes it as the ability to consistently meet external and particular focus, such as product, expectation and internal customers' needs, wants and expectations consumption experience; (iii) The response occur at particular time for example after consumption, after further review of literature reveals that service quality has purchase or after accumulated experience (Gise, J. and J. Cote, 2000)^[10]

OBJECTIVES OF THE STUDY

The objectives of the study are as under

- To identify the relationship between service quality and patient's satisfaction
- To measure the service quality of private health care industries
- To identify most important dimension of service quality from the patient's point of view
- To measure the satisfaction level of patient's towards the private health care industries

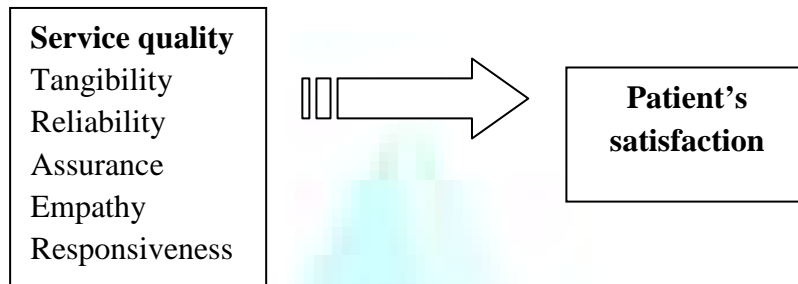
RESEARCH METHODOLOGY

DEFINING RESEARCH METHODOLOGY

Research is a common parlance refers to a search for knowledge. In the other word we can define research comprises of defining and re-defining problem, formulation of hypothesis, or suggested solution and evaluating data making deduction and reaching solution.

RESEARCH FRAMEWORK

To analyze the service quality of private health care industries we have used the service quality model given by parsurman (1991)^[17] by including five dimensions namely reliability, assurance, empathy, tangibility and responsiveness, I also assumed the relationship between service quality provided by private health care industries and patients satisfaction.



DEVELOPMENT OF HYPOTHESIS

➤ **Relationship between tangibility and patients satisfaction**

This aspect of service quality refers to the physical facility perceived by customer including, equipment, and appearance of personnel (Parsurman et.al 988)^[19]. This is the most important issue for service industries while measuring the quality of service therefore my first hypothesis is

H1: there is a significant relationship between tangibility and patient's satisfaction

➤ **Relationship between reliability and patients satisfaction**

This aspect of service quality refers to the patients dependably on service provider (Parsurman et.al 988)^[19]. Satisfaction level of customer is high if the service provider shows their honesty about customer services hence my second hypothesis is

H2: There is a significant relationship between reliability and patient's satisfaction

➤ **Relationship between Responsiveness and patients satisfaction**

Responsiveness refers to the willingness of employee to help the customer and give them proper information about service (Parsurman et.al 988)^[19]. Whereas this efforts refers to increased the process about performance towards the service to make the customer satisfy by this segment my third hypothesis is

H3: There is a significant relationship between responsiveness and patient's satisfaction

➤ **Relationship between assurance and patients satisfaction**

This factor of service quality refers to the employee knowledge about service, good manner/behavior to create trust and confidence in the heart of customer (Parsurman et.al 988)^[19], it may create positive impact on customer satisfaction hence my fourth hypothesis is

H4: There is a significant relationship between assurance and patient's satisfaction

➤ **Relationship between empathy and patients satisfaction**

This aspect of service quality refers to the caring and personal attention provided to the customer (Vuori, H., 1987)^[22], on the other hand empathy has positive relationship to make the relationship with customer and has positive impact on customer satisfaction (Cronin, J.J. and S.A. Taylor, 1992, Carman, James M., 1990, Finn, D.W. and C.W. Lamb, 1991)^[05,06,09]. Therefore my fifth hypothesis is

H5: There is a significant relationship between empathy and patient's satisfaction

METHODOLOGY

SAMPLE AND DATA COLLECTION

In this study we have investigate the relationship between service quality and customer satisfaction by taking five dimension of service quality namely reliability, tangibility, assurance, empathy and responsiveness giving by parsurman et. Al (1988)^[19] Data has been taken from 97 individual who has subscribed and taking treatment from private health care industries in India the measurement of data has been done by the use of five likert scale 1 strongly disagree to 5 strongly agree

FINDING OF THE STUDY

TABLE 1: FREQUENCY DISTRIBUTION

Variables	frequency	percentage
Age		
30-35	25	25.77
36-41	31	31.95
42-45	29	30.85
45-49	12	12.37
Gender		
Male	57	58.76
Female	38	39.17

TABLE 2: RELIABILITY ANALYSIS

Variable	Number of item	Cronbach alpha
Tangibility	5	0.86
Reliability	4	0.79
Responsiveness	3	0.75
Assurance	4	0.93
Empathy	4	0.69
Customer satisfaction	6	0.81

TABLE 3: MEAN AND S.D

Variable	Mean	S.D
Tangibility	3.7021	0.61201
Reliability	3.2032	0.79521
Responsiveness	3.4612	0.81201
Assurance	3.6321	0.52122
Empathy	3.5102	0.58512
Customer satisfaction	3.6285	0.52201

TABLE 4: REGRESSION ANALYSIS

Variable	Std. Coeff. β	t	Sig.	R ²	F
Customer satisfaction(constant)	—	7.421	0.000	0.412	10.26
Tangibility	0.101	1.412	1.295	—	—
Reliability	0.186	3.126	0.003	—	—
Responsiveness	0.159	2.421	0.210	—	—
Assurance	0.242	2.216	0.000	—	—
Empathy	0.232	3.226	0.001	—	—

Data has mean calculated by the SPSS computer package, table first indicated the demographic distribution of the respondents, where all the individual for the present study are between 30- 49 years old, in the all individual 58.76 percent individual are male and 39.11 are female, table 2 show reliability analysis between all variable the value of alpha between 0.75 to 0.93 and in table 3 show value of standard deviation is 0.52 to 0.81, table 4 show regression analysis, we can see service quality stand at 41 percent ($R^2 = 0.41$) Of Variance of Patients Satisfaction, as seen in table 4 the significant value ($F=10.26$, $p<0.001$). According to the testing of hypothesis reliability ($\beta=0.18$, p value <0.01), assurance ($\beta=0.24$, p value <0.01), empathy ($\beta=0.23$, p value <0.01) are significantly related to patients satisfaction on the other hand tangibility ($\beta=0.101$, p value >0.05), and responsiveness ($\beta=0.15$, p value >0.05) are not significantly related to patients satisfaction

FINDINGS

- H1: not supported
 H2: supported
 H3: not supported
 H4: supported
 H5: supported

DISCUSSION

In this research article we have discuss about impact of service quality in patient's satisfaction towards the private sector health industries in India. Finding of the study show that there is not significant relationship between tangibility and patients satisfaction, therefore we can say that private sector health industries try to improved quality of service in order to increased physical aspect of service like medical treatments, equipments etc. in the second finding indicated that there is significant relationship between reliability and patients satisfaction, this refers to patients dependently on service provider for accurate service without any mistake. Third finding indicated that there is not significant relationship between responsiveness and patient's satisfaction thus we can say that positive response of employee is required to help the patients by providing proper information in order to win their satisfaction. Fourths finding indicated that there is positive relationship between assurance and patient's satisfaction it refers that how the medical staff has to fulfill the psychological need of the patients to create the satisfaction base. At the last finding clearly indicated that there is positive relationship between empathy and patients satisfaction with the help of this we can say that there should be proper attention on individual service towards the service providing to patients

CONCLUSION

There are so many private health industries in India, there are need to more efforts to develop and promote the industries towards the service quality and patient's satisfaction. The result of the study has indicated that tangibility and responsiveness ahs no significant relationship with patients satisfaction therefore we can say that private health industries need to develop their service quality in the aspect of tangibility such as physical facility, appearance of personnel etc. while responsiveness refers to the motivation of service provider to help patient's or customer and promote service and also increased the process of service which may affect patient's satisfaction. On the other hand we can say that government must be continued their role to the development of health industries because it may helpful to the development of country.

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IPO'S PERFORMANCE AND ITS RELATIONSHIP WITH QIB SUBSCRIPTIONS AND GRADE

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ABSTRACT

An initial public offering (IPO), referred to simply as an "offering" or "flotation", is when a company (called the issuer) issues common stock or shares to the public for the first time. They are often issued by smaller, younger companies seeking capital to expand, but can also be done by large privately-owned companies looking to become publicly traded. An IPO can be a risky investment. For the individual investor it is tough to predict what the stock or shares will do on its initial day of trading and in the near future since there is often little historical data with which to analyze the company. Also, most IPOs are of companies going through a transitory growth period, and they are therefore subject to additional uncertainty regarding their future value. QIB or Qualified Institutional Buyers have the time and resources to carefully evaluate the offer and then decide whether or not to subscribe to an issue. Retail Investors, on the other hand, try to make decisions on hearsay. This study aims to find if there is any correlation between the QIB subscription and the returns from these IPO.

KEYWORDS

IPO, QIB subscription, Retail investors.

INTRODUCTION

Issuing equity shares for the first time is a very complex process. The company coming up with an IPO incurs heavy expenditure. Many companies offer the shares at below the market value to ensure good subscriptions and thus make the issue a success. Recently, the retail investor's interest in IPOs has increased manifold, especially after the Coal India Ltd IPO. Investors who were allotted shares got up to 40% returns on the first day itself. In case of Gravita India IPO, successful applicants doubled their money in a single day. So, there is a perception among the investors that investing in IPO is a very safe and lucrative option.

QIB or Qualified Institutional Buyers have the time and resources to carefully evaluate the offer and then decide whether or not to subscribe to an issue. Retail Investors, on the other hand, try to make decisions on hearsay. This study aims to find if there is any correlation between the QIB subscription and the returns from these IPO. Since, QIB carries out only fundamental analysis, the listing gains have not been considered, since listing gains depends on other factors as well, like size of the issue, market sentiment etc. This study explores the actual performance of IPOs in the long run. It explains the various aspects of an IPO. It tries to evaluate the factors that affect the performance of an IPO. The study aims to help the retail investors to make sound investment decisions without utilizing much of their time.

Though IPOs generate huge excitement in the market and many investors put their money in it, very few IPOs give positive returns. Most of the investors don't know how an IPO works. There are very few tools to evaluate an IPO.

It is mandatory for all IPO to be graded by a recognized Credit Rating Agency. The Credit Rating Agency assigns a grade based on the company fundamentals, ranging from 1(lowest) to 5(highest). The study finds that there is a moderate positive correlation between the IPO grade and its returns.

TABLE 1: LIST OF IPO THAT GAVE POSITIVE RETURN AS ON 4TH MARCH 2011

Sl. No	NAME OF THE ISSUE	Last Traded Price	Issue Price	Gain in Rs.	Gain in %
1	C. Mahendra Exports Limited	212.05	110	102.05	92.77
2	Moil Limited	401.5	375	26.5	7.07
3	Power Grid Corporation Of India Limited	99	90	9	10.00
4	Gravita India Limited	275.5	125	150.5	120.40
5	Coal India Limited	325.1	245	80.1	32.69
6	Career Point Info Systems Limited	334.15	310	24.15	7.79
7	Gujarat Pipavav Port Limited	61	46	15	32.61
8	Prakash Steel Age Limited	123.85	110	13.85	12.59
9	Engineers India Limited	293	290	3	1.03
10	Standard Chartered Plc	116.65	104	12.65	12.16
11	Mandhana Industries Limited	259.2	130	129.2	99.38
12	Talwalkars Better Value Fitness Limited	195.3	128	67.3	52.58
13	Persistent Systems Limited	407	310	97	31.29
14	United Bank Of India	101.35	66	35.35	53.56
15	Arss Infrastructure Projects Limited	602.2	450	152.2	33.82
16	Thangamayil Jewellery Limited	164	75	89	118.67
17	Jubilant Food Works Limited	535.3	145	390.3	269.17
	Total Returns				987.58

There is a perception among investors that they can multiply their wealth by investing in IPOs. But when the performance of the issues that came out in 2010 was studied, it was found that only 17 of 56 IPOs gave positive gains. The rest 39 IPOs were in the red. Thus the above table shows that not all the IPOs yield positive returns.

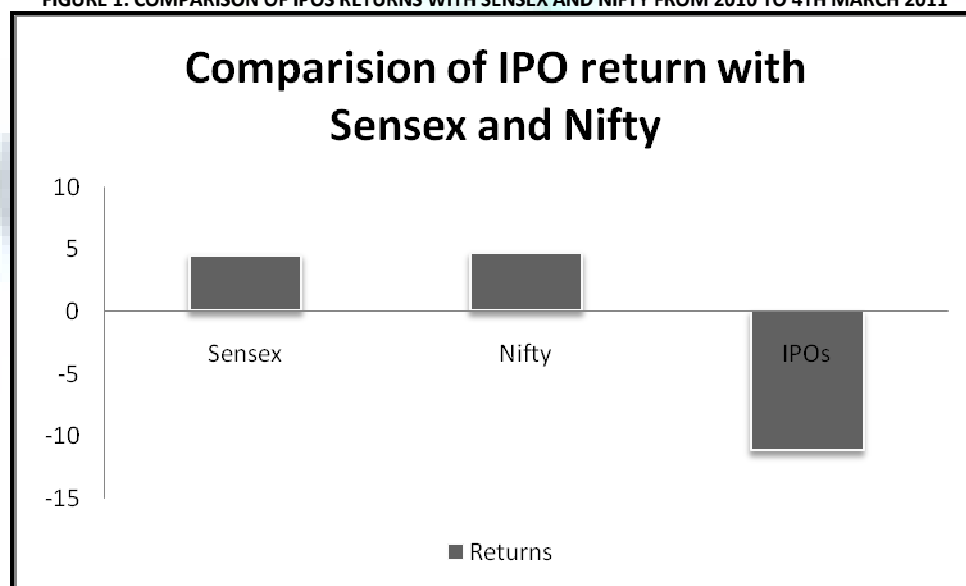
TABLE 2: THE LIST OF IPOs THAT GAVE NEGATIVE RETURNS AS ON 4TH MARCH 2011

Sl. No	NAME OF THE ISSUE	Last Traded Price	Issue Price	Gain in Rs.	Gain in %
1	Punjab & Sind Bank	104.75	120	-15.25	-12.71
2	Ravi Kumar Distilleries Limited	31.75	64	-32.25	-50.39
3	R.P.P. Infra Projects Limited	66.75	75	-8.25	-11.00
4	Gyscoal Alloys Limited	16.8	71	-54.2	-76.34
5	Prestige Estates Projects Limited	117	183	-66	-36.07
6	Bs Transcomm Limited	90.2	248	-157.8	-63.63
7	Commercial Engineers & Body Builders Co Limited	31.5	127	-95.5	-75.20
8	Bedmutha Industries Ltd	100.7	102	-1.3	-1.27
9	Ashoka Buildcon Limited	245	324	-79	-24.38
10	Tecpro Systems Limited	283.4	355	-71.6	-20.17
11	Cantabil Retail India Limited	40.5	135	-94.5	-70.00
12	Electrosteel Steels Limited	8.55	11	-2.45	-22.27
13	Orient Green Power Company Limited	23.55	47	-23.45	-49.89
14	Ramky Infrastructure Limited	291.05	450	-158.95	-35.32
15	Microsec Financial Services Limited	39.2	118	-78.8	-66.78
16	Eros International Media Limited	139.3	175	-35.7	-20.40
17	Indosolar Limited	18.8	29	-10.2	-35.17
18	Bajaj Corp Limited	475	660	-185	-28.03
19	Sks Microfinance Limited	619.1	985	-365.9	-37.15
20	Hindustan Media Ventures Limited	162	166	-4	-2.41
21	Technofab Engineering Limited	154.1	240	-85.9	-35.79
22	Aster Silicates Limited	25.7	118	-92.3	-78.22
23	Parabolic Drugs Limited	41.55	75	-33.45	-44.60
24	Jaypee Infratech Limited	59.65	102	-42.35	-41.52
25	Sjvn Limited	20.3	26	-5.7	-21.92
26	Tarapur Transformers Limited	24	75	-51	-68.00
27	Nitesh Estates Limited	23.65	54	-30.35	-56.20
28	Goenka Diamond & Jewels Limited	60.7	135	-74.3	-55.04
29	Intrasoft Technologies Limited	67.85	145	-77.15	-53.21
30	Shree Ganesh Jewellery House Limited	151	260	-109	-41.92
31	II&Fs Transportation Networks Limited	198.25	258	-59.75	-23.16
32	Pradip Overseas Limited	73.05	110	-36.95	-33.59
33	Nmdc Limited	268.05	300	-31.95	-10.65
34	Man Infraconstruction Limited	148	252	-104	-41.27
35	Texmo Pipes & Products Ltd	34.5	90	-55.5	-61.67
36	Hathway Cable & Datacom Limited	110.1	240	-129.9	-54.13
37	Emmbi Polyarns Limited	13.85	45	-31.15	-69.22
38	D B Realty Limited	117.35	468	-350.65	-74.93
	Total Returns				- 1,603.62

From the above two tables, it can be calculated that,
 Average return from all the IPOs in 2010 = Total return / number of IPOs
 $\frac{987.58 + (-1,603.62)}{55} = -11.20\%$

This implies that if a person had invested in all the IPOs in 2010, the value would have come down by 11.20%.
 Now let us compare these returns with that of Sensex and Nifty from 2010 to 4th March 2011

FIGURE 1: COMPARISON OF IPOs RETURNS WITH SENSEX AND NIFTY FROM 2010 TO 4TH MARCH 2011



From the above chart, it can be observed that Sensex and Nifty gave better returns than IPO. But if one had chosen IPOs wisely, he would have got good returns.

This brings us to the next part. How do we select a good IPO? The answer is to evaluate the IPO carefully as explained earlier. But does a retail investor have the time and resource is questionable. But, we should keep in mind that there is another category of investor who has all the tools to evaluate an IPO. That category is the QIB. If QIBs are satisfied with the prospects of the issue, it will reflect in the number of times the QIB category is getting oversubscribed. The subscription details can be checked on the website of NSE.

TABLE 3: CORRELATION BETWEEN QIB SUBSCRIPTION AND RETURN

Sector	Name of the issue	Issue price	Closing price	QIB Subscription	Gain in Rs	Gain in %
Metals	Resurgere Mines	270	86	1.34	-184	-68.15
Financial	REC	105	240	39.3	135	128.57
Capital goods	VA Tech Wabag Ltd	1310	1304	36.13	-6	-0.46
FMCG	Jubilant Food works	145	535	59.38	390	268.97
Energy	GVK Power	310	275	33.59	-35	-11.29
Retail	Cantabil Retail	135	40	1.71	-95	-70.37
Technology	Career Point Info systems	310	338	45	28	9.03
Realty	DLF	525	222	1.5	-303	-57.71
Auto	Porwal Auto	75	9	0.21	-66	-88.00
Pharmaceuticals	Claris Life sciences	228	183	1.4	-45	-19.74

Source: NSEindia.com

From the above table, it can be calculated that,

Correlation between QIB subscription and return = 0.82326796

Now, that's a high degree positive correlation. It shows that QIBs are very good at evaluating IPOs and they are making very good profits out of it.

There is another set of institutions that evaluates the fundamentals of the company before the company can go ahead of the issue. It is the credit rating agencies.

WHAT IS 'IPO GRADING'?

IPO grading is the grade assigned by a Credit Rating Agency registered with SEBI, to the initial public offering (IPO) of equity shares or any other security which may be converted into or exchanged with equity shares at a later date. The grade represents a relative assessment of the fundamentals of that issue in relation to the other listed equity securities in India. Such grading is generally assigned on a five-point point scale with a higher score indicating stronger fundamentals and vice versa as below.

IPO grade 1: *Poor fundamentals*

IPO grade 2: *Below-average fundamentals*

IPO grade 3: *Average fundamentals*

IPO grade 4: *Above-average fundamentals*

IPO grade 5: *Strong fundamentals*

If the CRAs are accurate in giving out grades, then it follows naturally that the correlation between IPO grade and its returns must be 1. But this is not the case. It is because the economic environment keeps changing and this affects the returns from securities. Let's calculate what the actual correlation is.

The data required is presented in the table below:

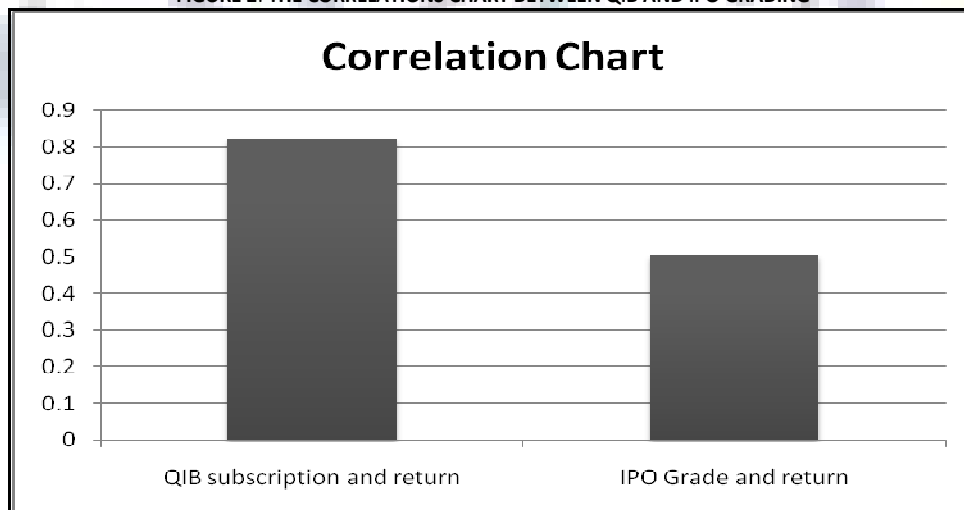
TABLE 4: CORRELATION BETWEEN IPO GRADE AND RETURN

Sector	Name of the issue	IPO Grade	Issue price	Closing price	Gain in Rs	Gain in %
Metals	Resurgere Mines	1	270	86	-184	-68.15
Financial	REC	3	105	240	135	128.57
Capital goods	VA Tech Wabag Ltd	4	1310	1304	-6	-0.46
FMCG	Jubilant Food works	3	145	535	390	268.97
Energy	GVK Power	3	310	275	-35	-11.29
Retail	Cantabil Retail	2	135	40	-95	-70.37
Technology	Career Point Info systems	3	310	338	28	9.03
Realty	DLF	2	525	222	-303	-57.71
Auto	Porwal Auto	1	75	9	-66	-88.00
Pharmaceuticals	Claris Life sciences	3	228	183	-45	-19.74

From the above table, it can be calculated that,

Correlation between IPO Grade and return = 0.503499779.

FIGURE 2: THE CORRELATIONS CHART BETWEEN QIB AND IPO GRADING



It can be said that CRAs are right in giving a disclaimer that the IPO grade is not a recommendation to invest or not to invest in IPO. From the two correlations, it can be derived that the returns from an IPO vary more closely with QIB subscriptions.

CONCLUSION

The performance of an IPO depends on many factors. The most important of these include operational efficiency, future growth prospects of the company and efficient use of funds. Coming out with an IPO is a complex process and it involves a number of parties who work in a coordinated manner to make it a success. It's a general practice to under price an IPO so that it garners enough subscriptions. This makes an investor to think that it's an attractive investment option.

The study analyzed the returns from IPOs that came out in 2010. It showed that a majority of IPOs gave negative returns. Investors who had put their money in these IPOs would be regretting their decision to do so. This study intended to find out simple and yet effective ways to evaluate IPOs. After a thorough analysis of the IPO process, it was found that there are two major indicators that may help an investor to choose the right IPOs. The first indicator is the QIB subscription (Qualified Institutional Buyers). This data is available to all on NSE website and it is updated every day when the offer is open. Investors should choose only those IPO which are getting heavily subscribed by QIB. The second indicator is the IPO grade. This is available in the IPO prospectus. Investors must avoid those IPOs which have received a low grade.

The study compared the returns from IPOs in 2010 with that of Sensex and Nifty. It found that, despite being a risky bet, IPOs gave lesser returns compared to Sensex and Nifty.

SUGGESTIONS AND RECOMMENDATIONS

1. Caution should be exercised while investing in an IPO. Choosing IPOs based on rumors and hearsay must be avoided.
2. Since the economy is in a recovery stage, there is no dearth of IPOs in the market. Therefore, an investor has to be choosy while investing in IPOs.
3. Investing in a selected few IPOs gives better returns compared to investing in all IPOs. All IPOs which come out in the market are not worth your money. It is better to avoid an IPO if one is not sure about its potential.
4. An investor should keep an eye on QIB subscriptions and choose only those IPOs which are getting heavily subscribed. This will minimize the chances of making a loss to a great extent.
5. An Investor must altogether avoid those IPOs which have been assigned a low grade. By choosing highly graded IPOs, an investor can minimize the chances of making losses.

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ECONOMICS OF FISHERMEN IN AKOLA DISTRICT

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ABSTRACT

Water is the mother of life, which is the universal solvent. Man, animals and plants cannot live without water. It is the primary medium for aquaculture and the health and growth of the aquatic organisms depends on the water quality. In case of inland fisheries, statistics for the area developed so far are not available, but it is known that only a fraction of the water area of 15 million acres under rivers, canals, jhils and tanks has been utilized. The present paper focuses on the fish seed production, the technological advances in fish seed production, different factors that govern the fish production, the economic status of Fisheries Co-operative Societies and fisherman. It was observed that presently available fisheries related infrastructure in Akola District is inadequate and needs financial impetus for improving the condition of fisheries co-operative societies and subsequently the society members.

KEYWORDS

Fisheries, financial impetus, Water.

INTRODUCTION

Water is the mother of life, which is the universal solvent. Man, animals and plants cannot live without water. It is the primary medium for aquaculture and the health and growth of the aquatic organisms depends on the water quality. Like other populations, fish populations also show definite upper and lower limits of density in an ecosystem, at any one moment of time. (Jayaram, K.C. 2002) Fish population does not occur in isolation. It is very much a part of the ecosystem where it is bound to be influenced by other communities of organisms of the biological system to keep the fish population in a state of equilibrium resisting fluctuations. This aquatic ecosystem for a given fish community may be operating under human protection and control (fish culture ponds) or without it under wild conditions (lakes, streams, rivers, estuaries, swamps, coastal, off-shore and deep-sea waters). Fisheries and agricultural farming have evolved rather parallel in the history of human civilization. (Talwar and Jhingran., 1991) Interest in fish eating dates back to the dawn of history. Fishery science is often referred to as a super science.

FISHERIES

Fisheries in India, though very under-developed, contribute annually about Rs. 10 crores to the national income. (Datta and Shrivastva., 1988, Gadgil and Guha., 1992) Rich in proteins, vitamins and mineral salts, fish is a valuable protective food. It forms an important constituent of the diet over considerable areas. The development of fisheries is, therefore, one of the most promising means of improving the diet of the people.

FISH PRODUCTION TRENDS

The inadequacy and inaccuracy of the existing statistics for fisheries have been emphasized by several committees. The Report on the marketing of fish published by the Directorate of Marketing and Inspection is the principle source of information. Some useful data about the marine fisheries has been recently collected by the Central Marine Fisheries Research Station. (Saundersen *et. al.*, 2001) The technical committee on the coordination of fisheries statistics has examined the question of statistics in detail. Its report was published in 1950 and it is a hope now that with the implementation of its recommendations by the Central and State Governments the position will steadily improve.

REVIEW OF LITERATURE

A literature review was carried out to identify the previous research efforts and directions related to our focal area. The objective was to identify the research gaps and highlight research motivations. Wherever possible an attempt has been made to present the discussions in a chronological order, so that the review also indicates the underlying pattern of evolution of thoughts and ideas in that domain. Similarly, to the extent possible, care was taken to reproduce the original terminology used by the authors, to preserve the originality of the views. The literature review addressed various issues encompassing the field of fisheries in relation to the performance of fisheries co-operative societies, the issues pertaining to fisheries on global as well as local level. Various domains of the study have been reviewed in a systematic manner.

OBJECTIVE OF THE STUDY

1. To study the economic status of Fisheries Co-operative Societies and Fisherman.
2. To study the social status of Fisherman.
3. To study the total income of Fisheries Co-operative Societies and Retail Fish Traders from total Fish production.
4. To study general problems faced by fishermen.

MATERIAL AND METHOD

Survey method was adopted for collection of relevant data. The data was collected using a well structured questionnaire. The questionnaire development process was carried by following standard procedure. The process of developing the research instrument for this study was based on generally accepted psychometric principles of instrument design, and was carried out according to the following steps:

- Identification of Critical Factors (in view of the objectives)
- Initial Selection of Items
- Final Selection of Items and Development of Instrument
- Reliability Estimation of Empirical Instrument
- Validity (Content validity, Criterion-related validity and Construct validity)
- Pilot Study

SAMPLE SIZE

District	Fisheries Co-operative Society	Fish Traders	Lakes	Fish Sellers
Akola	34	100	88	50

STATISTICAL ANALYSIS OF DATA

The data generated during the present study was processed using various statistical tests with the aid of SPSS 18.0 statistical software. The reliability was estimated using SPSS 18.0 software. The data characteristics (descriptive statistics), such as mean, standard deviation, standard error, frequency, percentage, minimum and maximum, etc. were determined. The comparative assessment was done using 'Z' test as well as suitable graphs.

SIGNIFICANCE LEVEL

The significance level was chosen to be 0.05 (or equivalently, 5%) by keeping in view the consequences of such an error and to make the significance level as small as possible in order to protect the null hypothesis and to prevent, as far as possible, from inadvertently arriving at false conclusions.

RESULT AND DISCUSSION

By following the above mentioned steps, a reliable and valid research instrument was constructed. Based on the detailed statistical analysis of data it was found that that majority of fishermen aged between 50 and 60 yrs. with education up to 4th Std. and are not well educated living in nuclear families. They are involved in animal husbandry and agricultural farming as their sub profession in addition to fisheries.

The annual income of majority of fishermen varies from Rs. 20,000/- to Rs. 30,000/-. Fishermen of Akola District earn an average of Rs. 10,000/- from other earning sources viz. an average annual income of Rs. 10,000/- daily wages working as a labour, Rs. 5,000/- to Rs. 10,000/- from other miscellaneous sources. Hence it can be concluded that there is a significant ($P < 0.05$) difference in the income from all the income sources. The data recorded from the fishermen of Akola District reveals that majority of fishermen possess own piece of land (majority has <4 acres of land) and rain fed land. They do not have any permanent job and are not registered members of any savings group. These suggest that the income from fisheries was sufficient to meet their needs; however, there was no improvement in their living standard.

The data from the fishermen of Akola District indicates that majority of fishermen receive benefit from the various fisheries development schemes of Maharashtra Government and are dependent on lakes for fishing. There are no adequate number of cold storage, and ice factories. Majority (85.3%) of fishermen of Akola District stated that they did not receive any fisheries related training. The data recorded from the fishermen of Akola District reveals that 47.2% fishermen do not have detailed information of the various fisheries development schemes of Maharashtra Government.

In case of inland fisheries, statistics for the area developed so far are not available, but it is known that only a fraction of the water area of 15 million acres under rivers, canals, jhils and tanks has been utilized. (Kar *et al.*, 2006) The back water and estuarine fisheries are still very largely under- developed. Currently, the water resources are being exploited mainly for reasons, such as, (1) for employment generation (2) food security, (3) source of income. (Charles and Martin., 1995) Although, there are numerous Government schemes for improvement of the fisheries in India, the benefit does not seem to have percolated up to the last person. However, still many fishermen are living below poverty line.

It would also be necessary to classify culturable waters into (1) those that can be utilised for fish culture without any expensive measures for their improvement and (2) derelict waters which would require a large capital outlay for improvement. (Berkman and Rabeni., 1987). For States which are at present deficit in fish seed resources, supplies would have to be arranged from surplus areas, where large-scale collection and distribution of fish seed would have to be organised. Large wastages occur in the transport of fingerlings and fry. (Onogawa., 2007) Fisheries management draws on fisheries science in order to find ways to protect fishery resources so sustainable exploitation is possible. (Morita *et al.*, 2002) Modern fisheries management is often referred to as a governmental system of appropriate management rules based on defined objectives and a mix of management means to implement the rules, which are put in place by a system of monitoring control and surveillance.

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CUSTOMER RELATIONSHIP MANAGEMENT IN INSURANCE SECTOR - A STUDY OF PERCEPTIONS OF CUSTOMERS AND EMPLOYEES IN VISAKHAPATNAM CITY

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ABSTRACT

The behaviors of the customers in the services sector have been changing drastically during the last several years. The reason is all services firms have improved their existing mechanisms and come up with innovative ideas to attract the new clientele and gain the customer loyalty. Therefore, like banking and telecom industry, insurance industry need to study their customers and their changing behaviors. The very nature of the insurance business necessitates knowing health histories, life histories, beneficiary information and more about the demographic profile of the prospective customers. In the post-liberalization of insurance market in India; one factor that contributes to the overall performance of insurance players is Customer Relationship Management (CRM). Due to the increase in number of insurance players and rising awareness among customers about different products, companies in the insurance sector realize the importance of CRM. CRM allows insurance companies to enable the marketing departments to identify and target their best customers, manage marketing campaigns with clear goals and objectives, and generate quality leads for the sales team. In this paper, author attempts to analyze the perceptions of customers and employees of insurance companies and their CRM practices.

KEYWORDS

Customer Loyalty, Customer Relations, Customer Satisfaction, Customer Selectivity, Customer Service.

INTRODUCTION

In today's challenging business environment customer service and more importantly customer loyalty are emerging as the key competitive advantages. Customer Relationship Management (CRM) is establishment, development, maintenance and optimization of long-term, mutually valuable relationships between customers and organizations. In the era of globalization because of availability of more products of similar quality, the customers are frequently changing their brand preferences. This constitutes a serious problem especially in the services sector. Because, the behaviors of the customers in the services sector has been changing drastically during the last several years. The reason is all services firms have improved their existing mechanisms and come up with innovative ideas to attract the new clientele and gain the customer loyalty. Therefore, like banking and telecom industry, insurance industry need to study their customers and their changing behaviors. However, insurance services are different from other services. Because, the very nature of the insurance business necessitates knowing health histories, life histories, beneficiary information and more about the demographic profile of the prospective customers. Even, many insurance companies have large customer databases they are unable to turn it into usable knowledge. With this introduction, this paper is divided into five sections, section II briefing the concept of CRM and review of literature, section III describes the CRM practices of insurance companies, section IV presents the observations of the study and section V has the conclusion. For thorough understanding of the analysis of observations of the study, tables are appended last.

THE CONCEPT OF CRM

The core concept of CRM is to maximize customer satisfaction. It helps to understand the nature of customers, their buying patterns and delivering a product of their choice. It makes the marketing strategies more scientific and goal driven. The strategic direction of an organization helps to identify a successful CRM programme. Many organizations are still not aware of the impact of CRM strategy and are unable to identify the gaps for developing further customer centric organization. This is because CRM is always viewed as technical development rather than strategic development. CRM delivers value to the organizations. CRM programme of an organization covers many areas such as product development, channel management, sales automation, customer acquisition, customer fulfillment, inventory management, customer service, customer billing and invoicing, payment management, credit management and prevention against fraud and customer retention. CRM suggests companies to reduce the costs of expensive mass marketing efforts and increase results from their CRM efforts. CRM is related to maintain good relations with customers. CRM enables the enterprise to be more competitive. Another important facet of CRM is customer selectivity. It is essential for an organization in tailoring its' programme and marketing efforts by segmenting and selecting appropriate customers for individual marketing programmes. CRM is a business strategy that goes beyond the profitability, revenue and customer satisfaction. Its main objective is to use a wide set of tools and technologies and adapt various procedures aims at promoting its relationship with the customer. Thus, the concept of CRM is to attract, maintain and enhance customer relationships.

REVIEW OF LITERATURE

Inseparability is a distinctive feature of services. Services produce and consume simultaneously. Maintenance of customer relations is important for service businesses.¹ The success of a service provider depends on the long-term relationships that develop between the provider and service user.² CRM delivers value to the organizations. It helps to understand the nature of customers, their buying patterns and delivering a product of their choice. It makes marketing strategies more scientific and goal driven.³ CRM helps the insurance companies to use customer-focused strategies. Insurance companies require CRM to acquire customers through various service touch points and to translate that operational data into actionable insights for proactively serving customers.⁴ The 20-60-20 rule says that 20 per cent of accounts are highly profitable, 60 per cent are marginal and 20 per cent are money-losers. Strong CRM can identify the specific category.⁵ The implementation of CRM should help insurance customers minimize their effort in dealing with the company and allow interactions and transactions from the comfort of their home or office at anywhere and anytime.⁶ Insurance companies can offer value added services to support their customers. The relationship between the policy holder and the insurance company intensifies by offering value added services. The value added services of an insurance company have to go beyond the traditional limits of the insurance business.⁷

CRM PRACTICES IN INSURANCE SECTOR

It is known fact that LIC of India is the only public sector organization operating life insurance business in India having monopoly in the market until the insurance sector is liberalized in 1999. After the liberalization of the sector now 21 life insurance companies (as of March, 2010) are offering life insurance products in India, most offers across the industry are difficult to differentiate on the basis of offer quality, pricing, distribution or promotion for that matter. All products are saturated on the basis of certain parameters. In a nut shell, there is a cut-throat competition in the market and the companies have realized the importance of the superior customer service as the key for their survival. To face the competition almost all the companies operating in the life insurance market of India are always in the fore front of designing and implementing various CRM practices. The effort in recent times has been to bring the services as

close as possible to the customers and initiating to improve the quality in services as well. All of them have adapted different CRM practices to attract, retain and satisfy the customers. The nature and implementation of some of the CRM practices of the life insurance companies are discussed in brief as follows:

FRONT END SERVICES: With a view to enhance the customer responsiveness and services, organizations have started the online services to policy-holders through computers. This online service enabled policy-holders to do all types of transactions relating to the policy. To provide the policy related services, all the branches of insurance companies across the country were almost of cent percent computerization.

INTERACTIVE VOICE RESPONSE SYSTEMS (IVRS): Insurance Companies have Interactive Voice Response Systems (IVRS) especially in urban centers. These are menu driven services and enables customer to ring up the company and receive information about their policies. This information would also be faxed on demand to the customer. To avail IVRS facilities from any of the centers customer has to dial the companies specified unique telephone numbers.

ORGANIZATIONS' WEBSITE SERVICES: The organizations have given its policy-holders a unique facility to operate the policy through the internet absolutely free and also to view their policy details on the internet. Separate login portal for the customers is provided in each organization's website. This portal was a single outlet for an array of services.

CUSTOMER RELATIONSHIP REVIVAL PROGRAMMES (CRRP): If the policy has lapsed due to non-payment of premiums within the due date, the terms and conditions of the policy contract are rendered void, till the policy is revived. A lapsed policy has to be revived by payment of the accumulated premiums with interest as well as giving the health requirements as required. By implementing CRRP, some of the organizations identifies the customers who are having lapse policies and motivates them for the revival of the lapse policies. These special revival programmes are conducted every year within a specific month.

CUSTOMER RELATIONSHIP REASSURANCE PROGRAMMES (CRRAP): Some of the insurance companies conduct the meetings with the customers who require the assistance to do the policy related transactions. Through CRRAP, the representatives of the organizations (field personnel) will be assigned the duty of providing all the assistance required to the customers on a continuous basis.

ELECTRONIC DATA MANAGEMENT SYSTEM (EDMS): The latest addition to the present day companies' technologies was added in the form of digitalizing the policy documents. Using the EDMS technology, policy documents would be observed virtually from any branch office across the country. The up to date information of the policy can be provided to the customers by using the EDMS services.

CUSTOMER CLUBS: Based on the revenue generating from the customers on a long term basis, some of the companies in the insurance sector are providing the membership to their customers. Customers who are having the membership in the clubs will be treated as high net-worth individuals of the organization. Additional services will be provided to the customers having the membership in the customer clubs of the companies. This will improve the customer loyalty as well as customer retention.

CUSTOMER CONTACT PROGRAMMES: Through the customer contact programmes the companies are continues and extended the relationships with their customers further. To achieve this objective, some of the companies are announcing any selected month in a year as customer servicing month. During this month the organizations will conduct customer service campaigns at different locations across the country. These campaigns would also focus on selling of new policies introduced by the organizations.

SERVICES FOR THE PAYMENT OF POLICY PREMIUM: Premiums, other than single premium, may be paid by the policyholders in yearly, half-yearly, quarterly or monthly modes of installments. The customers would opt to pay the premium through various channels. Policy premium can be paid in cash at the service counters of any of the branch offices of the insurance companies. The alternative channels available to pay the premium are: Banks, On-line Centres, Electronic Bill Presentation and Payment (EBPP), Automated Teller Machines (ATM), Portal payment gateway, Organization's online service centers, and Sales agents of the organizations.

SERVICES OF COMPLAINTS MANAGEMENT SYSTEM (CMS): Policyholders Grievance Redressal Cells exist in all the branch offices of the insurance companies which are headed by senior officers who can be approached by policyholders for redressal of their grievances. The grievance machinery has been further expanded with the appointment of the Insurance Ombudsman by the Government of India at different centers. Policy holders can approach the Insurance Ombudsman for the redressal of their complaints free of cost.

CLAIMS SETTLEMENT SERVICES: The companies have laid great emphasis on expeditious settlement of maturity as well as death claims. Only in the case of fraudulent suppression of material information was the claim repudiated. This is to ensure that claims are not paid to fraudulent persons at the cost of honest policyholders. Even in these cases, an opportunity is given to the claimant to make a representation for consideration by the Review Committees of the organizations. As a result of such review, depending on the merits of each case, appropriate decisions are taken.

METHODOLOGY AND OBSERVATIONS OF THE STUDY

The perceptions of the customers and employees on CRM practices of insurance companies are mainly studied. Sample of 1200 respondents representing the stakeholders of the organizations comprising of 600 customers and 600 employees in the Visakhapatnam City who belongs to eight life insurance companies operating in the area are selected for the study. Simple random sampling method is used for the selection of sample. The perceptions of the customers are analyzed on the basis of their sex, age, area and social status. The perceptions of the employees are analyzed on the basis of their job classification and work experience in the organizations. The responses of the customers on the basis of their sex further classified into male and female. The areas of the customers are taken in to account as they belong to urban and rural area. Age of the customers classified into four different groups such as below 31 years, 31 – 44 years, 45 – 64 years and 65 years and above. The social status of the customers considered as employees, businessmen and others category include farmers, housewives etc. Where as the responses of the employees are analyzed on the basis of their job classification such as managers, development officers and sales agents. The work experience of the employees in the present study is considered as below 6 years, 6 – 10 years, 11 – 20 years and 21 years and above. Two types of structured questionnaires were constructed and pre-tested. Finalized questionnaires were used for obtaining the needed information. Information gathered from the respondents was analyzed by calculating percentages. Chi-square values were computed for notifying the significance of differences among the respondent groups. For thorough understanding of analysis, the statistical values of perceptions of customers and employees are shown in Table 1 and 2 respectively which are appended last.

PERCEPTIONS OF CUSTOMERS

Out of the total 600 respondents, nearly 80 per cent of the respondents are male and the remaining 20 per cent are female. It is very interesting to note that about 45 per cent of the respondents are in the age of 31 – 44 years and 15 per cent are of the age below 31 years. Nearly 38 per cent are in the age of 45 – 64 years and the remaining 2 per cent are of the age 65 years and above. Regarding the respondents' areas, nearly 65 per cent of them are belong to urban area and remaining 35 per cent belong to rural area. Considering the status of the respondents, it can be seen that a majority of the respondents i.e. 64 per cent are employees followed by 21 per cent are businessmen and remaining 15 per cent consists of other category includes agricultural farmers, housewives etc.

All the respondents were asked whether they are satisfied with the services of CRM practices of the organizations or not. The differences in the perceptions of customers are shown in Table 1. It is noticed that there are significant differences exist in the perceptions of the proportion of respondents among the male and female with regard to CRM practices such as IVRS services, organizations' website services, EDMS services, customer clubs and customer contact programmes. However, no significant differences exist in the perceptions of the proportion of respondents among the male and female with regard to remaining CRM practices such as front end services, customer relationship revival programmes, customer relationship reassurance programmes, premium payment services, complaint management services and claims settlement services. It is noticed that the majority of the proportion among female respondents are not satisfied with the services of organizations' website services, EDMS services and customer clubs. Where as majority of the proportion among male respondents are not satisfied with the services of IVRS and customer contact programmes.

As per the age groups, there are significant differences exist in the perceptions of the proportion of respondents among all the age groups with regard to the services of all the CRM practices of the organizations. It is noticed in the study that the majority of the proportion of respondents among the age of 31 – 64 years

are not satisfied with the services of CRM practices of the organizations. Where as the majority of the proportion of respondents of age below 31 years and 65 years and above told that they are not satisfied with the services of CRM practices of the organizations.

As per the area, there are no significant differences exist in the perceptions of the proportion of respondents among the two areas with regard to the services of customer clubs and customer contact programmes. However, significant differences exist in the perceptions of proportion of respondents among the two areas with regard to the services of the remaining CRM programmes. It is noticed that the majority of the proportion of respondents belong to urban area are not satisfied with the services of CRM practices such as front end services, EDMS services, IVRS services, customer contact programmes and claims settlement services. Where as the majority of the proportion of respondents belong to rural area is not satisfied with customer relationship reassurance programmes, complaints management system and premium payment services.

According to the status of respondents, it is noticed that there exist significant differences in the proportion of respondents among the different status groups with regard to the services of all the CRM practices of the organizations. It is noticed that the majority of the proportion of respondents who are employees are not satisfied with the services of CRM practices such as EDMS services, IVRS services, customer contact programmes and website services of the organizations. Where as, the majority of the proportion of respondents who are businessmen told that they are not satisfied with the services in the payment of policy premium and customer relationship revival programmes. The proportion of respondents who belong to other category told that they are not satisfied with the customer relationship revival programmes and claims settlement services.

PERCEPTIONS OF EMPLOYEES

Out of the total 600 respondents, half of them i.e. 50 per cent are sales agents and out of the remaining 50 per cent, 25 per cent are managers and 25 per cent are development officers. Classification of respondents based on the work experience, more than 35 per cent of the respondents are having 11 – 20 years of work experience in the organizations, where as nearly 35 per cent are having the work experience of 6 – 10 years, nearly 20 per cent are having the work experience of below 6 years and the remaining 10 per cent of the respondents are having the work experience of more than 20 years. It is also noticed that the majority of the respondents among the managers are having the work experience of more than 20 years. The majority of the respondents among the sales agents are having the work experience of below 6 years. Nearly equal percentage of respondents among the development officers is having the work experience of below 6 years.

All the respondents were asked to mention whether the present CRM practices of the organizations is fulfilling the customer requirements or there is a need for improvement in the CRM practices of the organizations. As shown in Table 2, except the proportion of differences with regard to perceptions on EDMS services, there are significant differences exist in the perceptions of the proportion of respondents among all the three groups of employees on CRM practices of the organizations. However, it is noticed that majority of the proportion of respondents among the managers are felt that there is a need for the improvement in the CRM practices such as customer relationship revival programmes, customer relationship reassurance programme and services of customer clubs. Whereas majority of the proportion of respondents among the development officers opined that the CRM practices such as payment of policy premium, complaints management system, website services and the services of customer clubs requires to be improved. Majority of the proportion of respondents among the sales agents felt that there is a need for improvement in the CRM practices such as claims settlement services, IVRS services, front end services and customer contact programmes.

On the basis of work experience of the respondents, significant differences exist in the perceptions of the proportion of respondents among the four work experience groups with regard to all the CRM practices of the organizations. It is noticed that, majority of the proportion among the respondents having below 6 years of work experience felt that there is a need for the improvement in the CRM practices such as IVRS services and customer relationship revival programmes. Whereas majority of the proportion among the respondents having 6 – 10 years of work experience felt that there is a need for the improvement in the CRM practices such as customer relationship reassurance programme, customer relationship revival programmes, complaints management services and services in payment of policy premium. Majority of the proportion among the respondents having 11 – 20 years of work experience opined that there is a need for the improvement in the CRM practices such as customer relationship reassurance programme and claims settlement services. Majority of the proportion among the respondents having more than 20 years of experience said that there is a need to change the CRM practices such as front end services, website services and EDMS services.

CONCLUSION

There is a sea change in the Indian insurance services during the last one and half decades. The customer has been considered a pivotal factor for the growth and survival of the services sector. The present study indicates CRM practices of insurance companies are quite satisfactory, regarding several lacunae that need to be reminded. From the findings of the study it is clearly identified that the CRM practices of the organizations have partially failed in reaching to all sorts of customer segments. Hence, there is an urgent need on the part of the organizations to analyze the existing practices, find out the constraints or impediments in meeting the goals of these practices. First, the organizations should pay attention for improving the existing CRM practices as well as services and then should take-up improvements and new interventions for modifications as quickly as possible.

TABLE – 1: PERCEPTIONS OF CUSTOMERS

CRM Practices of the Organizations	Significance of Chi-square Values at 5 per cent level			
	Sex	Age	Area	Status
Front End Services	Significant	Not Significant	Significant	Significant
IVRS Services	Significant	Significant	Significant	Not Significant
Organizations' Website Services	Not Significant	Significant	Significant	Significant
Customer Relationship Revival Programmes	Significant	Not Significant	Not Significant	Significant
Customer Relationship Reassurance Programmes	Significant	Not Significant	Significant	Not Significant
Electronic Data Management System	Significant	Not Significant	Not Significant	Significant
Customer Clubs	Not Significant	Significant	Not Significant	Significant
Customer Contact Programmes	Significant	Not Significant	Significant	Not Significant
Services for the Payment of Policy Premium	Not Significant	Significant	Not Significant	Significant
Services of Complaints Management System	Significant	Not Significant	Significant	Significant
Claims Settlement Services	Not Significant	Significant	Not Significant	Significant

Source: Field Study

TABLE – 2: PERCEPTIONS OF EMPLOYEES

CRM Practices of the Organizations	Significance of Chi-square Values at 5 per cent level	
	Classification	Work Experience
Front End Services	Not Significant	Significant
IVRS Services	Significant	Not Significant
Organizations' Website Services	Significant	Significant
Customer Relationship Revival Programmes	Significant	Not Significant
Customer Relationship Reassurance Programmes	Significant	Significant
Electronic Data Management System	Significant	Not Significant
Customer Clubs	Not Significant	Significant
Customer Contact Programmes	Significant	Significant
Services for the Payment of Policy Premium	Not Significant	Significant
Services of Complaints Management System	Significant	Significant
Claims Settlement Services	Not Significant	Significant

Source: Field Study

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AN INNOVATIVE CRITICAL APPROACH TOWARDS ETHICAL BRANDING AND CORPORATE REPUTATION IN BUSINESS WORLD

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ABSTRACT

This paper explores the concept of ethical branding and its link to corporate reputation. Brands have traditionally been studied only as an economic construct. Brands, as a social construct, have not yet been fully understood due to the lack of research. A corporate brand is a vital part of the corporate reputation management. An ethical brand enhances the firm's reputation; such a reputation reinforces the brand in turn. On the other hand, any unethical behaviour will severely damage or even destroy the total intangible asset as evidenced by the recent high profile corporate scandals. Ethical branding could provide the company with a differential advantage as a growing number of consumers become more ethically conscious.

KEYWORDS

Branding, Behaviour, Customer, Reputation, Corporate Social responsibility.

INTRODUCTION

There has been a growing research interest in the area of business and marketing ethics. Ethics has been studied in almost all business issues except branding. Not a single academic study has been found on branding ethics after an extensive literature search covering the following sources: three online database (ABI Inform Global, Ebsco and Infotrac), three journals (*Journal of Business Ethics*, *Journal of Brand Management* and *Journal of Product and Brand Management*), dozens of books and websites.

Brands may have been in existence for well over a thousand years. But never has any society before seen the power of branding as is witnessed today: Brands are prevalent in every aspect of human life: production and consumption, food and clothing, personality and lifestyle; and from pop culture to politics. Branding is no longer just about adding value to a product; branding represents and promotes lifestyles and brands themselves become a kind of culture. In the words of Hazel Kahan (quoted in Hall, 1999), brands are now gunning for a share of consumers' inner lives, their values, their beliefs, their politics; yes, their souls. The impact of brands and branding is far beyond the field of marketing and advertising. Branding is a social construct as well as an economic construct. As an economic construct, brands have been studied from both marketing and financial perspectives. As a social construct, brands have not yet been fully understood owing to the dearth of academic research in this area. Advertising is probably the most visible element of marketing but branding is at the centre of any marketing communications. Most problems with advertising have their roots in branding strategy. A notorious example is Benetton's shocking tactic advertising in the 1990s. However, little is known about the impact of branding (not advertising) on the stakeholders other than brand owners and users, and about the link between branding and corporate reputation. This paper aims to raise the awareness of ethical issues in corporate branding.

WHAT IS ETHICAL BRANDING?

Brand is a simple but very confused word with multiple meanings. The American Marketing Association defines a brand as: a name, term, sign, symbol, or design, or a combination of them, intended to identify the goods or services of one seller or group of sellers and differentiate them from those of competitors (Kotler, 2003). A brand may have many other meanings depending on the role it plays, the value it has and more importantly, to whom it is related. To brand owners, a brand is mainly a differentiation device: the living memory and the future of its products (Kapferer, 1997). To brand users, a brand may create an emotional bond with them which turns the brand into an icon. In the most developed role, brands represent not only the products or services a company provides but the firm itself, the brand is the company and brands become a synonym of the company's policy (Goodyear 1996; de Chernatony and McDonald, 2003). A brand is no longer just the interface between the company and its customers; to whom and to the general public, it is the face of the company. Branding is a key function in marketing that means much more than just giving a product a name. Branding at corporate level is essentially about developing and managing the relationship between the organisation and its various stakeholders as well as the general public. Should branding be ethical? It might seem that the answer is obvious: most companies would answer yes. However, it would be more difficult to find a universal agreement on what ethical branding is. Ethics refers to moral rules or principles of behaviour for deciding what is right and wrong. These principles are not always easy to define as a) it is often difficult to distinguish between ethics and legality; b) ethical values vary between individuals and organizations, and between different cultures; and they are changing over time. Ethics is a very complex subject. Marketing ethics is but a subset of business ethics which itself is a subset of ethics (Martin, 1985). Research on marketing ethics has so far been confined to general marketing issues, such as product safety, pricing, advertising and marketing research (Laczniak, 1993; Simith, 1995 and Murphy, 1999); little attention has been paid to branding. No business ethics books have been found to have reference to branding while leading branding texts have made no reference to ethics (Aaker, 1991; Kapferer, 1997; Keller, 1998 and de Chernatony and McDonald, 2003). A brand may be amoral, but there are ethical issues in branding. Ethical branding, as a subset of ethical marketing, relates to certain moral principles that define right and wrong behaviour in branding decisions. A brand needs to be evaluated not just by the economic or financial criteria but also by the moral ones. An ethical brand should

QUESTIONABLE BRANDING OBJECTIVES

With the continuous advancement of technology, most consumer products have become a kind of commodity, i.e. there are fewer and fewer genuine and tangible differences between competing offers. The Unique Selling Proposition (USP) is no longer valid and being replaced by so called the Emotional Selling Proposition (Aitchison, 1999:42). This provides brand advertisers with a powerful tool to manipulate the consumer's emotion in order to achieve brand differentiation. The conventional wisdom of branding believes that the ultimate aim of branding is to command a favourable position in the mind of consumers, distinct from competition (Ries and Trout, 1982). A successful brand is believed to bring its owner great financial value in terms of either higher sales or premium prices. The ultimate objectives in branding can be summarized as follows:

- To dominate the market (to reduce or eliminate competition)
- To increase customer loyalty (by increasing the switch cost)
- To raise the entry barriers (to fend off potential threat)

These branding objectives could be ethically questionable under scrutiny. Whilst there may be nothing wrong if one brand succeeds in dominating the market, it is a different matter if the brand aims at monopoly with active attempt to eliminate competition as in the recent case of Microsoft, which was imposed a record 497 million dollar fine by the EU for anti-competitive behaviour. As a human activity branding should be evaluated from a moral point of view. In the ruthless competition for market shares moral issues are probably the last concern for companies. The paradox is that the more successful a brand is in the marketplace, the more likely its branding strategy may become ethically questionable. Consider the following cases:

- Targeting at children as young as five years old who are impressionable;
- Alcoholic soft drink advertising encouraging under-age drinking
- Exaggerating non-existing benefits in a basically commodity product;
- False and misleading advertising;
- Promoting self-indulgence and conspicuous consumption (e.g. binge drinking and consumer debts)

A VULNERABLE ASSET

The image of a brand can also be affected by non-branding decisions that are made at the marketing or business level, for example, sweatshop accusations, animal testing, labour disputes, etc. Most business decisions that might eventually affect the organization's brand image are made by people other than the brand manager on financial criteria with little consideration for ethical issues. Whenever anything goes wrong, be it a small incident or a big crisis, it is the brand that takes the blame; the brand image and corporate reputation are always the victim. Brands became the mistaken identity in the debate between No Logo and Pro Logo camps (*The Economist*, 08/09/2009), as it is not the brand or logo, but the bad corporate policies that are responsible for all the wrongdoings. "Brands are not guilty of social and environmental damage – nor are they even a symbol of unethical working practice Corporations are guilty and laws that allow unethical practice are guilty" (anonymous comment on brandchannel.com 29/10/2009). Enron's downfall was not caused by the branding but the corrupted top management. A brand simply becomes the easy target or scapegoat for corporate misbehavior. A brand is widely regarded as the most valuable asset an organisation has. An often-overlooked fact is that it is also the most vulnerable asset as well. A brand reputation established with millions pounds of investment over many years could be easily damaged or even destroyed overnight.

THE MULTIPLE IMAGES OF A BRAND

A brand owner might want create one single image for its brand that is positive and consistent. In reality a brand may simultaneously hold multiple images - external versus internal, intended versus perceived and positive to neutral to negative, depending on that who interprets these images. Consider the case of Coca Cola. Officially, the world's most valuable brand worth of \$68.9bn wants to promote itself as the following: *through our actions as local citizens, we strive every day to refresh the marketplace, enrich the workplace, preserve the environment and strengthen our communities* (cocacola.com). However, behind this seemingly noble statement, there is another Coca Cola whose aim, according to its former senior vice chairman, was *to encourage as many people as possible to drink as much Coca Cola as possible at the highest possible price so that the company could make even more money* (Zyman, 1992). What a sharp contrast between the words and the deeds. It is not uncommon to find such a great discrepancy in other well-known brands such as Nike and McDonalds. Another example is the fashion retailer French Connection. The firm's fortune changed when it re-branded itself as FCUK, deliberately provoking outrage through its association with the F-word. Is this clever or irresponsible branding? As many people in marketing still believe that "ethics does not sell" and or that such concerns are outside their responsibility, managers will continue to face the dilemma of cost versus conscience. This is reflected in a statement made by Enron's former CEO Jeffery Skilling who reputedly said *my job as a businessman is to maximize returns to shareholders. It is the government's job to step in if the product is dangerous* (*The Observer*, 28/07/2002). This has echoed with Friedman's influential yet largely outdated view that the social responsibility of business is to increase its profits (1970).

There could also be a gap in the brand images projected by product and corporate advertising. Brand communications aimed at one group of audience may not be appreciated (or would even be misinterpreted) by another. There is an inherent problem here. It is impossible for a brand with a single image to appeal to everyone. If a brand appeals to one group audience it may also alienate or even offend other groups. Does it matter?

DEFICIENCY IN BRAND MODELS

The main attention of brand management in the last 20 years has been largely confined to product branding while corporate branding has been overlooked. This is particularly true in the fast moving consumer goods sector, and is also reflected in the branding models and research. In the conventional brand models (Aaker, 1991; Kapferer, 1997 and Keller, 1997), the brand is related to only two types of audiences: brand owner and brand user. The value of brand equity is defined and measured by its economic performance in financial terms. This model, albeit useful in explaining the so-called brand power, has a number of deficiencies. Firstly, two basic elements are missing: legality and ethics, which form the foundation of brand equity. A good brand must be a legal as well as ethical one. Thus brand value needs to be assessed by both financial and ethical measures. Secondly, conventional brand models focus largely on product brands rather than corporate brands. Brands and branding have such a profound impact on the society as whole and not just on these people who buy them. There is a wider public, in addition to shareholders and consumers, who may be potentially affected by the branding decisions: employees, suppliers, and the wider community. Brands that satisfy one group may affect another negatively. The impact of branding on these stakeholders should also be taken into consideration. A good-brand is said to create financial value for its owner and emotional value for its users. What does a brand mean to the general public? Is it right that the interest of some stakeholders (brand owners and buyers) always outweigh the interest of other stakeholders? If a brand is studied in a broader social context, should it also bring public good to the society by symbolizing some basic human (moral) values, or is that asking too much?

CORPORATE BRAND EQUITY

While the primary purpose of product branding is to aid sales and profitability, the primary purpose of corporate branding is to embody the value system of the company and to help promote and enhance corporate reputation. Corporate brand equity relates to the attitudes and associations that wide stakeholders have of a company as opposed to those of an individual product (Larkin, 2003). A brand cannot be separated from the organisational context in which it was created or is developed and managed (Feldwick, 1996). Thus it can be argued that there is a link between brand values and an organization's corporate culture and/or mission statement. The recent fashion in branding is internal branding which believes that if employees fully understand and appreciate their brand they will be better able to provide the desired brand experience to consumers (Ind, 2009; Kunde and Cunningham, 2002). The brand can't just be a unique selling proposition. It has to be an "organising principle", uniting and directing the entire corporation. Employees can't just do a good day's work any more. They have to "live the brand" (Mitchell, 2009). However, this begs the question: does a brand have the same meaning to the management and employees as it has to the buyers? A brand is about the two key relationships: the relationship between the organisation and its customers, and the relationship between the organisation and other stakeholders and general public. The economic basis of a brand is that it should keep its promise of providing both physical and emotional benefits to its buyers. Similarly, the social basis of a brand is that it must stick to its core values: trust, honesty, and integrity. Like any other long-term relationship, a brand must be developed and maintained on the basis of trust. Once the trust is lost or destroyed by any corporate wrongdoing the brand is doomed to fail as evidenced by some biggest corporate scandals in the USA and Europe. If marketing is, like some researchers (Vitell and Grove, 1987; Dunfee, et al, 1999) believe, the most prone to unethical behaviour due to its inherent attributes then branding must share some of the blame.

BRANDING AND CSR

Corporate social responsibility (CSR) and business ethics are the two concepts that are often used inter-exchangeably but different. This area is further complicated by the use of other terms such as corporate reputation, corporate image, and corporate citizenship, to name but a few (for a comprehensive review on CSR, see Carroll, (1999)). According to Robin and Reidenbach (1987), CSR is related to the social contract between business and society in which it operates, while business ethics requires organizations to behave in accordance with carefully thought-out rules or moral philosophy. Socially "responsible" behaviour may be ethically neutral or even ethically unsound while actions dictated by moral philosophy may be socially unacceptable.

To its critics CSR is all about cover up and spin. Many companies used CSR as a kind of corporate PR rather than as genuine attempt to change the way they interact with society (WARC, 2003). When CSR is driven only by risk management it is not only fake and unsustainable, but also doomed to failure on its own term (Kitchin, 2003).

Instead of addressing real issues, CSR merely stages an elaborate pantomime to conceal or distract public attention away from the corporate illness. CSR never tells the audience what happened behind the scene, i.e. what is really going on inside the company. The greatest CSR show in recent years was put on by Enron: before its demise Enron had been on the list of the 100 Best Companies to Work for in America and received six environmental awards in 2000. It issued a triple bottom line report. It had great policies on climate change, human rights, and (yes indeed) anti-corruption. Its CEO gave speeches at ethics conferences and put together a statement of values emphasizing "communication, respect, and integrity." The company's stock was in many social investing mutual funds when it went down (Kelly, 2002).

Cause related marketing (CRM) or so-called third wave branding is another latest fad. The idea behind CRM is that aligning companies with causes that consumer's feel strongly about, will create social capital and there will be a strong association between consumers and companies (Dowling, 2009). As most marketing managers do not have adequate training or competence to decide which social cause to support and which to ignore, CRM is opportunistic and superficial at best. At worst it could bring in more trouble than benefit to the organisation as it risks alienating a large proportion of its potential consumers by taking stands on issues that are either controversial or have little to do with its core business, a good example is provided by Benetton's so-called social issue advertising.

ETHICAL BRANDING AND CORPORATE REPUTATION

Corporate reputation can be defined in terms of a number of attributes that form a buyer's perception as to whether a company is well known, good or bad, reliable, trustworthy, reputable and believable (Levitt, 1965). Corporate reputation is concerned with how people feel about a company based on whatever information (or misinformation) they have on, company activities, workplace, past performance and future prospects (Fombrun, 2000). According to Keller (1998), a socially responsible corporate image association involves the creation of consumer perceptions of a company as contributing to community programs, supporting artistic and social activities and generally attempting to improve the welfare of society as a whole.

A corporate brand is the core component of corporate reputation. Being the face of the organisation that owns it, a corporate brand has to communicate to a wider range of audiences than consumers and investors. There is an interesting relationship between corporate reputation and corporate performance. Corporate reputation is believed to have positive impact on a firm's market share and ultimately on the stock market value. According to one study of long-term stock price movements and company reputation changes, some 8-15% of a company's stock price can be accounted for by corporate reputation (Greyser, 1996). On the other hand, a company's corporate reputation is also affected by its past performance, both financial performance and social performance.

Clearly there is a close link between ethical branding and corporate reputation. These attributes may include: honesty, integrity, diversity, quality, respect, responsibility and accountability (cocacola.com), and define what an ethical brand stands for. An ethical brand enhances the firm's reputation; such a reputation reinforces the brand in turn. Ethical branding can be studied at both corporate and product levels. At the corporate level, a corporate brand is a vital part of the corporate reputation management. Any unethical behaviour will severely damage or even destroy the total intangible asset as evidenced by the some recent high profile scandals such as Enron and Anderson Consulting. Branding at the product level involves labelling, packaging and communicating. Although these do not have a direct impact upon the corporate brand, they can still affect the reputation of the organisation. Some corporate PR activities such as sponsorship and donations will not automatically change the public opinion if the company is generally perceived as unethical and not genuine; for example, the sponsorship of a research centre for corporate responsibility by a tobacco firm. Corporate donations and CSR should not be used as varnish to cover corporate misbehavior. The organisation needs to make systematic efforts to create and maintain an ethical corporate brand image that not only enhances its corporate reputation but also gives the business competitive advantages.

DOES THE CONSUMER REALLY CARE ABOUT BRANDING ETHICS?

A popular or successful brand may not be ethical (it could be a controversial one, such as the Pantaloon Fashions). On the other hand, ethical branding cannot guarantee a firm the success in the marketplace. Consumers generally do have ethical concerns but such concerns do not necessarily become manifest in their actual purchasing behaviour. So does ethical branding matter? The literature seems to be divided on the responses of consumers. One survey in India finds that ethical behaviour is an important consideration during the purchase decision and consumers are willing to pay higher prices for that firm's product (Chopra and Reddy, 1997). An Indian study concludes that although consumers are more sophisticated today, this does not necessarily translate into behaviour that favours ethical companies over unethical ones (Seth and Ambastha, 2009). Another Indian study finds that today's consumers, facing more choices in the marketplace and changes in lifestyle, their sophistication is in decline rather than increase (Trivedi and Bansal, 1996). The consequence of this decline is unsophisticated consumers tend to reward unethical business practices and punish ethical business behaviour. As far as ethical branding is concerned, two questions need to be asked: Do the brand users care? Do the general public care?

Despite the conflicting findings in the literature, society today seems to be more concerned about ethical issues in marketing compared with 20 years ago. The more high-profile a brand is the higher expectation in ethical behaviour the public would place upon the brand. As an increasing number of consumers become ethically conscious, they do take ethical issues in branding seriously. This will in turn force branding to become more ethically accountable.

CONCLUSIONS

Business is a human activity and, like most human activities, it has been and is likely to continue to be evaluated from a moral point of view (Robin and Reidenbach, 1987). Branding, as part of business, is no exception. There is still much confusion about whether a brand itself is unethical or whether something casts an unethical image on the brand. A brand is itself neither good nor bad. But the value a brand represents and branding decisions and practice, as a subset of marketing, can be ethical or unethical.

The age of differentiation in products or service is all but gone as there is virtually little difference between the competing offers. Consumers are well aware of this fact. A recent survey by the Marketing Forum /Consumer Association revealed a high degree of consumer skepticism and cynicism to branding. 78% consumers agreed with the statement that "Companies like to pretend their brands are really different, but actually there's rarely any substantial difference between them", while 76% agreed that many companies "see their brands as a way of pushing up prices" (Mitchell, 2009). Today's business organizations face the increasing pressure from two fronts: from shareholders the pressure to improve financial performance, from wide stakeholders to behave in a socially responsible way.

If corporate reputation is a valuable intangible asset that needs to be actively managed in the boardroom (Larkin, 2003) rather than be passively defended or rescued when in crisis, ethics and social responsibility hold the key in corporate communications. Ethical corporate branding has a greater role to play in the corporate reputation management. Corporate branding should provide a clear vision about how the firm's brands are going to make the world a better place and have a justified set of core values (de Chernatony and McDonald, 2003). This ethical brand positioning could benefit the company with a differential advantage over competition; and at the same time, could help overcome the increasing consumers' skepticism and cynicism towards branding communications.

Ethical branding is a new area with many complicated issues in need of research. These issues can be separated into two broad categories. Firstly, ethical issues in the branding decisions: naming, renaming, positioning and targeting. Enough has been written about the purported benefits that a brand brings to the consumer and its owner (Ambler, 1997). Further research should ask new questions: What is ethical branding? What criteria can be used to differentiate ethical branding from unethical branding? How does the company create and communicate an ethical brand? Does ethical branding affect consumers' purchasing decisions? Secondly, at a philosophical level: the relationship between brand/branding and society needs to be examined. Is the goal of branding primarily and exclusively to enrich its shareholders? What is the social purpose of branding? What are its impact and consequences? Should a brand stand for some core human values? How does this fit with the social role or CSR of the business?

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IMPACT OF AGGRESSIVE WORKING CAPITAL MANAGEMENT POLICY ON FIRMS' PROFITABILITY**A. PALANI****ASST. PROFESSOR****DEPARTMENT OF MANAGEMENT STUDIES****AALIM MUHAMMED SALEGH COLLEGE OF ENGINEERING
AVADI****DR. A. PEER MOHIDEEN****ASSOCIATE PROFESSOR****PG & RESEARCH DEPARTMENT OF COMMERCE****KHADIR MOHIDEEN COLLEGE
ADIRAMPATTINAM****ABSTRACT**

A firm may adopt an aggressive working capital management policy with a low level of current assets as a percentage of total assets, or it may also be used for the financing decisions of the firm in the form of high level of current liabilities as a percentage of total liabilities. This study investigates the potential relationship of aggressive/conservative policies with the accounting and market measures of profitability of India firms using a panel data set for the period 1998-2005. The present study is expected to contribute to better understand these policies and their impact on profitability, especially in emerging markets like India. Finally, since good economic conditions tend to be reflected in a firm's profitability (Lamberson, 1995), this phenomenon has been controlled for the evolution of the economic cycle using the GDPGR variable, which measures the real annual GDP growth in India for each of the study year from 2002 to 2010. The present study investigates the relationship between the aggressive/conservative working capital asset management and financing policies and its impact on profitability of 204 India firms divided into 16 industrial groups by BSE for the period 2002-2010. The impact of aggressive/conservative working capital investment and the financing policies has been examined using panel data regression models between working capital policies and profitability. The study finds a negative relationship between the profitability measures of firms and degree of aggressiveness of working capital investment and financing policies. The firms report negative returns if they follow an aggressive working capital policy.

KEYWORDS

working capital management, financial policies.

INTRODUCTION

The corporate finance literature has traditionally focused on the study of long-term financial decisions, particularly investments, capital structure, dividends or company valuation decisions. However, short-term assets and liabilities are important components of total assets and need to be carefully analyzed. Management of these short-term assets and liabilities warrants a careful investigation since the working capital management plays an important role in a firm's profitability and risk as well as its value (Smith, 1980). Efficient management of working capital is a fundamental part of the overall corporate strategy in creating the shareholders' value. Firms try to keep an optimal level of working capital that maximizes their value (Deloof, 2003; Howorth and Westhead, 2003 and Afza and Nazir, 2007).

In general, from the perspective of Chief Financial Officer (CFO), working capital management is a simple and straightforward concept of ensuring the ability of the organization to fund the difference between the short-term assets and short-term liabilities (Harris, 2005). However, a 'Total' approach is desired as it can cover all the company's activities relating to vendor, customer and product (Hall, 2002). In practice, working capital management has become one of the most important issues in the organizations where many financial executives are struggling to identify the basic working capital drivers and an appropriate level of working capital (Lamberson, 1995). Consequently, companies can minimize risk and improve the overall performance by understanding the role and drivers of working capital management.

A firm may adopt an aggressive working capital management policy with a low level of current assets as a percentage of total assets, or it may also be used for the financing decisions of the firm in the form of high level of current liabilities as a percentage of total liabilities. Excessive levels of current assets may have a negative effect on the firm's profitability, whereas a low level of current assets may lead to a lower level of liquidity and stock outs, resulting in difficulties in maintaining smooth operations (Van Horne and Wachowicz, 2004).

The main objective of working capital management is to maintain an optimal balance between each of the working capital components. Business success heavily depends on the financial executives' ability to effectively manage receivables, inventory, and payables (Filbeck and Krueger, 2005). Firms can reduce their financing costs and/or increase the funds available for expansion projects by minimizing the amount of investment tied up in current assets. Most of the financial managers' time and efforts are allocated towards bringing non-optimal levels of current assets and liabilities back to optimal levels (Lamberson, 1995). An optimal level of working capital would be the one in which a balance is achieved between risk and efficiency. It requires continuous monitoring to maintain proper level in various components of working capital, i.e., cash receivables, inventory and payables, etc.

In general, current assets are considered as one of the important components of total assets of a firm. A firm may be able to reduce the investment in fixed assets by renting or leasing plant and machinery, whereas the same policy cannot be followed for the components of working capital. The high level of current assets may reduce the risk of liquidity associated with the opportunity cost of funds that may have been invested in long-term assets. Though the impact of working capital policies on profitability is highly important, only a few empirical studies have been carried out to examine this relationship. This study investigates the potential relationship of aggressive/conservative policies with the accounting and market measures of profitability of India firms using a panel data set for the period 2002-2010. The present study is expected to contribute to better understand these policies and their impact on profitability, especially in emerging markets like Pakistan.

LITERATURE REVIEW

Many studies have analyzed the financial ratios as a part of working capital management; however, very few of them have discussed the working capital policies in specific. Gupta (1969) and Gupta and Huefner (1972) examined the differences in financial ratio averages among industries. The conclusion of both the studies was that differences do exist in mean profitability, activity, leverage and liquidity ratios among industry groups. Johnson (1970) extended this work by finding cross-sectional stability of ratio groupings for both retailers and primary manufacturers. Pinches *et al.* (1973) used factor analysis to develop seven classifications of ratios and found that the classifications were stable over the 1951-1969 time period.

Filbeck and Krueger (2005) highlighted the importance of efficient working capital management by analyzing the working capital management policies of 32 non-financial industries in the US. According to their findings, significant differences exist among industries in working capital practices overtime. Moreover, these

working capital practices, themselves, change significantly within industries overtime. Similar studies were conducted by Gombola and Ketz (1983), Long *et al.* (1993), Soenen (1993) and Maxwell *et al.* (1998).

However, Weinraub and Visscher (1998) discussed the issue of aggressive and conservative working capital management policies by using quarterly data for the period 1984-93 of the US firms. Their study considered 10 diverse industry groups to examine the relative relationship between their aggressive/conservative working capital policies. Their study concluded that the industries had distinctive and significantly different working capital management policies. Moreover, the relative nature of the working capital management policies exhibited remarkable stability over the 10-year study period. The study also showed a high and significant negative correlation between industry asset and liability policies and found that when relatively aggressive working capital asset policies are followed, they are balanced by relatively conservative working capital financial policies.

In literature, there is a long debate on the risk/return tradeoff among different working capital policies (Pinches, 1991; Brigham and Ehrhardt, 2004; Gitman, 2005 and Moyer *et al.*, 2005). More aggressive working capital policies are associated with higher return and risk, while conservative working capital policies are associated with lower risk and return (Gardner *et al.*, 1986 and Weinraub and Visscher, 1998). Working capital management is important because of its effects on the firms' profitability and risk, and consequently its value (Smith, 1980). The greater the investment in current assets, the lower the risk, but also the lower the profitability obtained. Contrary to this, Carpenter and Johnson (1983) provided empirical evidence that there is no linear relationship between the level of current assets and revenue systematic risk of the US firms; however, some indications of a possible nonlinear relationship were found, which were not highly statistically significant.

Soenen (1993) investigated the relationship between the net trade cycle as a measure of working capital and return on investment in the US firms. The results of chi-square test indicated a negative relationship between the length of net trade cycle and return on assets. Furthermore, this inverse relationship was found different across industries depending on the type of industry. A significant relationship for about half of the industries studied indicated that results might vary from industry to industry. Another aspect of working capital management has been analyzed by Lamberson (1995) who studied how small firms respond to changes in economic activities by changing their working capital requirements and level of current assets and liabilities. Current ratio, current assets to total assets ratio and inventory to total assets ratio were used as a measure of working capital requirement, while the index of annual average coincident economic indicator was used as a measure of economic activity.

Contrary to the expectations, the study found that there is a very small relationship between changes in economic conditions and changes in working capital.

In order to validate the results of Soenen (1993) on a large sample and with a longer time period, Jose. (1996) examined the relationship between aggressive working capital management and profitability of the US firms using Cash Conversion Cycle (CCC) as a measure of working capital management, where a shorter CCC represents the aggressiveness of working capital management. The results indicated a significant negative relationship between the CCC and profitability, indicating that more aggressive working capital management is associated with higher profitability. Shin and Soenen (1998) concluded that Profitability reducing the level of current assets to a reasonable extent increases a firm's profitability. Similarly, Deloof (2003) analyzed a sample of large Belgian firms for the period 1992-1996 and the results confirmed that Belgian firms can improve their profitability by reducing the number of days accounts receivable are outstanding and reducing inventories. Teruel and Solano (2005) suggested that managers can create value by reducing their firms' number of days' accounts receivable and inventories. Similarly, shortening the CCC also improves the firms' profitability.

In the India context, Rehman (2006) investigated the impact of working capital management on the profitability of 94 Indian firms listed on Islamabad Stock Exchange (ISE) for the period 1999-2004. He studied the impact of the different variables of working capital management, including average collection period, inventory turnover in days, average payment period and CCC on the net operating profitability of firms. He concluded that there is a strong negative relationship between working capital ratios mentioned above and profitability of firms. Furthermore, managers can create a positive value for the shareholders by reducing the CCC up to an optimal level. Similar studies on working capital and profitability include Smith and Begemann (1997), Howorth and Westhead (2003), Eljelly (2004), Ghosh and Maji (2004) and Lazaridis and Tryfonidis (2006).

Afza and Nazir (2007) investigated the relationship between the aggressive and conservative working capital policies for 17 industrial groups and a large sample of 263 public limited companies listed on Indian Stock Exchange using cross-sectional data for the period 1998-2003. Using Analysis of Variance (ANOVA) and Least Significant Difference (LSD) test, the study found significant differences among their working capital investment and financing policies across different industries. Moreover, rank order correlation confirmed that these significant differences were remarkably stable over the six-year study period. Finally, ordinary least regression analysis found a negative relationship between the profitability measures of firms and the degree of aggressiveness of working capital investment and financing policies. The present study further validates the impact of the degree of aggressiveness of working capital policies on market measures of profitability, i.e., Tobin's *q* using panel data approach.

RESEARCH METHODOLOGY

VARIABLES USED IN THE STUDY

This study uses aggressive investment policy as used by Weinraub and Visscher (1998), who analyzed working capital policies of 126 industrial firms in the market. Aggressive Investment Policy (AIP) results in minimal level of investment in current assets versus fixed assets. In contrast, a conservative investment policy places a greater proportion of capital in liquid assets with the opportunity cost of less profitability. If the level of current assets increases in proportion to the total assets of the firm, the management is said to be more conservative in managing the current assets of the firm. In order to measure the degree of aggressiveness of working capital investment policy, the following ratio was used:

$$\text{AIP} = \frac{\text{Total Current Assets TCA}}{\text{Total Assets TA}}$$

where a lower ratio means a relatively aggressive policy.

On the other hand, an Aggressive Financing Policy (AFP) utilizes higher levels of current liabilities and less long-term debt. In contrast, a conservative financing policy uses more long-term debt and capital and less current liabilities. The firms are more aggressive in terms of current liabilities management if they are concentrating on the use of more current liabilities which put their liquidity on risk. The degree of aggressiveness of a financing policy adopted by a firm is measured by working capital financing policy, and the following ratio is used:

$$\text{AFP} = \frac{\text{Total Current Liabilities TCL}}{\text{Total Assets TA}}$$

where a higher ratio means a relatively aggressive policy.

The impact of working capital policies on the profitability has been analyzed through accounting measures of profitability as well as market measures of profitability, i.e., Return on Assets (ROA) and Tobin's *q*. These variables of return are calculated as:

$$\text{ROA} = \frac{\text{Net Earnings After Taxes NEAT}}{\text{Book Value of Assets BVA}}$$

Tobin's q compares the value of a company given by financial markets with the value of a company's assets. A low q (between 0 and 1) means that the cost to replace a firm's assets is greater than the value of its stock. This implies that the stock is undervalued. Conversely, a high q (greater than 1) implies that a firm's stock is more expensive than the replacement cost of its assets, which implies that the stock is overvalued. It is calculated as:

$$\text{Tobin's } q = \frac{\text{Market Value of Firm MVF}}{\text{Book Value of Assets BVA}}$$

Tobins q

Book Value of Assets BVA

where Market Value of Firm (MVF) is the sum of book value of long plus short term and market value of equity. Market value of equity is calculated by multiplying the number of shares outstanding with the current market price of the stock in a particular year.

CONTROL VARIABLES

In working capital literature, various studies have used the control variables along with the main variables of working capital in order to have an opposite analysis of working capital management on the profitability of firms (Lamberson, 1995; Smith and Begemann, 1997; Deelof, 2003; Eljelly, 2004; Teruel and Solano, 2005 and Lazaridis and Tryfonidis, 2006). On the same lines, along with working capital variables, the present study has taken into consideration some control variables relating to firms such as the size of the firm, the growth in its sales, and its financial leverage. The size of the firm (SIZE) has been measured by the logarithm of its total assets, as the original large value of total assets may disturb the analysis. The growth of firm (GROWTH) is measured by variation in its annual sales value with reference to previous year's sales [(Sales_t - Sales_{t-1})/Sales_{t-1}]. Moreover, the financial leverage (LVRG) was taken as the debt to equity ratio of each firm for the whole sample period. Some studies, like Deelof (2003) in his study of large Belgian firms, also considered the ratio of fixed financial assets to total assets as a control variable; however, this variable cannot be included in the present study because of unavailability of data, as most of the firms do not disclose full information in their financial statements. Finally, since good economic conditions tend to be reflected in a firm's profitability (Lamberson, 1995), this phenomenon has been controlled for the evolution of the economic cycle using the GDPGR variable, which measures the real annual GDP growth in India for each of the study year from 2002 to 2010.

SAMPLE AND DATA

The sample of the study consists of all non-financial firms listed on the Bombay Stock Exchange (BSE). BSE has divided the non-financial firms into various industrial sectors based on their nature of business. In order to be included in the sample, a firm must be in business for the whole study period. Also, firms should neither have been delisted by the BSE nor merged with any other firm during the whole window period. New incumbents in the market during the study period have also not been included in the sample. Furthermore, firms must have complete data for the period 2002-2010. Firms with negative equity during the study period have also been excluded. Thus, the final sample consists of 204 non-financial firms from 17 various industrial sectors.

This study used annual financial data of 204 non-financial firms for the period 2002-2010. The panel data set was developed for eight years and for the 204 sampled firms which produced 1,632 year-end observations. The required financial data for the purpose of the study was obtained from the respective companies' annual reports and publications of State Bank of India. The data regarding annual average market prices was collected from the daily quotations of BSE.

ANALYSIS

Table 1 presents the results of regression model in which the impact of working capital investment policy on the performance measurements has been examined. The F-values of regression models run are found statistically significant, whereas Durbin-Watson statistics of more than 1.8 indicate less correlation among the independent variables of the regressions models. The t-statistics of working capital investment policy is positive and statistically significant at 1% level for Return on Assets and Tobin's q. The positive coefficient of TCA/TA indicates a negative relationship between the degree of aggressiveness of investment policy and return on assets. As the TCA/TA increases, the degree of aggressiveness decreases, and return on assets increases. Therefore, there is a negative relationship between the relative degree of aggressiveness of working capital investment policies of firms and both performance measures, i.e., ROA and Tobin's q. This similarity in market and accounting returns confirms the notion that investors do not believe in the adoption of aggressive approach in the working capital management, hence, they do not give any additional weight to the firms on BSE.

Table 2 reports regression results for working capital financing policy and the performance measures. The F-value of regression models and Durbin-Watson statistics indicate similar results as reported in Table 1. The negative value of coefficient for TCL/TA also points out the negative relationship between the aggressiveness of working capital financing policy and return on assets. The higher the TCL/TA ratio, the more aggressive the financing policy, that yields negative return on assets. However, surprisingly, the relationship between Tobin's q and working capital financing policy has been established as positive and statistically significant. Investors were found giving more weight to the firms which are adopting an aggressive approach towards working capital financing policy and having higher levels of short-term and spontaneous financing on their balance sheets.

TABLE 1: REGRESSION ANALYSIS OF PERFORMANCE MEASURES AND WORKING CAPITAL INVESTMENT POLICY

Variables	ROA		Tobin's q	
	β	t-value	β	t-value
TCA/TA	0.158	6.506***	0.149	6.156***
SIZE	0.082	3.363***	0.092	3.771***
GROWTH	0.137	3.805	-0.004	-0.104
GDPGR	0.043	1.759*	0.162	6.627***
LVRG	-0.202	-5.606***	0.004	0.101
F-value		17.166***		19.245***
N		1,632		-
D-W		1.875		1.948

Note: *** and * indicate significance levels at 1% and 10% respectively.

TABLE 2: REGRESSION ANALYSIS OF PERFORMANCE MEASURES AND WORKING CAPITAL FINANCING POLICY

Variables	ROA		Tobin's q	
	β	t-value	β	t-value
TCL/TA	-0.171	-6.940***	0.087	3.506***
SIZE	0.064	2.630***	0.087	3.522***
GROWTH	0.116	3.204***	0.011	0.312
GDPGR	0.011	0.440	0.163	6.578***
LVRG	-0.168	-4.628***	-0.013	-0.354
F-value		18.363***		13.946***
N		1,632		-
D-W		1.822		1.923

Note: *** and * indicate significance levels at 1% and 10% respectively.

The control variables used in the regression models are natural log of firm size, sales growth, real GDP growth and the average leverage. All the control variables have their impact on the performance of the firms. Firms' size causes the returns of the firms to be increased and it is found to be statistically significant. Moreover, *GROWTH* and *LVRG* are found to be significantly associated with the book-based returns on assets which confirm the notion that leverage and growth are strongly correlated with the book value-based performance measures (Deloof, 2003 and Eljelly, 2004). Real GDP growth may not affect the returns based on book values; however, investors may react positively to a positive change in the level of economic activity which is in accordance with the findings of Lamberson (1995).

The above results contradict the findings of Gardner *et al.* (1986), Deloof (2003), Eljelly (2004) and Teruel and Solano (2005); however, they are in accordance with Afza and Nazir (2007) and produced a negative relationship between the aggressiveness of working capital policies and accounting measures of profitability. Managers cannot create value if they adopt an aggressive approach towards working capital investment and working capital financing policy. However, if firms adopt aggressive approach in managing their short-term liabilities, investors give more value to those firms. The degree of aggressiveness of working capital policies adopted helps only in creating shareholders' wealth through increased market performance, whereas accounting performance cannot be increased by being aggressive in managing the working capital requirements. The results of this study are somewhat different from those conducted in the developed economies. India is one of the emerging economies and India markets are not fully transparent and efficient to fully absorb the impact of information. The study results confirm this state of India markets.

CONCLUSION

The present study investigates the relationship between the aggressive/conservative working capital asset management and financing policies and its impact on profitability of 204 India firms divided into 16 industrial groups by BSE for the period 2002-2010. The impact of aggressive/conservative working capital investment and the financing policies has been examined using panel data regression models between working capital policies and profitability. The study finds a negative relationship between the profitability measures of firms and degree of aggressiveness of working capital investment and financing policies. The firms report negative returns if they follow an aggressive working capital policy. These results were further validated by examining the impact of aggressive working capital policies on market measures of profitability, which was not tested before. The results of Tobin's *q* were in line of the accounting measures of profitability and produced almost similar results for working capital investment policy. However, investors were found giving more value to those firms that are more aggressive in managing their current liabilities.

The study used a new measure of profitability, i.e., Tobin's *q* and panel data regression analysis, to investigate the relationship between working capital management and firm returns in India. The findings of the present study are expected to contribute significantly to finance literature. The results of the present study are in contradiction to those of some earlier studies on the issue. This phenomenon may be attributed to the inconsistent and volatile economic conditions of India. The reasons for this contradiction may further be explored in future researches.

The study also suggests some policy implications for the managers and prospective investors in the emerging market of India. Firms with more aggressive policy towards working capital may not be able to generate more profit. So, as far as the book value performance is concerned, managers cannot generate more returns on assets by following aggressive approach towards short-term assets and liabilities. On the other hand, investors are found giving more value to the firms that adopt an aggressive approach towards working capital financing policies. The market value of firms using high level of current liabilities in their financing is more than the book value. The investors believe that firms with less equity and less long-term loans would be able to perform better than the others. However, there are various other factors like agency problem which may play a pivotal role in such cases, and so these factors may further be explored in future.

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ORGANISATIONAL SUPPORT FOR CAREER DEVELOPMENT OF EMPLOYEES – A STUDY ON BBK LEATHERS PRIVATE LTD.

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ABSTRACT

The objective of this paper is to evaluate the organisational support for career management and satisfaction among workers in an organisation. An empirical study is made on BBK Leathers Pvt. Ltd. – Ranipet involving 220 workers. Chi-Square test is used to find the organisational support provided by the BBK Leathers Pvt. Ltd. to its workers. And also the satisfaction level of workers was found. The inferences of these findings were discussed and suggestions are provided to the organisation for its progress.

KEYWORDS

Career Development, HRM.

INTRODUCTION

Career management is the combination of structured planning and the active management choice of one's own professional career. The entire career management process is based on the establishment of defined goals/objectives whether specific or general in nature. The outcome of successful career management should include personal fulfillment, work/life balance, goal achievement and financial assurity Career management is the lifelong process of investing resources to achieve the career goals.

DEFINITION

Organisational support for career development (OSCD) is also called "organisational career management" or "organisational sponsorship" and refers to the programs, processes and assistance provided by organisations to support and enhance their employees' career success.

IMPORTANCE TO STUDY ABOUT CAREER MANAGEMENT

Every organisation has to support their employees to realize their objective through career management. The study of the career management of an organisation is necessary to develop good management and leadership skills, to gain confidence, to open doors of opportunities to the employees. These are the factors that determine the success of the organisation.

OBJECTIVES OF THE STUDY

PRIMARY OBJECTIVE

- To Study the organisational support for career development of employees and their involvement in job enrichment at BBK leathers Pvt Ltd.
- To Study how organisation supports its employees in the workplace.
- To Identify the level of participation or involvement of the employees with respect to training.
- To Study the Measures adopted by the management to enrich or to improve the job level of employees

DESIGN OF STUDY

The experimental design offers the best possibility of accomplishing the goal. This study is designed in such a way so as to examine the support provided by BBK LEATHERS (P) LTD and BBK SHOES to its employees. More specifically the study has sought to answer the following questions.

- To find whether the organisation provides support for their employees career growth.
- To find the level of involvement of employees in the training activities.
- To find the measures adopted by the organisation for job enrichment.

RESEARCH INSTRUMENT

A Well structured questionnaire has been used for the collection of primary data from the respondents for the purpose of knowing the involvement in job enrichment and the organisational support for career development of employees in BBK Leathers Private Limited. Primary data is also collected through observation and interaction with higher officials. The secondary data is collected through various records and manuals maintained by department. It is also collected from various magazines, periodicals, books from library.

METHODOLOGY

Research Methodology explains the various steps that are generally adapted by the researcher in studying research problem along with logic behind them. The total population of the organisation was 220 and all the employees were selected for the study.

STATISTICAL TOOLS USED

The collected data was analyzed by using statistical technique like Percentage Analysis and Correlation with Cross tabs. The data was to be analyzed by using Statistical Package for Social Sciences (SPSS) software.

PERCENTAGE ANALYSIS

Formula:
$$\frac{\text{No of Respondents}}{\text{Total No of Respondents}} \times 100$$

CORRELATION

In many situations, the outcome of a random experiment will have two measurable characteristics which will be the variable X and Y. Often it will be interested in finding out whether the variables are related to each other and to determine the nature of relationship and degree of relationship.

Formula:

$$\rho = \frac{N\sum XY - \sum X \cdot \sum Y}{\sqrt{[N\sum X^2 - (\sum X)^2]} \sqrt{[N\sum Y^2 - (\sum Y)^2]}}$$

DATA ANALYSIS AND INTERPRETATION

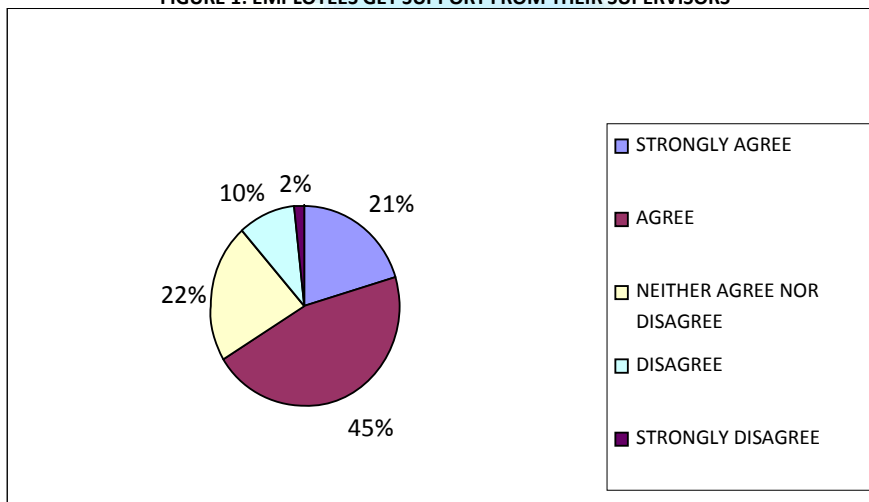
The questionnaire framed for data collection was circulated among the sample of employees selected and the data was obtained. The data obtained were analyzed using percentage analysis. The hypothesis was formulated and was tested for its validity. The results obtained from the analysis are presented as follows:

EMPLOYEES GET SUPPORT FROM THEIR SUPERVISORS

TABLE 1: EMPLOYEES GET SUPPORT FROM THEIR SUPERVISORS

SUPPORT	NO.OF RESPONDENTS	PERCENTAGE
STRONGLY AGREE	45	21
AGREE	100	45
NEITHER AGREE NOR DISAGREE	49	22
DISAGREE	21	10
STRONGLY DISAGREE	4	2
TOTAL	220	100

FIGURE 1: EMPLOYEES GET SUPPORT FROM THEIR SUPERVISORS



INTERPRETATION

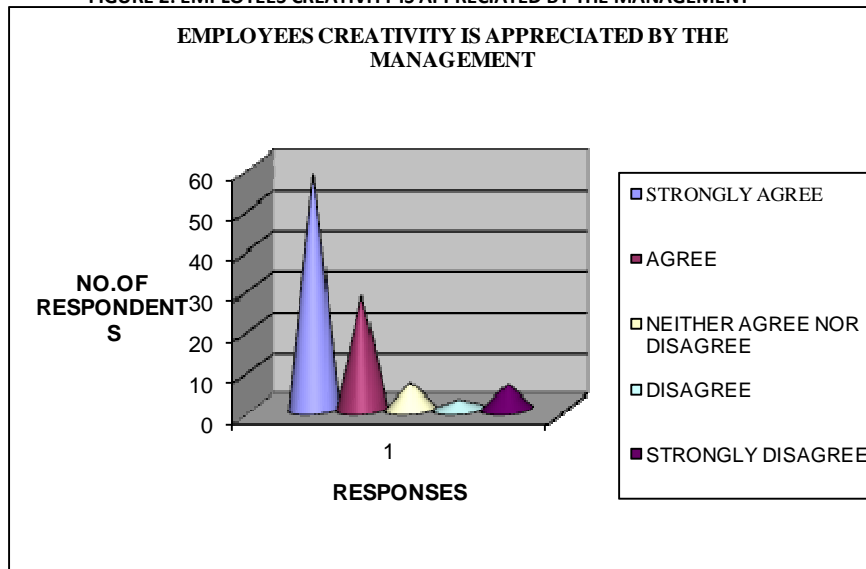
The Table 1 reveals that 21% of the respondents strongly agree that employees get support from their supervisors within the working environment, 45% of the respondents agree, 22% of the respondents neither agree nor disagree, 10% of the respondents disagree, and 2% of the respondents strongly disagree. Majority of the respondents agree that employees get support from their supervisors within the working environment.

EMPLOYEES CREATIVITY IS APPRECIATED

TABLE 2: EMPLOYEES CREATIVITY IS APPRECIATED

APPRECIATED	NO.OF RESPONDENTS	PERCENTAGE
STRONGLY AGREE	127	58
AGREE	61	28
NEITHER AGREE NOR DISAGREE	14	6
DISAGREE	5	2
STRONGLY DISAGREE	13	6
TOTAL	220	100

FIGURE 2: EMPLOYEES CREATIVITY IS APPRECIATED BY THE MANAGEMENT



INTERPRETATION

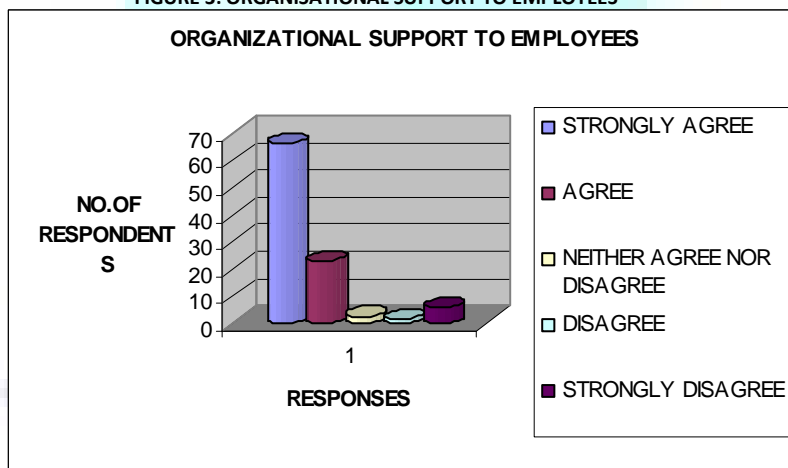
The Table 2 reveals that 58% of the respondents strongly agree that employee’s creativity is appreciated towards their work by the management, 28% of the respondents agree that employee’s creativity is appreciated towards their work, 6% of the respondents neither agree nor disagree, 2% of the respondents disagree, and 6% of the respondents strongly disagree. Majority of the respondents strongly agree that employee’s creativity is appreciated towards their work by the management.

ORGANISATIONAL SUPPORT TO EMPLOYEES

TABLE 3: ORGANISATIONAL SUPPORT TO EMPLOYEES

RESPONDENTS	FREQUENCY	PERCENTAGE
STRONGLY AGREE	146	66.36
AGREE	51	23.18
NEITHER AGREE NOR DISAGREE	6	2.73
DISAGREE	4	1.82
STRONGLY DISAGREE	13	5.91
TOTAL	220	100

FIGURE 3: ORGANISATIONAL SUPPORT TO EMPLOYEES



INTERPRETATION

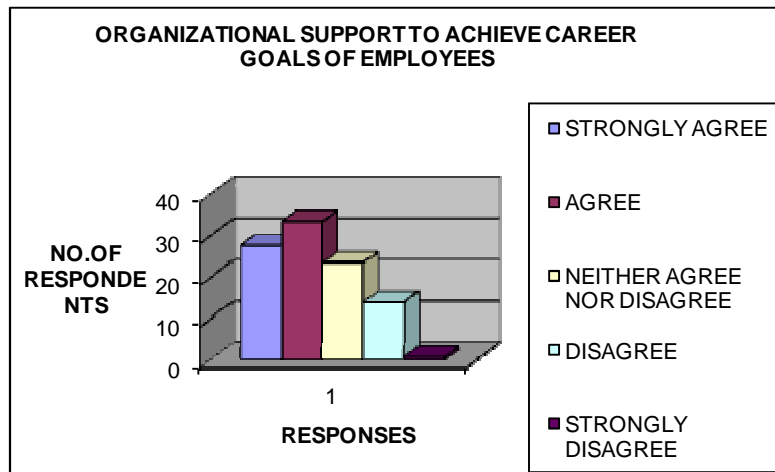
The Table3 reveals that 66.36% of the respondents strongly agree that organisational support is necessary to every employee in the workplace, 23.18% of the respondents agree, 2.73 % of the respondents neither agree nor disagree, 1.82% of the respondents disagree, and 5.91% of the respondents strongly disagree that organisational support is necessary. Majority of the respondents strongly agree that organisational support is necessary to each and every employee in the workplace.

ORGANISATIONAL SUPPORT TO ACHIEVE CAREER GOALS

TABLE 4: ORGANISATIONAL SUPPORT TO ACHIEVE CAREER GOALS

RESPONDENTS	FREQUENCY	PERCENTAGE
STRONGLY AGREE	61	28
AGREE	74	33
NEITHER AGREE NOR DISAGREE	52	24
DISAGREE	31	14
STRONGLY DISAGREE	2	1
TOTAL	220	100

FIGURE 4: ORGANISATIONAL SUPPORT TO ACHIEVE CAREER GOALS



INTERPRETATION

The Table 4 reveals that 28% of the respondents strongly agree that employee gets organisational support to achieve their career goals of employees, 33% of the respondents agree, 24% of the respondents neither agree nor disagree, 14% of the respondents disagree, 1% of the respondents strongly disagree that employee gets organisational support to achieve their career goals in the factory. Majority of the respondents agree that employee gets the organisational support to achieve their career goals in the factory.

HYPOTHESIS

HO: There is no significant difference between the employee’s individual views and career development of employees.

H1: There is significant difference between the employee’s individual views and career development of employees.

ASSOCIATION BETWEEN THE INDIVIDUAL VIEWS AND THE CAREER DEVELOPMENT OF EMPLOYEES

CORRELATION

TABLE 5: CORRELATION BETWEEN INDIVIDUAL VIEWS AND CAREER DEVELOPMENT OF EMPLOYEES

Correlations			
		employees individual views with regard to career development programmes	organisational support to achieve career goals
Pearson Correlation	employees individual views with regard to career development programmes	1.000	.144*
	organisational support to achieve career goals	.144*	1.000
Sig. (2-tailed)	employees individual views with regard to career development programmes	.	.032
	organisational support to achieve career goals	.032	.
N	employees individual views with regard to career development programmes	220	220
	organisational support to achieve career goals	220	220

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

TABLE 6: CROSSTAB CALCULATION BETWEEN INDIVIDUAL VIEWS AND CAREER DEVELOPMENT OF EMPLOYEES

Case Processing Summary

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
employees individual views with regard to career development programmes * organisational support to achieve career goals	220	100.0%	0	.0%	220	100.0%

**employees individual views with regard to career development programmes * organisational support to achieve career goals
Crosstabulation**

Count		organisational support to achieve career goals					Total
		strongly agree	agree	neither agree nor disagree	disagree	strongly disagree	
employees individual views with regard to career development programmes	Yes	40	44	32	10	2	128
	No	21	30	20	21		92
Total		61	74	52	31	2	220

INFERENCE

The Correlation Coefficient being .144 means that the employee’s initiative and the Organisational support to employees has positive correlation between each other. Here the correlation is significant at the 0.05 level (2-tailed).

FINDINGS

- The study reveals that 45% respondents agreed that employee gets support from their supervisors within the working environment and 2% respondents strongly disagreed.
- The study reveals that 58% respondents strongly agreed that employee’s creativity is appreciated towards their work by the management and 2% disagreed to that reason.
- The study reveals that 66.36% respondents strongly agreed that organisational support is necessary to each and every employee and 1.82% respondents disagreed that organisational support is not necessary.
- The study reveals that 33% agreed that employee gets organisational support to achieve career goals and 1% strongly disagreed that employee get organisational support to achieve career goals.
- The study reveals that Correlation Coefficient being .158 means that the employee’s creativity and the organisational support has positive correlation between each other. Here the correlation is significant at the 0.05 level (2-tailed).

SUGGESTIONS

On the basis of analysis made and findings arrived, the following suggestions are noted for improvement.

- The management should take care on work life balance, such that workers personal life doesn’t get affected - Management can balance the work of employees with in the working days. So that, their official work should not get affected during week ends.
- The company should concentrate on senior workers, who are working over here for several years and getting of minimum salary - when compare with the fresh workers, senior workers are getting the very minimum salary.
- The management should recognize the each and every employee’s individual interest and ability (potential), and then put them to work in all different sections in the company.
- The supervisors should encourage /motivate the employees in working; this may lead them to produce more of output.

CONCLUSION

On the analysis of different factors which is used to find the reasons of organisational support for career development of employees in BBK Leathers Private Limited, it is found that the employees were satisfied with the most of the key factors such as Organisational Support to employees, Work Satisfaction, Salary, Incentives, PF, Educational Allowance, Safety facilities, Work Atmosphere, Supervisors Appreciation and Employee involvement in training.

Hence it can be concluded that the employees of BBK Leathers Private Limited are satisfied on most of the job related factors and are motivated and ready to contribute to advancement of the company, but the management should be more sensitive and concentrate on their basic needs such as transport facility men workers, welfare facilities such as crèche, canteen and rest room facilities.

The working environment and career growth opportunities, career programmes, incentives, remuneration, other factors should be on par with other industries in competition so as to prevent the employee moving over to other organisation in the search of better opportunities.

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PERCEPTION AND CONSUMER BEHAVIOUR TOWARDS PRIVATE LABELS AT RETAIL OUTLET IN CHENNAI CITY – AN EMPIRICAL VIEW

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ABSTRACT

Private Labels are product brands that are owned by the retailer instead of entity that produces the product. Private Labels are getting retailer attention due to higher profit margin on such products, compared with branded alternatives. The Pantaloon Retail (India) Ltd is India's leading retailer that operates multiple retail formats in both the value and lifestyle segment. It operates a nationwide chain of stores that include Big Bazaar, Food Bazaar, Pantaloons, Central, Home Town, eZone, Depot, Loot Mart, Brand Factory, Urbana, Indigo Nation, One Mobile, Staples, Lee Cooper Sports Bar, Copper Chimney and F123. Big Bazaar offers a wide range of products which range from apparels, food, farm products, furniture, child care, toys, etc of various brands like Levis, Allen Solly, Pepsi, Coca-Cola, HUL, ITC, P&G, LG, Samsung, Nokia, HP along with number of Private Labels like DJ & C, Tasty Treat and Clean Mate. This research is mainly focused to find out the market potential and Preference of Private Labels of big bazaar among consumers in Chennai city. This study will help the Big Bazaar to identify the buyers' behavior and to design their marketing strategy accordingly and also it gives an improved service quality in future scenario. The survey shows that customers of Big Bazaar store are satisfied towards the quality and price of Private Labels. The analysis is performed using Chi-square and weighted average analysis to draw meaningful inferences and conclusions.

KEYWORDS

Retailing, Private Labels, Big Bazaar, Consumer Behavior, Satisfaction, Awareness level.

INTRODUCTION

Private Label products or services are typically those manufactured or provided by one company for offer under another company's brand. Private Label goods and services are available in a wide range of industries from food to cosmetics to web hosting. They are often positioned as lower cost alternatives to regional, national or international brands, although recently some private label brands have been positioned as "premium" brands to compete with existing "name" brands.

Private Label describes products manufactured for sale under a specific retailer's brand. They are often designed to compete against branded products, offering customers a cheaper alternative to national brands. Though the public generally used to see them as low cost imitations of branded products, Private Labels have overcome this reputation and achieved significant growth in recent years. The most commonly known private label brand goods are the "store brands" sold by food retailers, though this is just one example of many. Department stores, electronic stores, and office supply retailers all offer private label products or services.

Private Labels were traditionally defined as generic product offerings that competed with their national brand counterparts by means of a price value proposition often the lower priced alternative to the "real" thing; in house brand or store brands carried the stigma of inferior quality and therefore inspired less trust and confidence. Yet, they still grew and prospered by providing consumers lower priced options for what was often a low involvement purchase decision. Retailers continued to push more and more in house brand products into different categories of the market place because they represented high margins and the promise of profitability with little to no marketing effort.

NEED FOR THE STUDY

This study has conducted to identify the prospective market segments and the existing market potential in those segments. This study will help the store to identify the factor for which their brand is maintaining its position in the market and the factor need to be improved. The research on awareness level and promotion of Private Labels which will make the brand more preferable.

OBJECTIVES

- To study the awareness level and customer satisfaction towards Private Labels of Big Bazaar
- To analyze the consumer behavior towards Private Labels.
- To suggest measures to promote the private label in market.

REVIEW OF LITERATURE

Peter et.al (2002), an empirical study in The Netherlands observed that in recent years, the quality of private label products and their market shares have grown to such an extent that most consumer goods manufacturers, brand leaders included, cannot afford to ignore them. The article concludes that performance of private labels plays a very important role in the market.

Dr. Mario et.al (2005), study found that the odds of a consumer being highly pleased with a store label product when they are *supportive* of the quality of private labels, is more than the odds of the consumer being highly satisfied when purchasing private label products simply because they are *priced significantly lower* than manufacturer brands.

Alison Fraser (2009), the study examines the Role of Store Image and customers' attitude towards private labels. The research concludes that the findings also suggest that store image should be incorporated in models predicting consumer proneness to private labels.

Nirmalya Kumar, et.al (2007), found that retailers have become more powerful and global, they have increasingly focused on their own brands at the expense of manufacturer brands. Rather than simply selling on price, retailers have transformed private labels into brands.

Kusum et.al (2003), the study reveals that a negative intrinsic relationship between store brand and national brand deal usage. Overall, our results suggest a competitive advantage for store brands. Store brands can attract many consumers by increasing their perceived quality. Manufacturers would then have a hard time attracting back these consumers even if they increase deal savings.

Dr. Rajagopal (2008), observed that shopping malls contribute to business more significantly than traditional markets which were viewed as simple convergence of supply and demand. Shopping malls attract buyers and sellers, and induce customers providing enough time to make choices as well as a recreational means of shopping. The results of the study reveal that ambiance of shopping malls, assortment of stores; sales promotions and comparative economic gains in the mall attract higher customer traffic to the malls.

Holbrook (2001), suggest that consumers become brand loyal when they perceive some unique value in the brand that no alternative can satisfy. This uniqueness may be derived from a greater trust in the reliability of a brand or from a more favourable experience when a customer uses the brand.

Schoenbachler et al. (2004), stating that not only does the brand loyal customer buy the brand but (s) he also refuses to switch, even when presented with a better offer.

Bayus (1992), proposes that maintaining brand loyalty is becoming a critical component in the development of competitive strategy, thus highlighting the importance of developing methods to measure and evaluate brand loyalty.

Davis (2002), identified Effective brands have been correlated with increasing market share; lending credibility to new product developments; giving a clear, valued and sustainable point of difference as well as commanding a premium. Most importantly, consumers appear less price sensitive and more trusting towards these brands.

Jin and Yong (2005), observed that the success of private label brands is dependent on factors such as the country's retail structure, the level of retailer concentration, the advertising rate of manufacturer brands, economies of scale, management, and even imagination

Wulf et al. (2005), suggest that consumers perceive manufacturer brands to be superior to private label brands.

RESEARCH METHODOLOGY

The study is based on both primary and secondary data. The required information is collected through the following sources.

PRIMARY DATA

A non-probability, convenience sampling technique was used to administer a consumer survey. Well structured questionnaire were prepared by the researcher to identify the market potential, consumer awareness and consumer satisfaction towards in private label brand at Big bazaar stores.

SECONDARY DATA

These data are collected from journals, company records, those which have already been collected by someone else and which have already been passed through the statistical process.

SAMPLE SIZE

The sample size is 200. The data has been collected from the Customers of Big Bazaar in Chennai city .The various Big Bazaar stores chosen for the study are Royapuram, Vadapalani, T.Nagar, and Annasalai

TOOLS AND TECHNIQUES

The data collected through questionnaire were tabulated and further suitably analyzed by applying following statistical tools

- Chi square Test
- Weighted Average Method

DATA ANALYSIS AND INTERPRETATION

TABLE 1.1: AWARENESS LEVEL OF PRIVATE LABELS

Private Labels	Awareness	Respondents	Percentage
Tasty Treat	Yes	74	36%
	No	126	64%
Fresh & Pure	Yes	58	29%
	No	142	71%
Ekta	Yes	52	26%
	No	148	74%
John Miller	Yes	87	43.5%
	No	113	56.5%
Clean & Care Mate	Yes	82	41%
	No	118	59%
Sach	Yes	28	14%
	No	172	86%

Source: Primary Data

The table shows that awareness level of consumers towards Private Labels at big bazaar out of 200 Respondents, 36% are Aware of Tasty Treat Brand at Big Bazaar, 29% are Aware of Fresh & Pure Brand, 43.5% are Aware of John Miller Brand, 41% are aware of Clean mate & Care Mate and 14% are aware of Sach Brand at Big Bazaar.

TABLE 1.2: FREQUENT VISITING TO BIG BAZAAR

PARTICULARS	RESPONDENTS	PERCENTAGE
Yes	137	68.5%
No	63	31.5%
TOTAL	200	100%

Source: Primary Data

The research shows that, 68.5% of the customers are frequently visiting to Big Bazaar, 31.5% of them are not a frequent customers at Big Bazaar.

TABLE 1.3: AWARENESS TOWARDS VARIOUS PRIVATE LABEL PRODUCT AT BIG BAZAAR

PARTICULARS	RESPONDENTS	PERCENTAGE
Yes	61	30.5%
No	139	69.5%
TOTAL	200	100%

SOURCE: PRIMARY DATA

The above table reveals that out of 200 Respondents, 30.5% are aware of various Private Label products at Big Bazaar, 69.5% are not aware of various Private Label products.

TABLE 1.4: SPOT PURCHASE BY CUSTOMERS

PARTICULARS	RESPONDENTS	PERCENTAGE
Yes	86	43%
No	114	57%
TOTAL	200	100%

Source: Primary Data

The research shows that out of 200 respondents, 43% of Customers go for Spot Purchase of products based on Sales man advice , 57% of Customers Purchase the products based on their own preference and brand loyalty.

TABLE 1.5: CUSTOMERS LOYALTY TOWARDS PRIVATE BRAND

PARTICULARS	RESPONDENTS	PERCENTAGE
Yes	108	54%
No	92	46%
TOTAL	200	100%

Source: Primary Data

From the study it can be inferred that out of 200 Respondents, 54% of Customers always stick to a particular brand, 46% of Customers move to new brands easily.

TABLE 1.6: PURCHASES BASED ON INFLUENCE OF FAMILY MEMBERS

PARTICULARS	RESPONDENTS	PERCENTAGE
Yes	147	73.50%
No	53	26.50%
Total	200	100%

Source: Primary Data

The analysis reveals that, 73.5% of Customers purchasing behavior is influenced by family members.

CHI SQUARE TEST

1. RELATIONSHIP BETWEEN AGE AND PRIVATE LABELS

Chi-square test is used to test age of customer has influence on the awareness of private label promotion at big bazaar.

H0: There is no significant relationship between the Age of Customers and awareness of Private Label's promotion at Big Bazaar.

H1: There is a significant relationship between the Age of Customers and awareness of Private Label's promotion at Big Bazaar.

Chi square test = $\sum (O-E)^2/E$

The calculated value of Chi square = 3.9222

Therefore degrees of freedom = $(r-1) (c-1)$

= $(2-1) (5-1) = 4$

The table value of Chi square with 4 degrees of freedom at 5% level of significance is 9.49

By applying Chi square test, it was found that calculated value of chi-square is (3.9222) which is lesser than the table value at 5% level of significance (9.49), hence H0 is accepted.

Inference: There is no significant difference between the Age of Customers and awareness of Private Label's promotion at Big Bazaar. Hence the research conclude that the age of customer has no influence on the awareness Private Label's promotion at big bazaar

2. RELATIONSHIP BETWEEN THE AGE AND BRAND LOYALTY

Chi-square test is used to find out the significant difference among the age and Brand Loyalty

H0: There is no significant difference between age and Brand Loyalty

H1: There is a significant difference between age and Brand Loyalty

Chi square test = $\sum (O-E)^2/E$

The calculated value of Chi square = 15.98

Therefore degrees of freedom = $(r-1) (c-1)$

= $(2-1) (5-1)$

= 4.

The table value of Chi square with 4 degrees of freedom at 5% level of significance is 9.49 By applying Chi-square it was found that the calculated value of chi-square is (15.9882) which is greater than table value (9.49). Hence the null hypothesis is rejected.

Inference: There is a significant difference between the Age of Customers and Brand Loyalty

WEIGHTED AVERAGE METHOD

TABLE 1.7: SATISFACTION LEVEL OF TASTY TREAT KETCHUP QUALITY

Attributes	X	RANK	W	XW
Highly Satisfied	12	1	5	60
Satisfied	7	2	4	28
Moderate	21	3	3	63
Dissatisfied	11	4	2	22
Highly dissatisfied	3	5	1	3
TOTAL	54			176

= $\sum xw / n$

= 176/54

Weighted average (XW) = 3.25

Inference: The study proves that the respondents are satisfied with quality of Tasty Treat Ketchup.

TABLE 1.8: SATISFACTION LEVEL OF TASTY TREAT KETCHUP PRICE

Attributes	X	RANK	W	XW
Highly satisfied	18	1	5	90
Satisfied	11	2	4	44
Moderate	15	3	3	45
Dissatisfied	7	4	2	14
Highly dissatisfied	3	5	1	3
TOTAL	54			196

Calculation of weighted average

$$= \frac{\sum xw}{n}$$

$$= \frac{196}{54}$$

Weighted average (XW)

$$= 3.62$$

Inference: The weighted average analysis shows that respondents are satisfied with the price of the Tasty Treat Ketchup.

FINDINGS OF THE RESEARCH

- The research shows that 68.5% of the respondents are frequent customers of Big Bazaar visiting monthly or weakly.
- It was found that 33.33% of the respondents are highly satisfied with the price of in house brand product of Big Bazaar.
- The study reveals that 43.5% of the respondents are aware of John Miller brand, 41% of the respondents are aware of Care mate & Clean mate, 36% of the respondents are aware of Tasty Treat brand and 14% of the respondents are aware of Sach brand.
- The weighted average analysis shows that the consumers are satisfied about the quality and price of Tasty Treat Ketchup.
- Out of 200 respondents 114 of them are easily change their brands based on availability.
- The survey shows that nearly 70% of the respondents are unaware of Private Labels of Big Bazaar.
- 43% of respondents go for spot purchase based on the salesman advice.
- The study reveals that nearly 74% of the respondents' purchases are based on the influence of family members.

SUGGESTIONS

- Free Samples can be provided to increase the awareness level among consumers.
- Frequent paging about Positive aspects of Private Labels
- Display of Brand names in different way like wooden carvings
- Conducting Separate festivals or Mela for each Private Labels.
- Conducting spot competition to the kids and providing the in house brand product as gift.
- Selling of smaller packs like 100,250 grams, in Fresh & Pure Ghee, Tea.
- Providing separate credit points system for every in house brand purchase with surprise gift.
- Selling the product with Money Refund option if customers are not satisfied
- SMS Campaigns to frequent visiting customers about the new arrival.
- Brand promotion can be done by providing the following items to the customers like Book Marks ,Invitations, Prize Coupons ,Calendars ,Wristbands ,T Shirts and Cap Merchandise

CONCLUSION

Brands reflect the complete experience that customers have with products. Brands play an important role in determining the effectiveness of marketing efforts such as advertising and channel placement. Strong Brand always own greater security of demand and can easily sold at premium price. Higher sales volumes could be achieved with strong brands with sustainable profits. Private Labels can attract many consumers by increasing their perceived quality. The study shows that Private Labels can be positioned as premium quality products with price levels ranging from marginally below to above prices of category-leading manufacturer brands. On the hand, retailers can position their Private Labels based on pure value for money. Private label communication strategies have successfully reached large proportion of customers.

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THE EFFECTIVENESS OF HUMAN RESOURCE MANAGEMENT PRACTICES ON HOTEL PERFORMANCE

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ABSTRACT

Human resource management (HRM) practices are essential factors in hotel performance. If hotels are concerned to achieve a better performance levels, the management should preferably focus on the HRM practices indicated in the study. The purpose of this research is to examine the effectiveness of HRM practices on hotel performance in context of Vadodara. This research will help in finding the significant difference between HRM practices and hotel performance and to investigate whether HRM practices affect performance in the hotel industry, hotels from three-star category in Vadodara- Gujarat state were selected numbering 13 in 2011. The data were gathered by developed questionnaire. The questionnaire measured seven HRM practices and five hotel performance variables. The HRM practices selected for the research study was staffing, selection, training and development, performance appraisal, performance reward, internal communication system and employee relations. Correlation analysis was used to test the association between HRM practices and hotel performance. Regression analysis was employed to test the effect of HRM practices on hotel's performance. We can conclude that HRM practices affect hotel's performance, a positive impact was revealed from the analysis. Furthermore, the analysis showed also a positive effect of human resource management practices in term of selection, staffing, training and development, performance appraisal and performance reward, where the remaining two HRM practice namely employee relations and internal communication system indicated insignificant with no effect on hotel's performance .

KEYWORDS

Hotel's performance, Human resource management practices.

INTRODUCTION

Human resources management contains practices that ensure organization's employees' knowledge, skills, and abilities to be contributing to business outcomes (Huselid et. al, 1997). The theoretical literature suggests that human resource management increases productivity by increasing employees' skills and motivation (Huselid, 1995). Hotels are tremendously dependent on their employees. Employees' market value increasingly depends on their intangible assets (Lawler, 2005). Many areas are there in which human resource management is very important and one of the major area is the newly hired employees because employees makes a real difference by providing the good quality service. Human resource systems can contribute to sustained competitive advantage through facilitating the development of competencies that are firm specific, produce complex social relationships, are embedded in a firm's history and culture, and generate tacit organizational knowledge (Lado and Wilson, 1994).

One of the most important departments of any hotel staff is human resources management. Proper human resource management can be the difference between a really well run hotel and a poorly one. The human resources manager can control almost the whole feeling and presence of the entire hotel. This makes the importance of human resources management for hotels very evident. The employees that are hired in a hotel can really alter the quality of service and the whole atmosphere of the hotel. This means that it is very important to pick upbeat, dedicated workers for each position. It is the job of the human resources manager to make sure that qualified people are chosen to work in the hotel. In many cases many hotel workers are only participating in hotel work because they can find nothing else to do.

Retention of employees is another large problem in the hotel service business. Since so many of the employees do not have hotel work as their ending career goals, many of them only work in a hotel for a short amount of time. Other employees may have to be let go because of poor work ethics or other issues. However, there are ways that a hotel human resources manager can curb some of the desire and likelihood that employees will move to other jobs quickly. The importance of human resources management for hotels is very large in this area. Managers can provide good training and incentive programs that will cause employees to stay longer at the hotel. Having a clear progression plan to advance to higher levels of service will also cause employees to stick around much longer.

The issue of employee progression and promotion is also another large issue for the hotel industry. The importance of human resources management for hotels is proven in this area. Hotels which provide ways for employees to advance in position, or that provide training for employees so that they can gain skills necessary for an advanced position are very important to the retention rate of employees. It is easy to implement services of this nature and the expense is negligible compared to the expense and time necessary to constantly find new employees to replace the ones that always leave shortly after being hired.

The impact of human resource management practices on organizational performance has been an important area of research in the past two decades showing positive relationship between HR practices and organizational performance (Quresh, T.M et al., 2007). In many researches, we notice that human resource management practices were taken as dependent rather than independent variables. In the past, management practitioners and researchers were involved in

exploring how HRM practices affected employee performance, and organizational performance. Now we are beginning to ask how these practices affect in particular on performance of hotels. This study focuses on the effect of HRM practices on the hotel performance. This sector performs momentous functions in the present-day world for overall economic development of Vadodara.

Human resource management and development are essential for every sector but in the case of tourism, they have a special significance. This is because tourism is a service industry and here the customer is not only buying a service or a product but also, experiencing and consuming the quality of service which is reflected in the performance of the persons involved in the production and delivery of the service. There is a need to mobilize the human resource with the purpose to enable them to participate in the task of hotels development and nation building. Mobilization would include the need to develop the human resource, their knowledge, attitudes and skills so that they can achieve competently the pre-determined goals the hotels. Obviously the efficient and professional management is pre-requisite of successful tourism development. Having equal importance, however, is the quality of staff training, which is often relatively neglected during the early stages of tourism sector development. As we mentioned earlier, Tourism is a service business; a developing destination must take the necessary steps to provide efficient trained people to fill various places, which will be created subsequently. Special attention should be given to the needs of manpower and personnel to be trained and rendered qualified for the various tourism professions. Special care should be taken to ensure that there is expansion of facilities and services.

In case of a developing country like India, it is appropriate to study at this stage the performance of existing manpower for activities complementary to Tourism industry in general and accommodation sector in particular. From this point of view we have selected Vadodara city in Gujarat and that is because it is very much focused on tourism growth for the last few years. As a result, different hotels are performing a momentous role in the economic development of the state. This research is an attempt to explore the relationship of HRM practices and hotel performance operating in Vadodara.

LITERATURE REVIEW

A number of researches have reported a positive relationship between HRM practices and organizational performance (Haynes and Fryer, 2000). Schuler (1988) pointed out that when organizations determine which human resource practices to adopt, they generally choose from among menus that focus on six different aspects of human resource management: planning, staffing, appraising, compensating, training and development, and labor-management relations.

Worsfold (1999) suggested that there are two versions of HRM; one is hard version, and the other one is soft version. According to the author's definition, the hard version of HRM with an emphasis on managing human resources, may well employ more control systems which would more easily integrates with strategy compared to soft versions of HRM. A hard version of HRM focus on systems and procedures, training, and performance measures of employees. In other words, a hard interpretation of HRM places more emphasis on the integration of human resource policies and practices with business strategy.

Mudor, H and Tooksoon, P. (2011), attempted to propose a conceptual framework consisting of three HRM practice (supervision, job training, and pay practices), job satisfaction, and turnover, and to explain the relationships among these variables. Job satisfaction played an important role to employees' turnover because it would lead employee resigned when their job satisfaction is low. The results of their research indicate that HRM practice positively and significantly correlated with job satisfaction. On the other hand HRM practice and job satisfaction are negatively and significantly correlated with turnover. However, the results of HRM practice and job satisfaction are strong predictors of turnover.

Tsaur, S.H. and Lin, Y.C. (2004) argued that tourist hotels in Taiwan are focusing their attention on improving customer service quality. In general, a firm's human resource management (HRM) practices can create an environment that encourages positive employee behavior, thereby enhancing service quality. This conceptualization is grounded in an extensive review of the literature, pooling together previously disparate research strands. The purpose of their research is to empirically explore the relationship among human resource management practices, service behavior and service quality in the tourist hotels. It is being found that HRM practices had partially a direct effect on customer perceptions of service quality and an indirect effect through employees' service behavior. This means that service behavior only partially mediates the relationship between human resource management practices and service quality. The implications for HRM and future research implications of their finding were discussed.

Chand, M and Katou, A. (2007) investigated that whether some specific characteristics of hotels affect organizational performance in the hotel industry in India; and to investigate whether some HRM systems affect organizational performance in the hotel industry in India. A total of 439 hotels, ranging from three-star to five-star deluxe, responded to a self-administered questionnaire that measured 27 HRM practices, five organizational performance variables, and ten demographic variables. Factor analysis was performed to identify HRM systems, one-way ANOVA was employed to test the association of the demographic variables with organizational performance, and correlation analysis was used to test the relation between HRM systems and organizational performance. They have found that hotel performance is positively associated with hotel category and type of hotel (chain or individual). Furthermore, hotel performance is positively related to the HRM systems of recruitment and selection, manpower planning, job design, training and development, quality circle, and pay systems.

Chand, M. (2010) investigated the effects of HRM practices on service quality, customer satisfaction and performance in the hotel industry. A conceptual model is developed and four research hypotheses are empirically examined using structural equation modeling. The data were collected via a survey of Indian based hotels. 52 hotels in India responded to questionnaires pooling 52 HR managers 260 employees (5 from each hotel) and 260 customers (5 from each hotel). The results indicate that HRM practices have a positive influence on the improvement of service quality as well as on customer satisfaction and hotel performance. The study further testified the relationship among them, and provides useful information for future hotel management needs. The findings indicate that creation of customer satisfaction value in the hotel can be achieved via increasing responsiveness to customers' needs and that the creation of customer value which have a positive impact in the firm's profitability. The results suggest that HRM practices improve hotel service effectiveness and in consequence firm performance replicates and extends in a HRM context research. The study also suggests that management should emphasis on the development of intra-departmental learning and relational capabilities. The findings of this study are important for the hotel industry as the sector is faced with increasing competitive pressures in a highly fragmented, high growth market, and challenges that threaten its viability as evidenced by recent consolidations, merger & acquisition, franchising and foreign collaboration, etc. Further, in terms of theoretical contributions, the research suggested that HRM improvements are as much an outcome of technical and operational measures as they are of managerial, organizational and inter-organizational capabilities. Finally, the study paved the way for further research that would integrate HRM practices and operational factors in the context of analyzing improvements in service quality, retaining customers and hotel performance.

Alleynea, P. et al.(2006) measured the effect of human resource management (HRM) on performance in the hotel industry in Barbados. It used a quantitative survey covering 46 hotels out of a population of 75 hotels. The respondents were hotel's management, being either a general manager, human resource (HR) manager or line manager. Similar to Hoque's study of UK hotels, the impact of internal and external fit and the universal relevance of HRM were tested. The findings showed no major support for external fit, universal relevance and internal fit in the Barbados hotel industry. All the hotels perceived themselves as performing well, given the focus on quality and targeting high spending tourists. A quest for high service pushes the industry more towards best-practice 'HRM' rather than best fit.

Cho, S. et al. (2006) investigated the relationship between the use of 12 human resource management practices and organizational performance measured by turnover rates for managerial and non-managerial employees, labor productivity, and return on assets. The found results of regression analyses indicated that companies implementing HRM practices such as labor-management participation program, incentive plans, and pre-employment tests are more likely to experience lower turn over rates for non-managerial employee.

Hung Tsang Kai, (2006) examined the relationship between human resource management practices and service performance and the process through which these HRM practices affect service performance that is one of major organizational outcomes of hotels. The hypothesized model with organizational commitment has been considered as a mediator between employee perceptions of HRM practices and service performance. A sample of thirty hotels with four or five stars rank international hotels was used; the author examined the impact of HRM practices on service performance mediated by organizational commitment. He argued that the result of this study can provide human resource professionals with useful information to decide what human resource practices should be effectively implemented in their organizations. The study testified the relationship among them, and provides useful information for future

hotel management needs. For the management level, it can formulate strategies and identify the factors to guide administrators in policymaking, and also provide employees a path that maximizes their service performance. Therefore, it is crucial to work out in more detail on the black box between the HRM practices of the hotel industry and their service performance.

Bartel, Ann P. (2004) Studied of the relationship between human resource management and establishment performance have heretofore focused on the manufacturing sector. Using a unique longitudinal dataset collected through site visits to branch operations of a large bank, the author extends that research to the service sector. Because branch managers had considerable discretion in managing their operations and employees, the HRM environment could vary greatly across branches and over time. Site visits provided specific examples of managerial practices that affected branch performance. An analysis of responses to the bank's employee attitude survey that controls for unobserved branch and manager characteristics shows a positive relationship between branch performance and employees' satisfaction with the quality of performance evaluation, feedback, and recognition at the branch—the "incentives" dimension of a high performance work system. In some fixed effects specifications, satisfaction with the quality of communications at the branch was also important.

Quresh, et al. (2010) argued that human resource management practices considered as major contributory factors in financial performance of organizations. Researchers effectively highlighted in their research the importance of HRM practices with impact on financial performance of banks operating in Pakistan and The major objective of the study was to find out the relationship between 'HRM Practices' and the 'Financial Performance of Banks'. As a sample, 46 scheduled banks were contacted, of which 38 responded. They had selected some few important HRM practices in the research study and those were selection, training, performance appraisal system, compensation system and employee participation. To analyse the data collected stepwise regression analysis and Pearson correlation were used in their research and to support theoretical models that link HRM practices with financial performance of banks descriptive statistics was used. The study found that all tested variables have a positive relation and impact on financial performance of banks but the major contributory practices are selection, training, compensation and employee participation.

Gelade, G.A and Ivery, M (2003) examined the relationships between human resource management (HRM), work climate and organizational performance in the branch network of a retail bank. It extends previous research on group-level climate-performance and HRM-performance relationships and examined how climate and HRM function as joint antecedents of business unit performance. Correlations were found significant between work climate, human resource practices, and business performance. The results showed that the correlations between climate and performance cannot be explained by their common dependence on HRM factors, and that the data are consistent with a mediation model in which the effects of HRM practices on business performance are partially mediated by work climate.

Caliskan, E.N (2010) discussed that in a rapidly changing competitive environment, human resources are one important source of competitive advantage. Human resource systems can contribute to sustained competitive advantage through facilitating the development of competencies that are firm specific. Strategic human resource management concerns with the creation of a linkage between the overall strategic aims of business and the human resource strategy and implementation. The research generally reported positive statistical relationships between the greater adoption of HR practices and business performance. The causal linkage between HR and organizational performance will enable the HR managers to design programmes that will bring forth better operational results to attain higher organizational performance. In his paper, after emphasizing that the human resources are an important source of competitive advantage, strategic human resource management was defined. Through specific examples from academic research regarding the impact of strategic human resource management practices on organizational performance, the conclusion was that the way an organization manages its human resources has a significant relationship with the organization's performance.

Chang, S. et al. (2011) investigated how hospitality companies can promote incremental and radical innovation through human resource management practices (i.e., selection and training). Data from 196 independent hotels and restaurants operating in the People's Republic of China show that hiring multi-skilled core customer-contact employees and training core customer-contact employees for multiple skills both have significant and positive effects on incremental and radical innovation among hotel and restaurant companies. The two human resource management practices are also found to have a negative joint impact on incremental but not radical innovation. The implications for promoting innovation in hospitality companies are discussed.

RESEARCH METHODOLOGY

All three star hotels in Vadodara were selected for the study. A list of these operating hotels was taken from the official website of Cleartrip.com in the year 2011, other necessary information like addresses and phone numbers of different hotels were taken from the websites of respective hotels, after which questionnaires were taken to them personally. Following the tradition of social sciences, we used the questionnaire for primary data collection as there were no sufficient data available in Vadodara. This questionnaire was of a five point-Likert scale with options; 5 for strongly agree, 4 for agree, 3 for neutral, 2 for disagree and 1 for strongly disagree. For data collection convenient sample was used, managers or assistant managers and reception heads of 13 hotels of Vadodara were given questionnaires by hand (2questionnaires to each hotel). Aggregately, we collected 22 questionnaires back. These respondents were appealed to answer all the questions to the best of their knowledge. After data collection, we used SPSS Statistical tool. Regression analysis and Pearson correlation were used to analyse the data.

VARIABLES OF THE STUDY

Following variables were included in our study.

First: The independent variable, namely, - Human Resource Management practices (Selection, Staffing, Training and Development, Performance Appraisal, Performance Reward, Employee Relations and finally Internal Communication System).

Second: dependent Variables: Hotel performance resembled in Effectiveness, Efficiency, Quality, Satisfaction and Occupancy rate.

HYPOTHESES

1. There is no significant difference between effective HRM practices and hotel performance.
2. There is no significant difference between selection practice and hotel performance.
3. There is no significant difference between staffing practice and hotel performance.
4. There is no significant difference between training and development practice and hotel performance.
5. There is no significant difference between performance appraisal practice and hotel performance.
6. There is no significant difference between performance reward practice and hotel performance.
7. There is no significant difference between employee relations practice and hotel performance.
8. There is no significant difference between internal communication system practice and hotel performance.

RESEARCH FINDINGS

RESULTS RELATED TO THE EXAMINING OF THE MAIN HYPOTHESIS WHICH WAS

There is no significant difference between selection and hotel performance.

To test if there was significant difference at alpha=0.05 in this hypothesis, we had to use (simple regression analysis) to check the hotel performance significant average difference according to all HRM practices. The results are summarized in the following table.

Through the results of simple regression shown on table (1) we find the following results

TABLE 1: SIMPLE REGRESSION OF HRM PRACTICES ALL TOGETHER

Independent Variable	R	R ²	F	Sig
HRM practices	0.685	0.470	19.491	0.000

From table no (1) F-value is (19.491) which indicate a significant value at 0.05 levels. The R^2 indicates that the independent variable all HRM practices explains 47% variation on hotel performance.

This result states clearly that, there was a statistical difference at 0.05 level between HRM practices and hotel performance was with positive influence and that leads us to reject the main null hypothesis H_0 which indicated that there was no significant difference at 0.05 level and accept the alternative one.

TABLE NO 2: CORRELATION

Independent Variables (Human Resource Management)	Dependent variable	correlation Level
Selection	*0.658	Medium
Staffing	*0.512	Medium
Training & development	*0.590	Medium
Performance appraisal	*0.493	Medium
Performance reward	*0.589	Medium
Employee relations	0.194	Low
Internal communication	0.242	Low

*Significant at ($\alpha \geq 0.05$). ($R \geq 0.3$ low, $0.3 \geq R > 0.7$ Medium, $R < 0.7$ High)

It is noticed from the table (2) that there is a medium relation between the dependent variable and the independent variables where the level of correlation between selection and hotel performance is 65.8%, staffing and hotel performance is 51.2 %, training & development and hotel performance is 59%, performance appraisal and hotel performance is 49.3%, and performance reward and hotel performance is 58.9 %. Where, correlation was low between employee relations and hotel performance with 19.4% and internal communication system and hotel performance with 24.2%.

RESULTS RELATED TO THE EXAMINING OF THE FIRST HYPOTHESIS WHICH WAS

There is no significant difference between selection and hotel performance.

To test if there was significant difference at $\alpha=0.05$ in this hypothesis, we had to use (simple regression analysis) to check the hotel performance significant average difference according selection practice. The results are summarized in the following table.

Through the results of simple regression shown on table (3) we find the following results

TABLE NO 3: SIMPLE REGRESSION OF SELECTION

Independent Variable	R	R^2	F	Sig
Selection	0.658	0.433	16.813	0.000

From table no (3) F-value is (16.813) which indicate a significant value at 0.05 levels. The R^2 indicates that the independent variable selection (HRM practice) explains 43.3% variation on hotel performance.

This result states clearly that, there was a statistical difference at 0.05 level between selection and hotel performance was with positive influence and that leads us to reject the first null hypothesis H_0 which indicated that there was no significant difference at 0.05 level and accept the alternative one.

RESULTS RELATED TO THE EXAMINING OF THE SECOND HYPOTHESIS WHICH WAS

There is no significant difference between staffing and hotel performance.

To test if there was significant difference at $\alpha=0.05$ in this hypothesis, we had to use (simple regression analysis) to check the hotel performance significant average difference according to selection practice. The results are summarized in the following table.

Through the results of simple regression shown on table (4) we find the following results

TABLE NO 4: SIMPLE REGRESSION OF STAFFING

Independent Variable	R	R^2	F	Sig
Staffing	0.512	0.262	7.801	0.011

From table no (4) F-value is (7.801) which indicate a significant value at 0.05 levels. The R^2 indicates that the independent variable staffing (HRM practice) explains 26.2% variation on hotel performance.

This result states clearly that, there was a statistical difference at 0.05 level between selection and hotel performance was with positive influence and that leads us to reject the second null hypothesis H_0 which indicated that there was no significant difference at 0.05 level and accept the alternative one.

RESULTS RELATED TO THE EXAMINING OF THE THIRD HYPOTHESIS WHICH WAS

There is no significant difference between training and development practice and hotel performance.

To test if there was significant difference at $\alpha=0.05$ in this hypothesis, we had to use (simple regression analysis) to check the hotel performance significant average difference according to training and development practice. The results are summarized in the following table.

Through the results of simple regression shown on table (5) we find the following results

TABLE NO 5: SIMPLE REGRESSION OF TRAINING AND DEVELOPMENT

Independent Variable	R	R^2	F	Sig
Training & development	0.590	0.348	11.742	0.018

From table no (5) F-value is (11.742) which indicate a significant value at 0.05 levels. The R^2 indicates that the independent variable training and development (HRM practice) explains 34.8% variation on hotel performance.

This result states clearly that, there was a statistical difference at 0.05 level between training and development and hotel performance was with positive influence and that leads us to reject the third null hypothesis H_0 which indicated that there was no significant difference at 0.05 level and accept the alternative one.

RESULTS RELATED TO THE EXAMINING OF THE FOURTH HYPOTHESIS WHICH WAS

There is no significant difference between performance appraisal practice and hotel performance.

To test if there was significant difference at $\alpha=0.05$ in this hypothesis, we had to use (simple regression analysis) to check the hotel performance significant average difference according to performance appraisal practice. The results are summarized in the following table.

Through the results of simple regression shown on table (6) we find the following results

TABLE NO 6: SIMPLE REGRESSION OF PERFORMANCE APPRAISAL

Independent Variable	R	R^2	F	Sig
PA practice	0.493	0.243	7.050	0.014

From table no (6) F-value is (7.550) which indicate a significant value at 0.05 levels. The R^2 indicates that the independent variable performance appraisal (HRM practice) explains 24.3% variation on hotel performance.

This result states clearly that, there was a statistical difference at 0.05 level between performance appraisal practice and hotel performance was with positive influence and that leads us to reject the fourth null hypothesis H_0 which indicated that there was no significant difference at 0.05 level and accept the alternative one.

RESULTS RELATED TO THE EXAMINING OF THE FIFTH HYPOTHESIS WHICH WAS

There is no significant difference between performance reward practice and hotel performance.

To test if there was significant difference at $\alpha=0.05$ in this hypothesis, we had to use (simple regression analysis) to check the hotel performance significant average difference according to performance reward practice. The results are summarized in the following table.

Through the results of simple regression shown on table (7) we find the following results

TABLE NO 7: SIMPLE REGRESSION OF PERFORMANCE REWARD

Independent Variable	R	R ²	F	Sig
PR practice	0.589	0.347	11.703	0.002

From table no (7) F-value is (11.703) which indicate a significant value at 0.05 levels. The R² indicates that the independent variable performance reward (HRM practice) explains 34.7% variation on hotel performance.

This result states clearly that, there was a statistical difference at 0.05 level between performance reward practice and hotel performance was with positive influence and that leads us to reject the fifth null hypothesis Ho which indicated that there was no significant difference at 0.05 level and accept the alternative one.

RESULTS RELATED TO THE EXAMINING OF THE SIXTH HYPOTHESIS WHICH WAS

There is no significant difference between employee relations practice and hotel performance.

To test if there was significant difference at $\alpha=0.05$ in this hypothesis, we had to use (simple regression analysis) to check the hotel performance significant average difference according to employee relations practice. The results are summarized in the following table.

Through the results of simple regression shown on table (8) we find the following results

TABLE NO 8: SIMPLE REGRESSION OF EMPLOYEE RELATIONS

Independent Variable	R	R ²	F	Sig
ER practice	0.194	0.038	0.861	0.364

From table no (8) F-value is (0.861) which indicate insignificant value at 0.05 levels. The R² indicates that the independent variable employee relations (HRM practice) explain 3.8% variation on hotel performance.

This result states clearly that, there was no statistical difference at 0.05 level between employee relations practice and hotel performance and that leads us to accept the sixth null hypothesis Ho which indicated that there was no significant difference at 0.05 level.

RESULTS RELATED TO THE EXAMINING OF THE SIXTH HYPOTHESIS WHICH WAS

There is no significant difference between internal communication system practice and hotel performance.

To test if there was significant difference at $\alpha=0.05$ in this hypothesis, we had to use (simple regression analysis) to check the hotel performance significant average difference according to internal communication system practice. The results are summarized in the following table.

Through the results of simple regression shown on table (9) we find the following results

TABLE NO 9: SIMPLE REGRESSION OF INTERNAL COMMUNICATION SYSTEM

Independent Variable	R	R ²	F	Sig
ICS practice	0.242	0.058	1.365	0.255

From table no (8) F-value is (1.365) which indicates insignificant value at 0.05 levels. The R² indicates that the independent variable internal communication system (HRM practice) explain 5.8% variation on hotel performance.

This result states clearly that, there was no statistical difference at 0.05 level between internal communication system practice and hotel performance and that leads us to accept the seventh null hypothesis Ho which indicated that there was no significant difference at 0.05 level.

CONCLUSION

From the findings we can conclude that when we took all the independent variables in one domain and tested their effect on hotel's performance, a positive impact was revealed from the analysis. Furthermore, the analysis showed also a positive effect of human resource management practices in term of selection, staffing, training and development, performance appraisal and performance reward, where the remaining two HRM practice namely employee relations and internal communication system indicated insignificant with no effect on hotel's performance. Thus, hotels should concentrate on selection, staffing, training and development, performance appraisal and performance reward which effect the performance of hotels. Our study highlights the positive HRM practices that have an impact on hotel's performance in Baroda; therefore successful implementation of HRM practices can enhance the performance of the hotels.

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ROLE OF RISK AND RETURN IN INVESTMENT DECISIONS AMONG AUTOMOBILE AND BANK STOCKS AND PORTFOLIO SELECTION

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ABSTRACT

This study measures the Holding Period Return (HPR), Daily and Annualized Returns, Unsystematic Risk, Skewness, kurtosis and Correlation among automobile and bank stocks in National Stock Exchange of India. S&P CNX 500 was considered as a market index. Daily closing price of automobile and bank stocks were collected from the Yahoo finance data source for a period between 31-12-2009 and 31-12-2010. During this period, the market has 252 trading days. The main objectives of this study are to empirically assess the buy and hold strategy, market timing strategy, and role of correlation in portfolio selection. The holding period return was calculated for every three months considering the stock's closing price as on 31st December 2009 as a base period. Daily average returns were calculated using the continuous compounding method. A correlation analysis was performed to understand the movement of stock related to market index. Skewness and kurtosis were performed to adding degrees of skewness and peakedness of stock returns in the hope of providing a wider perspective on investment behavior. Results of the study support the buy and hold strategy and some of the stocks outperformed the market index. A significant positive correlation was found among the stocks and market index. However, few stocks have very high correlation values, few have weak correlations and some stocks have negative correlation.

KEYWORDS

Buy & hold strategy, Holding period, Risk, Return and Stock market.

INTRODUCTION

Stock market is a barometer of the economy. It facilitates the flow of funds from those who have excess funds and those who are in need of funds. It is the lifeblood of the financial system for every nation. It is highly sensitive and quickly responds to incidents that happen in any corner of the world. Because of these reactions the stock market is highly volatile. The volatile nature of stock market makes difficult to predict the stock returns. Uncertainty of future outcomes Or Probability of an adverse outcome and forces that contribute to variations in return constitute element of risk. Investors are risk averse in nature. They want to want to maximize the returns for a given level of risk.

The uncertainty in stock returns can be quantified and categorized into two types of risk. One is an **unsystematic risk** which is firm specific and can be diversified. Next is **systematic risk** which is influenced by market factors prevails all time. Even after all these uncertainties, a large number of investors tend to invest their money in common stocks. Such investment in common stocks can provide more returns than the returns provided by corporate and government bonds.

Since return from the common stocks is uncertain, knowing the nexus between return and risk will be crucial for investors. This helps them to maximize the return and minimize the risk. The general principle is Investors have free access to fair and correct information on the returns and risk, investors are risk averse and try to minimize the risk and maximize return and they prefer higher return to lower return. No security is dominates by any other by having higher level of return and lower level of risk at the same time. Markowitz (1952) argues that combining g different set of securities investors eliminate their unsystematic risk. He also suggests considering correlation among securities while selecting the portfolio. On the other hand systematic risk is indicated by beta co efficient. It could be argued that there is relationship between the beta coefficient and stock volatility. The beta coefficient of the stock indicates its relation with the market. The possible returns increase and decrease in the price of a stock can be predicted in relation to possible increase and decrease the stock market. This study aims to investigate the return and risk nexus of the S&P CNX automobile and bank stocks. This study evaluates the investment strategies like buy and hold, and market timing. Furthermore this study measures the role of correlation in investment decisions.

REVIEW OF LITERATURE

Scott and Horvath (1980) that positive preference for skewness and negative preference for kurtosis has been postulated in explaining financial behavior of the investors. Skewness preference is one potential explanation for investors holding imperfectly diversified portfolios.

Dittmar (2002) showed that higher expected returns compensate investors bearing systematic variance and kurtosis risks, while investors forego return to benefit from increasing systematic skewness.

Harvey, Liechty, Liechty and Muller (2004) found that international asset holdings can be quite different under third-moment preferences compared to the standard mean-variance case.

Taleb (2004) found that investors commonly engage in negatively skewed stocks. A negatively skewed stock was characterized as a trade that has a large chance of making gains but a very small chance of losing big money.

Levy (2006), suggested that investors would consider the standard deviation while selecting the portfolio for the maximization of returns.

Guidolin and Timmermann (2007) investigated the international asset allocation effects of time-variations in higher order moments of stock returns such as skewness and kurtosis and suggested that the presence of regimes in the return distribution leads to a substantial increase in the investor's optimal holdings of US stocks as does the introduction of skew and kurtosis preferences.

Cvitanić, Polimenis, and Zapatero (2008) showed that ignoring standard deviation, skewness and kurtosis in portfolio allocation can imply welfare losses and overinvestment in risky assets.

Xing, Zhang, and Zhao (2008) identified that the cross-sectional differences in stock returns as a function of the risk-neutral skewness of individual stocks

Harvey, Liechty, and Muller (2010) emphasized the importance of skewness and kurtosis in portfolio allocation for the investors while selecting the stocks to get higher returns

Jerchern Lin (2011) said that investors are subject to different sources of skewness and fat tail risks through delegated investments. Volatility based tail risk hedging mechanism may not be effective for all fund styles and types

OBJECTIVES

- To compare the performance of the automobile and bank stocks with the performance of market
- To compare the holding period return with the daily average return and daily annualized return
- To measure the relation among the stocks that belongs to the same industry as well as with the market index

HYPOTHESIS

- H_0 – there is no such relationship between the stocks holding period and measures of dispersion with the market return
- H_1 – there is positive relationship between the stocks holding period and measures of dispersion with the market return

PERIOD OF THE STUDY

Period of the study ranged between 31-12-2009 to 31-12-2010. During this period there were 252 trading days in national stock exchange India.

SAMPLE

For this purpose of the study, stocks listed in S&P CNX automobile and bank stocks were considered as sample and S & P CNX 500 was considered as market index. Five stocks (Amtek, Ashok Tyres, Bharat forge, Exide and TVS motors) were removed from the analysis due to insufficient data. Final analysis includes only 10 automobile stocks and 12 bank stocks. Table 1 depicts the number of stocks belonging to Automobile and Bank industry. The study data consisted of daily closing prices of the sample stocks and closing index of the value of S&P CNX 500. The data were obtained from Yahoo finance source.

TABLE 1: LIST OF AUTOMOBILE AND BANK STOCKS LISTED IN NSE

S.No	Automobile stocks	S.No	Bank Stocks
1	Amtek Auto	1	Axis Bank
2	Apollo Tyres	2	Bank of Baroda
3	Ashok Leyland	3	Bank of India
4	Bajaj Auto	4	Canara Bank
5	Bharat Forge	5	HDFC Bank
6	Bosch	6	ICICI Bank
7	Escorts auto	7	IDBI Bank
8	Exide industries	8	IndusInd Bank
9	Hero Honda Motors	9	Kotak Mahindra Bank
10	Mahindra & Mahindra	10	Punjab National Bank
11	Maruti Suzuki	11	State Bank of India
12	Motherson Sumi	12	Union Bank of India
13	Herohonda		
14	Tata motors		
15	TVS motors		

RESEARCH METHODOLOGY

MS Office Excel 2003 and SPSS16 for windows were used to calculate the Holding period Return (HRR), Daily return, Standard deviation, skewness, kurtosis and correlation coefficient among the stocks. Dividend paid during the study period, transaction cost, brokerage, taxes, and other charges were ignored.

TOOLS OF ANALYSIS

HOLDING PERIOD RETURN

HPR is the total return on an asset or portfolio over the period during which it was held. It is one of the simplest measures of investment performance. HPR is the percentage by which the value of a portfolio (or asset) has grown for a particular period. The formula for the holding period return is used for calculating the return on an investment over multiple periods.

$$HPR = (P_1 - P_0) / P_0 * 100$$

HPR was calculated for four different holding periods. Considering closing price of respective stocks as on 31-12-2009 as a base price, HPR for each stock has been calculated for the last trading days of March, June, September, and December months of the year 2010.

DAILY RETURN

Daily returns of the stock were calculated using continuous compound growth rate of return (CCRR) method. It is assumed that stock prices are normally distributed, that is natural logarithm (ln) of stock prices is normally distributed.

$$R_i = \ln (P_t / P_{t-1})$$

Unlike a normal distribution, a lognormal is not symmetrical. Also a log normally distributed variables has a minimum value of zero and maximum value of infinity, where as a normally distributed variable has a minimum value of minus infinity and maximum value of infinity. Because of stock prices cannot have a less than zero, they can be represented by log normal distribution but not a normal distribution.

ANNUALIZED RETURN

Annualized return was calculated using the below equation.

$$AR = \text{Sum of daily average returns (or) Daily average returns} * \text{No. of trading days}$$

SKEWNESS

The term skewness refers to the lack of symmetry. The lack of symmetry in a distribution is always determined with reference to a normal distribution. Note that a normal distribution is always symmetrical. The skewness may be either positive or negative. When the skewness of a distribution is positive (negative), the distribution is called a positively (negatively) skewed distribution.

- If Mean > Mode, the skewness is positive.
- If Mean < Mode, the skewness is negative.
- If Mean = Mode, the skewness is zero

KURTOSIS

It is the degree of peakedness of a distribution, usually taken in relation to a normal distribution. A curve having relatively higher peak than the normal curve, is known as Leptokurtic. On the other hand, if the curve is more flat-topped than the normal curve, it is called Platykurtic. A normal curve itself is called Mesokurtic, which is neither too peaked nor too flat-topped

If one introduces skewness and kurtosis in the utility function then the impact on portfolio allocation is found to be very strong. We show that if investors care about skewness and kurtosis that their allocation may be more conservative with constraint. More work needs to be done to be able to calibrate skewness and kurtosis preference so that they correspond to real life allocations

STANDARD DEVIATION

It is a widely used measure of variability or diversity used in statistics and probability theory. It shows how much variation or "dispersion" there is from the average (mean, or expected value). It is used to calculate the stock price volatility. It measures how much values are dispersed from the average

$$SD = \sqrt{(\sum X - \mu)^2 / N - 1}$$

ANNUALIZED STANDARD DEVIATION

Annualized standard deviation was calculated using the below equation.

$$ASD = SD * \sqrt{T} \quad T - \text{Number of trading days}$$

CORRELATION

It is a measure that determines the degree to which two variable's movements are associated. The correlation coefficient is calculated as:

$$\text{Correl}_{xy} = \text{Cov}(x,y) / \sigma_x * \sigma_y$$

Correlation is computed into what is known as the correlation coefficient, which ranges between -1 and +1. Perfect positive correlation (a correlation coefficient of +1) implies that as one security moves, either up or down, the other security will move in lockstep, in the same direction. Alternatively, perfect negative correlation means that if one security moves in either direction the security that is perfectly negatively correlated will move in the opposite direction. If the correlation is 0, the movements of the securities are said to have no correlation; they are completely random. Correlations are used in advanced portfolio management

RESULTS AND DISCUSSIONS

COMPARATIVE PERFORMANCE OF THE STOCKS

When the annualized return of the automobile stocks were compared with market index, 7 stocks (70%) outperformed the market and three stocks (30%) reported low returns than the market (Table.2). Tata motors were the top performer in the automobile stocks followed by Mahindra & Mahindra, Motherson sumi and Apollo tyres.

Annualized returns of two stocks (Tata motors & Mahindra & Mahindra) were 50-75%. Annualized return of 6 automobile stocks (Apollo tyres, Bosch, escorts, Hero Honda, MRF and Motherson sumi) was 25-50%. Annualized return of 3 stocks was less than 25%. Bajaj auto and Maruti Suzuki reported less market return compare with the market index and also with the other automobile stocks. It indicated that those two stocks have weak market efficiency.

TABLE 2: ANNUALIZED RETURNS AND STANDARD DEVIATION

Stock	Daily Average return %	Std Deviation %	Annualized return %	Annualized std. Dev %
S&P CNX 500	0.11	1.11	27.61	17.62
Automobile				
Apollo tyres	0.14	2.6	35.28	41.27
Bosch	0.13	1.34	32.76	21.27
Bajaj Auto	0.05	4.93	12.55	78.29
Escorts	0.11	3.1	27.72	49.21
Hero Honda	0.14	2.25	35.14	35.73
M & M	0.167	2.32	50.4	36.85
Maruti Suzuki	0.05	1.74	10.04	27.63
MRF	0.1	1.9	25.20	30.16
Motherson sumi	0.15	2.2	37.8	34.98
Tata motors	0.22	2.6	56.20	41.28

When the annualized return of the bank stocks were compared with market index, 8 stocks (67%) outperformed the market and three stocks (25%) reported low returns than the market (Table.3). T Kotak Mahindra (-60.14) reported negative return indicate that very weak market efficiency. Indusind bank was the top performer in the bank stocks followed by Bank of Baroda, Canara bank and HDFC Bank.

Annualized returns of three bank stocks (Indusind bank, BOB and Canara bank) were 50-75%. Annualized return of five bank stocks (AXIS Bank, HDFC, ICICI, IDBI and Union bank) was 25-50%. Annualized return of 3 stocks was less than 25%. Bank of India, PNB and SBI reported less market return compare with the market index and also with the other bank stocks.

TABLE 3: ANNUALIZED RETURNS AND STANDARD DEVIATION

Stock	Daily Average return %	Std Deviation %	Annualized return %	Annualized std. Dev %
S&P CNX 500	0.11	1.11	27.61	17.62
Bank stocks				
Axis bank	0.13	1.89	32.76	30.01
Bank of Baroda	0.25	1.60	63.00	25.40
Bank of India	0.10	2.20	25.10	34.92
Canara Bank	0.23	2.02	57.96	32.06
HDFC Bank	0.14	1.64	35.23	26.04
ICICI Bank	0.11	2.60	27.88	41.28
IDBI Bank	0.12	2.91	30.24	46.19
Indusind Bank	0.27	2.50	68.04	39.68
Kodak Mahendra	-0.24	4.60	-60.04	73.05
Punjab National Bank	0.10	1.89	25.10	29.69
State bank of India	0.096	2.10	25.10	33.24
Union bank of India	0.12	2.30	30.24	36.51

Highest volatility was observed in these stocks: Bajaj auto, Escorts, Apollo tyres, Kotak mahendra, ICICI Bank, IDBI bank

Lowest volatility was observed in these stocks: Bosch, Maruti Suzuki, BOB, HDFC and PNB

BUY AND HOLD STRATEGY AND MARKET TIMING STRATEGY

The buy and hold strategy suggests that the longer we hold a stock, the more likely we are to earn good returns. Efficient market hypothesis (EMH) strongly supports the buy and hold strategy. EMH argues that a stock is fairly valued all times, and it is impossible to get abnormal profits. On the other hand, proponents of market timing strategy advocates that money can be made in short term by buying on low and selling on the rights.

Stocks like Tata motors, Bosch, Motherson sumi, Axis bank, BOB, Canara bank, IDBI and Indusind holding periods form March to December it was gradually increasing. One year holding period of the stocks compared with the annualized returns, holding period of some of the stocks outperformed the annualized

returns indicated the strong market efficiency of the stocks. This silently indicated that the company is having some additional projects and they are going to expand their market.

However Maruti Suzuki and Kotak mahendra stocks that reported negative holding period in start and end holding period. In this, investors asked tax deduction after that they buy and hold the stocks.

Another interesting stock that needs to be examined is how long one needs to hold the stocks. Eleven stocks outperformed their annualized returns for one year holding period returns. Nine stocks reported highest holding period returns during nine month holding period. In table 4, depicts that some of the stocks have medium holding period indicated that semi strong market efficiency and the prices of the stocks were in the growth and it have a chance to increase. Some of the stocks have minimum holding period indicates that weak market efficiency of the stocks and the price of the stocks were decreasing in the market.

TABLE 4 (a): HOLDING PERIOD RETURNS (HPR) FOR AUTOMOBILE STOCKS

Stock	Jan – Mar	Jan – Jun	Jan - Sep	Jan – Dec
S &P CNX 500	0.923	1.207	13.504	1.733
Auto mobile stocks				
Apollo tyres	44.127	60.669	67.493	38.544
Bosch	3.515	16.617	34.517	36.144
Bajaj auto	13.079	42.527	-14.488	-11.111
Escorts	13.310	45.484	63.576	31.015
Hero Honda	13.065	23.262	14.738	21.93
M & M	30.21	38.662	7.294	52.34
Maruti	-9.201	-9.124	-7.671	-8.569
MRF	12.615	28.581	46.272	19.768
Motherson sumi	111.72	149.702	214.190	219.639
Tata motors	-3.388	2.97	42.330	69.422

TABLE 4 (b): HOLDING PERIOD RETURNS (HPR) FOR BANK STOCKS

Stock	Jan – Mar	Jan – Jun	Jan - Sep	Jan - Dec
S &P CNX 500	0.923	1.207	13.504	1.733
Bank stocks				
Axis Bank	18.54	21.041	36.122	37.748
Bank of Baroda	26.577	50.979	76.408	80.730
Bank of India	-12.005	-9.499	37.067	20.134
Canara Bank	5.535	19.495	53.340	74.132
HDFC Bank	13.418	14.08277	46.841	38.115
ICICI Bank	8.5230	-8.61043	28.917	31.373
IDBI Bank	-9.938	-7.002	22.603	32.630
IndusInd Bank	22.497	48.007	91.67	90.005
Kotak Mahindra Bank	-7.619	3.501	-38.44	-4.843
Punjab National Bank	-1.414	2.366	28.048	20.751
State bank of India	-7.935	3.021	43.917	25.547
Union bank of India	11.407	19.774	50.174	35.063

SKEWNESS AND KURTOSIS

Table 5(a) & (b), depicts the skewness and kurtosis of the stocks. Negative price of market skewness and positive price of market kurtosis risk suggest that an increase (less negative) in market. Skewness is related to deteriorating future investment opportunity set whereas an increase in market kurtosis is related to improving future investment opportunity set.

Among the automobile stocks (Bajaj auto, Maruti, Kotak Mahindra, Bank of India, PNB and SBI) have high positive skewness with high sensitivities to innovations that implied market volatility and skewness exhibit low returns on average. Stocks like Tata motor, Motherson sumi, Bosch, Indusind bank and Bank of Baroda have negative skewness implied that higher market return. Some of the stocks Tata motors, Motherson sumi, Mahindra & Mahindra) have more market kurtosis exhibit somewhat higher returns on average. Stocks (Bajaj auto and Maruti Suzuki) which are having less kurtosis indicated that minimum market return.

A negatively skewed trade is characterized by a concave function of the underlying price level, which delivers steady profits with low volatility most of the time. Investors can collect premiums by shorting put options and reinvest them into risk-free asset.

TABLE 5 (a): SKEWNESS AND KURTOSIS OF THE AUTOMOBILE STOCKS

S.No	Stocks	Skewness	Kurtosis
	S&P CNX 500	-1.648	7.125
1	Apollo tyres	0.62	2.30
2	Bosch	-1.47	7.43
3	Bajaj auto	12.80	1.30
4	Escorts	-0.20	2.67
5	Hero Honda	1.702	4.22
6	M & M	-0.138	4.098
7	Maruti	2.631	1.940
8	MRF	1.06	2.96
9	Motherson sumi	-0.13	5.00
10	Tata motors	-0.609	7.139

TABLE 5 (b): SKEWNESS AND KURTOSIS OF THE BANK STOCKS

S.No	Stocks	Skewness	Kurtosis
S&P CNX 500		-1.648	7.125
1	Axis Bank	-0.129	0.975
2	Bank of Baroda	-0.35	3.08
3	Bank of India	2.73	8.72
4	Canara Bank	-0.05	3.29
5	HDFC Bank	-1.067	3.335
6	ICICI Bank	0.052	1.030
7	IDBI Bank	3.43	3.49
8	IndusInd Bank	-0.32	3.36
9	Kotak Mahindra Bank	11.06	150.13
10	Punjab National Bank	1.145	6.454
11	State bank of India	1.776	6.447
12	Union bank of India	-0.38	2.21

CORRELATION ANALYSIS

By investing in different securities investors can reduce the portfolio risk. The fundamental premise behind diversification is that portfolio risk and volatility can be lowered by investing in a number of different asset classes which have varying levels of risk. In order to achieve effective diversification portfolio holding should not be highly correlated.

From the table 6. it is evident that most of the stocks have positive correlation with the market index. It can be said that all the automobile and bank stocks are moving in tandem with the market. However few stocks have very high correlation (BOB, Indusind bank, Tata motors, Motherson sumi and Canara bank), implies that as one security moves, either up or down, the other security will move in lockstep, in the same direction and few stocks have weak correlation (hero motors, MRF, IDBI, Union bank).

Some of the stocks (Bajaj auto, Maruti and Kotak mahendra) have negative correlation implies that the security moves in the opposite direction While selecting the stocks for a portfolio we need to take note of correlation. By combining high correlation with low correlation stocks, we can minimize the portfolio risk.

TABLE 6: CORRELATION BETWEEN S&P CNX 500 AND AUTOMOBILE AND BANK STOCKS

1	Apollo tyres	0.812	1	Axis Bank	0.837
2	Bosch	0.712	2	Bank of Baroda	0.954
3	Bajaj auto	-0.488	3	Bank of India	0.435
4	Escorts	0.654	4	Canara Bank	0.961
5	Hero Honda	0.4671	5	HDFC Bank	0.924
6	M & M	0.811	6	ICICI Bank	0.943
7	Maruti	-0.523	7	IDBI Bank	0.321
8	MRF	0.431	8	Indusind Bank	0.967
9	Motherson sumi	0.912	9	Kotak Mahindra Bank	-0.820
10	Tata motors	0.922	10	Punjab National Bank	0.903
			11	State bank of India	0.908
			12	Union bank of India	0.756

PORTFOLIO SELECTION

From the above results, based on the holding period, standard deviation, skewness and kurtosis and correlation analysis three sets of portfolio were selected. For the portfolio selection, Stocks like Tata motor, Bank of Baroda, Indusind Bank, Canara bank and Mahindra & Mahindra were selected for the portfolio. Table 7 showed the stocks which are selected for the portfolio.

TABLE 7 a: SELECTED STOCKS HOLING PERIODS FOR THE PORTFOLIO

Stocks	Industry	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec
S&P CNX 500		0.923	1.207	13.50	1.733
Tata motors	Auto mobile	-3.388	2.978	42.33	69.422
M & M	Auto mobile	30.21	38.662	7.294	52.340
Bank of Baroda	Bank	26.57	50.979	76.408	80.730
Indusind Bank	Bank	22.497	48.007	91.675	90.005
Canara Bank	Bank	5.535	19.495	53.340	74.132

TABLE 7 b: STOCK RETURNS, SKEWNESS AND KURTOSIS AND CORRELATION FOR PORTFOLIO

Stocks	Annualized return %	Standard deviation %	Skewness	Kurtosis	Correlation
Tata motors	56.20	41.28	-0.609	7.13	0.922
M & M	50.4	36.85	-0.138	3.09	0.811
Bank of Baroda	63.00	25.40	-0.35	3.08	0.951
Indusind Bank	68.04	39.68	-0.32	3.36	0.967
Canara Bank	57.96	32.06	-0.05	3.29	0.961

Indusind bank has very high return and positive holding period among the stocks. It has very high correlation, negative skewness and excess kurtosis. Bank of Baroda and Canara bank have positive holding periods and the return is comparatively high with the market return. These stocks have high positive correlation, negative skewness and the kurtosis is indicated that expected return would be high. Positive correlation indicates that returns for the two stocks move with the market together in a completely linear manner.

Tata motors has negative holding period in the first period after that it was increased. The holding period of Mahindra & Mahindra was increased in the first and second holding periods and then it became low and finally increased. The above five stocks gave higher return compare with the other bank and automobile stocks.

CONCLUSION & RECOMMENDATIONS

It is assumed that investment in common stocks provide more returns than any other financial assets. Current study provides evidence to this argument. There is a positive relationship between the stocks holding period and the measures of dispersion with the market return. Longer holding period increase the return of the stocks, invest in negatively skewed stocks also increases the return of the stocks. Negative skewness indicates the put option and the positive skewness indicates the call option of stocks.

It suggests that investors should sell the stock when it meets their expected return. Another important finding of the study is that some of the stocks were outperformed the market index. Significant positive correlation was found among the stocks with the market index. This suggests that all stocks are moving in tandem with the market. Based on this, investors advised to design portfolio in which equilibrium is maintained high and weak correlation stocks.

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STAKEHOLDERS' ROLE IN SUSTAINABLE TOURISM DEVELOPMENT: A CASE STUDY OF NORTH EAST AND LADAKH

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ABSTRACT

Tourism acts as a backbone for majority of nations especially the growing economies while the adverse impacts of tourism on the environment and the socio-cultural are not ignorable. The tourism sector, if driven well in the right direction, can play a holistic process of economic, social and environmental sustenance as well as development. Sustainable form of tourism not only ensures the profitable income but also contribute in employment for local stakeholders as well as local community with its minimal stress on environment and traditional value system. To understand the concept of sustainable development and its contribution towards local community development for Himalayan Indian States, the case studies of North Eastern region and Northern most Himalayan Region of Ladakh are well-suited. Furthermore, the present study is also an attempt to address the key determinants of sustainability of tourism industry in the North Eastern India and to establish the importance of local entrepreneurship or local community participation in ensuring sustainable tourism development. It focuses on three major aspects of tourism industry like sustenance including region-specific sustainability considerations; entrepreneurial awareness towards sustainability and suggestive measures to ensure sustainable norms in tourism development in the region.

KEYWORDS

Sustainable Tourism Development, Region specific sustainability norms, Tourism awareness, Strategic entrepreneurial focus, Local entrepreneurship, Community Participation.

INTRODUCTION

The concept of sustainability has its origin in the growing environmentalism of 1970s. As defined in the Brundtland Commission Report (1987), sustainable development is the 'development that meets the needs of the present without compromising the ability of future generations' to meet their own needs' (WCED, 1987, p. 43). The report categorically stated that sustainable development is a dynamic process of changes which 'are all in harmony and enhance both current and future potential to meet human needs and aspirations' (WCED, 1987, p.46). Since then, many authors have developed their own definitions and adopted varying stances on 'sustainability' and 'sustainable development'. Due to all these notions, the systems approach may be considered as one of the approachable ways of interpreting sustainable development. Linked with system dynamics, sustainability may be interpreted as a framework for managing change (Bakkes, 1997; Bell and Morse, 2003). The causal connection among the system elements leads to holistic conceptualisation of interdependent dynamics. On similar stances, the concept of sustainable tourism development has also been tried to be compounded with a plethora of definitional debates (Butler, 1999; Page & Dowling, 2002). Some of the prominent conceptualisations are: Maintenance of tourism viability in an area for an infinite period of time (Butler, 1993, p.29); tourism is to be truly beneficial to all concerned (Eber, 1992, p.2); long-term viability of tourism development (Bramwell and Lane 1993); 'sustainable trinity' approach of the integration of economy, society and environment (Farrell, 1999); forces of social change driving sustainable tourism (Prosser, 1994).

However, there is a strong need of determining a comprehensive methodological framework for attaining sustainable development. The World Tourism Organization (UNWTO, 1996) defines sustainable tourism as Sustainable tourism development meets the needs of present tourists and host regions while protecting and enhancing opportunities for the future. It is envisaged as leading to management of all resources in such a way that economic, social and aesthetic needs can be fulfilled while maintaining cultural integrity, essential ecological processes, biological diversity and life support systems.

The WTO in its guidelines to sustainable development determines nine core principles of sustainable tourism development. These include – participation of resident community in controlling tourism development; stakeholders' involvement in developing community inputs; local ownership of resources; creation of local business linkages to restrict 'tourism leakages'; sustainable resource base with equitable distribution of costs and benefits of tourism development over generations; ascertaining community goals; cooperation between local attractions, businesses and tourism operators; determination of carrying capacity; monitoring and evaluation under standardised codes of practice; accountability of the management and use of public goods; training for better human resource development; and promoting appropriate uses and activities to reduce poverty and draw from and reinforce landscape character, sense of place, community identity and site opportunities.

However, the definition is criticised as sufficiently flexible to adopt a variety of approaches and interpretations of the concept of sustainability. As pointed out by Liu (2003), the key issues which are crucial in sustainable tourism considerations are:

1. Due attention is to be paid to tourist demand, especially at the destination level.
2. The complexity and dynamism in resource sustainability should be appreciated in terms of needs, preferences and capabilities of society.
3. Intra-generational equity of costs and benefits should be given importance while emphasizing on international equity.
4. The evident socio-cultural transformation in the host locality due to tourism expansion should not be considered stagnant.
5. The ensuing problems of tourism development should also be addressed.
6. Alternative forms of tourism (e.g., ecotourism, community tourism etc.) are not the best answers to sustainable tourism.

Tourism development of a region endorses overall economic progress and a crucial boost for local entrepreneurial activities. As such, entrepreneurship in tourism is generally considered as means of local business development under sustainable tourism paradigm. However, there is a difficulty of applying conventional model of entrepreneurship in tourism business. The modern tourism entrepreneurs are beyond classical economic definitions. They are keenly associated with social and cultural values as 'success' factors, rather than just 'development and business growth' (Dewhurst & Horobin, 1998). To quote, 'lifestyle entrepreneurship' (Kurako and Hodgetts, 1998; Andrews, Baum and Morrison, 2001), 'ethnic entrepreneurship' (Ram et al. 2000; Collins, 2000), Micro (Lynch, 1999; Greenbank, 2001) and 'social entrepreneurship' (Shaw, Shaw and Wilson, 2002; Smallbone et al., 2001) etc. are some of the elements of new entrepreneurial dimensions of tourism ascertaining the principles of sustainable growth.

CASE STUDIES**NORTH EASTERN REGION OF INDIA**

The North East province of India situated in the rich biodiversity confluence of Indo-Malayan, Indo-Chinese and Indian bio-geographical regions has excellent scope for tourism development. This enthusiasm is validated by the possibility of projecting the region as the eastern doorway of India to the South East Asian Nations under the 'Look East Policy' initiative. However, the euphoria of growth of the industry over the years without strategic emphasis on sustainability requirements may be catastrophic for the region. As such, it is imperative to have insight of the major issues of sustainable development of tourism in the region to take judicious decisions for well-planned development of the sector.

The North Eastern Region of India is located between latitude 21.57°N - 29.30°N and longitude 88°E - 97.30°E covering an area of 262185 Sq. Km. The Macmahon line separates North East India from Tibet. This region is connected with the rest of India only through a narrow corridor in North Bengal, having an approximate width of 33 km on the eastern side and 21 km on the western side. This narrow corridor is popularly known as the "Siliguri neck" or the "Chicken's neck". Geo-politically, the North East covers 98% of international boundary of India. It shares its boundary with China and Bhutan through its North and North-West, Myanmar and Bangladesh on its East, South and South West. North East India is mostly hilly; it has plains on both sides of the river Brahmaputra and the Himalayan range around it. The flora and fauna of this region is numerous and varied. The region accounts for 7.9% of the total land space of the country. Hill ranges forming part of the Himalayas guard the northern side of the region. The area is made up of mountains above the snow line and plains a little higher than sea level. (NER Databank, 2010) <http://db.nedfi.com/content/general-information> retrieved on 15.12.2010

The entire NER is said to be the 'unexplored paradise for the tourists' for its rich natural resources and ethnic diversity showing vast potential for tourism. It can develop cultural, lifestyle (tea), adventure and eco-tourism. It has a variety of wildlife and bio-diversity with unique cultural and ethnic diversity (Planning Commission, India, 2003). Tourism has emerged as one of the prospective sectors of industry in the Northeast. Expert foresees a more explosive growth in this sector in the coming decades. In order to further accelerate the development of the sector, the thrust areas pursued during the Ninth Five Year Plan were: (a) development of infrastructure; (b) product development; (c) development of trekking, winter sports, wildlife and beach resorts, (d) exploring new source markets in regions and countries having cultural affinity; (e) environmental protection and cultural preservation of natural heritage projects; (f) launching of national image building and marketing plan in key markets; (g) providing inexpensive accommodation in different tourist centers; (h) improving service efficiency in public sector corporations; (i) streamlining of facilitation procedures at airports; (j) human resource development; (k) monitoring and evaluation; (l) strengthening of organization; (m) creating awareness and public participation and; (n) facilitating private sector participation in development of infrastructure etc.

However, development of sustainable tourism system in the region is associated with a number of strategic issues. Some of the major indicative issues are outlined below:

- Indian Council of Agricultural Research (ICAR) has identified the region as a centre of rice germplasm (Chatterjee et al, 2006).
- National Bureau of Plant Genetic Resources (NBPGR), India, has highlighted the region as being rich in wild relatives of crop plants. It is the centre of origin of citrus fruits (Chatterjee et al, 2006).
- WWF has identified the entire Eastern Himalayas as a priority Global 200 Ecoregion (Chatterjee et al, 2006).
- Conservation International includes the entire NER in the Indo Burma Biodiversity Hotspot (Myers, 2000) based on the high endemism of higher plants, vertebrates and avian diversity. The hotspot is the second largest and next to the Mediterranean basin with an area of 2, 20, 60,000 sq. km. among the 25 identified global hotspots.
- The International Council for Bird Preservation, UK identifies the Eastern Himalayas as an endemic Bird Area (Bibby et al., 1998).
- At least 353 new species have been discovered in the Eastern Himalayas between 1998 and 2008, equating an average of 35 new species every year for one decade. The discoveries include 242 plants, 16 amphibians, 16 reptiles, 14 fishes, 2 birds 2 mammals, and at least 61 new invertebrates (Thompson, 2009).

Under the given circumstances, the North Eastern economy must make judicious steps to develop its tourism economy. The urgency is deeply felt under the context of growing possibilities of border trade of India with the ASEAN nations through the NER as the Eastern gateway of Indian foreign trade under the much awaited opening of historic trade routes of India with ASEAN nations. These will definitely human traffic in the region creating additional needs for developing tourism trade. Entrepreneurial actions in this context are detrimental.

In an attempt to examine the importance of local entrepreneurship in ensuring sustainable tourism development this study focuses on three major aspects of tourism industry sustenance including region-specific sustainability considerations, entrepreneurial awareness towards sustainability and suggestive measures to ensure sustainable norms in tourism development in the region.

CONCEPT OF HOME STAYS IN LADAKH (NORTH INDIA)

Ladakh has a mountainous landscape, general traveling maps showing the roads and tourist sites are commonly available in India and abroad. No special permit is required to visit most of Ladakh including Leh and Kargil towns. Permits are required for both domestic and foreign tourists to visit the "Inner Line" areas, i.e. Nubra Valley; Pangong Lake and the Durbuk Block that it lies in (i.e. north of the Changla Pass); Tso-Moriri and Tsokar Lakes and the area along the Indus River east of Upshi; and Dha-hanu and the area along the Indus River northwest of Khalatse. These permits are easily available in Leh town from the local authorities and do not need to be acquired while applying for an Indian visa.

Permits are not available, and foreigners are not allowed, in the far reaches of each of the above-named areas close to the borders (or Line of Control, etc) with Pakistan and China. For example, foreigners can go to the edge of Pangong Lake and Maan and Merak villages, but not along the edge of it to Phobrang or Chushul villages; they cannot proceed east up the Indus from the Mahe Bridge; and in Nubra, they can only go as far as Panamik to the north and Turtuk to the west. There are no border crossings open between Ladakh and neighbouring regions of Baltistan (under Pakistan) or Tibet (under China).

Himalayan Home stays was started in Ladakh in 2002 by the Snow Leopard Conservancy, The Mountain Institute, local tour operators and villagers living in important snow leopard areas. In 1999, local people had expressed an interest in generating income from increasing numbers of visitors that passed through their villages and wanted to offer a tourism experience that would benefit visitors, hosts and the local environment. The first Homestays were established in Hemis National Park, "snow leopard capital of India," in 2002 and later-on more villagers joined from Sham, another important snow leopard area. We hope that more communities in Ladakh will join the Himalayan Homestay network in 2004. Home stays generate additional income for local people – helping offset unavoidable income losses from livestock depredation by snow leopards and other predators. With income from tourism that highlights wildlife viewing, local people have a reason to conserve predators which may threaten their herds, especially since poaching and retributive killing of snow leopards are the major threats across the Himalaya to this rare and beautiful cat.

HOMESTAY SERVICES

Selected villages along the Markha and Sham trekking routes have been given Himalayan Home stay training by the Snow Leopard Conservancy with support from The Mountain Institute and UNESCO. These settlements are situated in excellent habitat for the endangered snow leopard and its prey. One can see the cat's sign and herds of blue sheep or ibex.

The followings are provided to a visitor:

- a clean, comfortable room (with candle or solar light), furnished in the Ladakhi style
- traditional Ladakhi meals, cooked hygienically using eco-friendly methods
- clean solar-boiled spring water to drink
- a clean traditional dry-composting toilet
- the opportunity to enjoy the rhythm of life in a village where farming and livestock herding has been the way of life for centuries

In some sites there are local guides who can take you wildlife watching and on village walks. Expect to be a little breathless even before you reach Ladakh's biggest town Leh. The stark, stunning beauty of Ladakh will impress even the seasoned travellers as you drive or fly over snow capped mountains. The Himalayan

region in northern state of Jammu and Kashmir is bound by the Karakoram in the north and the Great Himalayan range in the south and also has the Ladakh Range and the Zaskar Range traversing it. Ladakh, also known as Little Tibet, consists of two districts Leh and Kargil which are governed by the Autonomous Hill Development Councils.

Considered among the most extreme of environments, Leh with its gorgeous mountains, its arid desert terrain sprinkled with ancient Buddhist monasteries and its dignified poplar trees are sparsely populated. Its natural beauty is perfectly complemented by the unassuming generosity of its people. Primarily Buddhist, with a small population of Shia Muslims, people here stay preoccupied with agrarian responsibilities during the warmer months. In winters temperatures can drop to -20 deg Celsius forcing livestock and humans to stay indoors. Many of Ladakh's traditional and religious festivals, however, take place during winter.

With the exception of wildlife enthusiasts patient enough for the elusive snow leopard, most people visit the place between the relatively warmer months of May to October. Situated on the banks on the Indus River, Leh itself has a few attractions to offer. Dominated by the 17th century, nine storied Leh palace, the small town has at its heart a marketplace of curio shops and cafes. A few hours outside of Leh, are the Thikse and Spituk monasteries and the Tibetan village of Choglamsar. Leh is best served as base camp to explore the rest of the region. For nature and adventure lovers, the place has a range of options for which both equipments, guides and travels is easily arranged. Mountain trekking, rafting, wildlife spotting and hiking on frozen rivers in winters are some of the activities that can be undertaken once visitors get acclimatized to the thin, high-altitude mountain air. Amenities are generally basic, luxuries limited but the experience is truly unforgettable.

Between the mountains of the Great Himalaya and the formidable Karakoram lies the high altitude kingdom of Ladakh. Ladakh lies at altitudes ranging from 2,750m to 6,670m, covering an area of 90,000sq.km. Today's high altitude desert was once covered by an extensive lake system, the remains of which can be seen in the large lakes in the south-east. The population of eastern and central Ladakh is predominantly of Tibetan origin and follows Buddhism. Further west people are Muslims of more mixed origin. The area's landscape and unique cultural heritage have been major attractions since Ladakh opened to tourists in 1974. In 2003, some 30,000 tourists visited Ladakh during June to September for a variety of activities including trekking, rafting, and sightseeing. Tourism related activities have grown rapidly over the past two decades, especially in and around the capital Leh that serves as the base for most visitors.

The primary destination for trekkers and other nature-based visits is Hemis National Park (HNP). In 2003, over 6,000 tourists trekked through the National Park during the summer months. The park is located south of Leh and covers 4,400 sq.km. and has a population of herders that share the area's natural resources with the wildlife. The Park is divided into three valleys, namely Rumbak, Markha and the Shang valley that remain cut off from each other during winter by the Gandala pass (4,900m) and Kongmrula pass (5,150m) to the south. There are 15 villages with approximately 100 households in these valleys. Apart from the unique landscape and harsh beauty, the mountains are home to a variety of cultural resources such as local homes, monasteries, etc, and support a high altitude ecosystem with rare and endangered flora and fauna. The area is considered the best habitat in India for the elusive snow leopard (*Uncia uncia*) – an attraction for visitors whether you see one or not.

SUMMARY OF THE STUDY

The involvement of various stakeholders in regional economic generation of North eastern region and the role of entrepreneurial fraternity in tourism development were well appreciated. The case study is well justified the overall involvement of local community in furnishing the tourism sector there. The ninth five-year plan played a significant role as far as tourism development and especially the sustainable tourism development is concerned. No tourism policy or plan will ever sustain without the active involvement of local community and in the case study of North eastern states, the sustainable tourism development was possible after the active involvement of host community.

In recent times, the home stay model of accommodation is becoming increasingly popular with both the allocentric and psycho-centric travel markets as the rejuvenating travel experiences organized in community sites to study life style, culture and manufacture of locality with home stay referred to living place, since it is one type of tourism based on living place centered. Various activities are provided for serving the tourist's needs, simple way of life in which the travelers are interested in cross cultural activities, management of rural areas and as an alternative in the local market which is not a competitor of hotels and resorts. If this co-existing concept of home stay gets its due recognition from track-one agencies, sustainable peace being promoted all over the world shall not remain as elusive as it often plays the game of hide and seek immediately after the initiative exhibitions and conferences get over. These happy tourists then enhance the scope of the process as peace ambassadors by virtue of their on ground first hand experiences beyond the travel advisories and news datelines. The much undermined home stay concept has not only peace and harmony in the offing it also has a positive bearing on local economy and ecology. The home stay concept is a very powerful peace initiative and this paradigm builds upon the theory of social exchange and inters contact dynamics producing a sleeper effect on the participants. As the idea is not to see through each other but is to see each other through. It is pertinent to mention here that it is high time that the policy makers now initiate a comprehensive method so that the home stay concept becomes as popular and more importantly accepted on a macro level as in Ladakh among the civil society of the other two regions of the State viz. Jammu and Kashmir for the tourists to experience the cultural and natural marvels off the beaten track also.

CONCLUSION

To further enjoy the dividend from tourism sector, the need to aware both the local masses and the stakeholders is must rather than to force the sustainable development code of conduct on them would prove to be of no use. The harsh rules and regulations always give birth to future agitation while to involve the local community by educate them regarding the enormous dividends from tourism sector easily push them to accept the all-important of concept of sustainable tourism development. Promotion of entrepreneurs in the desired direction should be the top most priority. This necessitates the emergent obligation for the society to help in properly conduit the entrepreneurial power in the most profitable and efficient way. One of the ways to ascertain the requisite development of the sector is to have a consistent and integrated approach to develop the micro as well as macro environments for entrepreneurship development along with creating the supportive facilities. This will persuade the new generation entrepreneurs to actively take part in the societal as well as in environmental developmental process. The entire process of the formation of an enterprising society is holistic in nature requiring contributions from every corner of the society in one form or the other. This is, in fact, a growing necessity of all the developing nations in the age of global economic transformation. Loss of indigenous identity of the smaller socio-economic communities seems to be inevitable in the face of the giant global competition, if appropriate measures have not been adopted well ahead of time.

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STRESS MANAGEMENT FACTORS AND ITS INTERRELATIONSHIP WITH JOB SATISFACTION

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ABSTRACT

Stress is an adaptive response to an external situation that results in physical, psychological and / or behavior deviations for organizational. Stress can manifest itself in both positive way and a negative way. Level of work stress in any organization can contribute a lot in increasing/decreasing the job satisfaction level of the employees. Proper stress management can definitely improves the efficiency and effectiveness of work performance. In our study, we focus on the employees (teaching staff) of private professional education institutions to find the relationship between the intensity of stress and job satisfaction level. Here we also try to find out the main causes of stress among faculty members as well as the stress management techniques that can be fruitful in this respect. The study will focus on the different-2 factors that determine the composition of stress management in private professional education institutions. For this purpose we use KMO and Bartlett's Test of sphericity, multivariate factor analysis and Z-test. Data was collected from both primary and secondary sources where for primary data a structured questionnaire was constructed which was pilot tested to check reliability. The questionnaire consisted of two parts. The part consisted of details of demographic profile of employees of different -2 professional colleges teaching like age, gender, tenure etc .The second part consists of many questions which involved most important issues that are considered essential for on a 5-point rating scale stress management and its interrelationship with the level of job satisfaction.

KEYWORDS

Demographic, Job satisfaction, Multivariate analysis, professional, Stress management.

INTRODUCTION

Stress is a universal element experienced by employees around the globe. Stress has become major problem for employer particularly in developing nations where the employer doesn't realize the impact of stress on employee performance which Employee Stress, Managerial Role, Stress Management, Job Performance. Stress has many definitions it is a part of both social and concrete sciences. However, Stress is a universal experience in the life of each and every employee, even executives and managers. This study discloses the impact of stress on employees of organizations regardless of any discrimination of male and female employees, kind of organization, and department (Bashir, Asad 2007). Stress is basically is a mental strain from the internal or external stimulus that refrains a person to respond towards its environment in a normal manner. These stress levels can be internal or external from the doctors, from their personal lives or professional lives (Khuwaja, Ali Khan et al, 2002). It is important to keep in mind that mismanaged stress at the organizational level can prove to be harmful to the overall organization. Work-related stress is additive in nature because the more the existence of stress factors in the working environment, the higher the level of work-related stress the employees suffer from. As a result, mismanaged stress of any type is likely to lead to physical, psychological, and behavioral problems as well as job dissatisfaction among employees (Larson, 2004). The management of people at work is an integral part of the management process. To understand the critical importance of people in the organization is to recognize that the human element and the organization are synonymous. An well-managed organization usually sees an average worker as the root source of quality and productivity gains. Such organizations do not look to capital investment, but to employees, as the fundamental source of improvement. An organization is effective to the degree to which it achieves its goals. An effective organization will make sure that there is a spirit of cooperation and sense of commitment and satisfaction within the sphere of its influence. In order to make employees satisfied and committed to their jobs in academic and research libraries, there is need for strong and effective motivation at the various levels, departments, and sections of the library.

RESEARCH METHODOLOGY

This study is aimed at identification of the factor of stress management and its interrelationship with the level of job satisfaction and underlying the attitude of professional towards stress management in general.

THE INSTRUMENT

For the purpose of this study, 20 statements has been used .These statements are regarding attitude-towards- stress factors its interrelationship with the level of job satisfaction in general and have been presented in the form of a comprehensive model depicting the primary structure of belief and attitudes towards stress management.

LIMITATION OF STUDY

The present study has some limitations. First, the study has been conducted in the professional colleges of two cities (Rohtak, Jhajjar) of Haryana. Naturally, opinion of people of other places may be different. Second, the analysis is based on five point Likert's scale only

THE SAMPLE

The population for the study comprised the professional colleges of two cities (Rohtak, Jhajjar) of Haryana State .A sample of 100 respondents comprising 50 from Jhajjar city's professional colleges and 50 from Rohtak city's Professional colleges was selected on the basis of convenience sampling. The data has been collected personally with the help of well structured and non-disguised questionnaire. Table 1 gives the description of demographic characteristics of the respondents.

TABLE 1: DEMOGRAPHIC CHARACTERISTICS OF RESPONDENTS

	Number of Respondents	Percentage
Age		
0 to 25 years	10	10%
25-35 years	45	45%
35-55 years	35	35%
Above-55 years	5	5%
Sex		
Male	60	60%
Female	40	40%
Education		
Under Graduation	20	20%
Graduation	30	30%
Post-Graduation	35	35%
PhD	5	5%
Income		
Below Rs 10,000	20	20%
Rs 10,000-Rs 20,000	25	25%
Rs20,001-30,000	35	35%
Above Rs-30,000	20	20%
Marital Status		
Married	75	75%
Unmarried	25	25%
Work Experience		
Below-10 years	65	65%
11-20 years	20	20%
21-30 years	10	10%
Above-35	5	5%

SURVEY ITEMS

Twenty attributes that were identified as per survey were rated on five point Likert scales ranging from 1 to 5 i.e strongly disagree to strongly agree.

TABLE 2: THE ATTRIBUTES OF THE SURVEY

Factors of Stress Management
1.Satisfaction with your job decrease your Stress
2. Line staff conflicts and poor relationship among colleagues increase intensity of stress among them
3. Good Communication Channel with management can be reduce stress among employees
4. Salary and other monetary benefits according to the potential of employees can reduce stress among employees
5. Job Security is the most important factor to manage stress.
6. Good relationship with superiors and subordinates can reduce your stress
7. Advance Loan Facility provided by your organization , can be a factor of stress management
8.Comfortability with job can reduce your stress
9. Good Gender Relationship may be factor of stress management
10.Job assignment according to specialization reduces job related stress
11. Grievances Handling System within job can be a factor of stress management
12. Good Working environment can decrease your stress
13. Promotional and growth Opportunities prevent job related stress
14. Effective Performance Appraisal System can play important role in management of stress
15. Adequate appreciation of work and performance feedback proves helpful in managing stress.
16. Advanced teaching aids reduce job stress
17. Recognition of work/efforts reduces stress
18. Physical and mental strain causes job stress
19.Compatibility between the personal goals of staff members with institutional goals can be helpful in managing stress
20. Centralized authority and decision making are sometimes responsible for increasing job stress

DATA ANALYSIS

1. FACTOR ANALYSIS

On the basis of the research objective, multivariate analysis model was selected In order to find out the dimensionality of beliefs toward the factor of stress management and its interrelationship with the level of job satisfaction; a factor analytic technique has been used. Factor analysis has been applied to the response of all 100 respondents regarding statements above **Table2 above**, measured on a five point Likert Scale. In order to test the suitability of the data for factor analysis, the correlation matrix was computed and examined. The results indicated that there were enough correlations to justify the application of factor analysis. Before test applying factor analysis; data were tested by Bartlett’s test and Kaiser- Meyer-Olken (KMO) measures. The Bartlett’s test examines the null Hypothesis that variables are not correlated. The calculated value of chi-square was 906.396 (degree of freedom 190 and significance .000) which were greater than tabulated value at 5% significant level. Therefore, null hypothesis was rejected and variables were correlated. To measure sampling adequacy for factor analysis, Kaiser- Meyer-Olken was employed. The measured value was .636, which was greater than 0.50 that indicated (values between .50 to 1.00) appropriateness of sample .The factor analysis model was applied with principle component analysis as extracted method followed by varimax rotation. All factor loadings greater than .40 (ignoring signs) have considered for further analysis. Seven factors were extracted which accounted for 73.903 percent of the total variance. The percentage of total variance is used as an index to determine how well the total factor solution accounts for what the variables together represent. The results of principle component Analysis with Varimax rotation for overall sample are shown in Table7. The Eigen values of factors/ components were 19.796, 13.586, 11.156, 9.180, 8.209, 6.612 and 5.363 respectively, which explained 73.903 of total factors variance.

TABLE-3: KMO AND BARTLETT'S TEST

Kaiser-Meyer-Olkin Measure of Sampling Adequacy	.636
Bartlett's Test of Sphericity	Approx. Chi-Square
	Df
	Sig.
	906.396
	190
	.000

TABLE-4: DESCRIPTIVE STATISTICS

	Mean	Std. Deviation	Analysis N
VAR00001	3.9200	.97110	100
VAR00002	3.6800	.98350	100
VAR00003	3.7700	.83913	100
VAR00004	3.2800	.56995	100
VAR00005	3.6800	1.01384	100
VAR00006	3.8600	.87640	100
VAR00007	3.7800	.94900	100
VAR00008	3.2000	.63564	100
VAR00009	4.0500	.47937	100
VAR00010	4.4800	.85847	100
VAR00011	3.6300	1.03138	100
VAR00012	3.6700	.87681	100
VAR00013	3.9300	.80723	100
VAR00014	3.4000	.60302	100
VAR00015	3.6300	.84871	100
VAR00016	3.5000	.81029	100
VAR00017	3.8300	.89955	100
VAR00018	3.9900	.84680	100
VAR00019	4.0000	.77850	100
VAR00020	3.7800	.87132	100

TABLE-5: COMMUNALITIES

	Initial	Extraction
VAR00001	1.000	.697
VAR00002	1.000	.606
VAR00003	1.000	.707
VAR00004	1.000	.790
VAR00005	1.000	.718
VAR00006	1.000	.832
VAR00007	1.000	.752
VAR00008	1.000	.798
VAR00009	1.000	.632
VAR00010	1.000	.703
VAR00011	1.000	.880
VAR00012	1.000	.712
VAR00013	1.000	.659
VAR00014	1.000	.710
VAR00015	1.000	.891
VAR00016	1.000	.841
VAR00017	1.000	.913
VAR00018	1.000	.698
VAR00019	1.000	.591
VAR00020	1.000	.653

Extraction Method: Principal Component Analysis.

TABLE-6: TOTAL VARIANCE EXPLAINED

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.959	19.796	19.796	3.959	19.796	19.796	3.363	16.817	16.817
2	2.717	13.586	33.382	2.717	13.586	33.382	2.367	11.837	28.654
3	2.231	11.156	44.539	2.231	11.156	44.539	2.061	10.305	38.959
4	1.836	9.180	53.719	1.836	9.180	53.719	2.008	10.038	48.997
5	1.642	8.209	61.928	1.642	8.209	61.928	1.788	8.941	57.938
6	1.322	6.612	68.540	1.322	6.612	68.540	1.640	8.202	66.140
7	1.073	5.363	73.903	1.073	5.363	73.903	1.553	7.763	73.903
8	.835	4.177	78.081						
9	.681	3.406	81.486						
10	.581	2.906	84.393						
11	.571	2.853	87.246						
12	.532	2.660	89.905						
13	.443	2.214	92.120						
14	.390	1.952	94.072						
15	.360	1.801	95.873						
16	.278	1.392	97.265						
17	.191	.957	98.222						
18	.156	.781	99.003						
19	.124	.621	99.624						
20	.075	.376	100.000						

Extraction Method: Principal Component Analysis.

TABLE-7: COMPONENT MATRIX^a

	Component						
	1	2	3	4	5	6	7
VAR00001	-.188	-.163	-.328	-.120	-.550	.255	.381
VAR00002	.075	-.138	.090	-.574	.377	.012	.318
VAR00003	.133	-.439	-.356	.306	.321	-.337	-.243
VAR00004	-.564	-.378	.240	.485	-.106	-.145	.063
VAR00005	.050	-.036	.453	.138	.529	.322	-.326
VAR00006	-.678	.143	.397	.200	.047	.205	.333
VAR00007	-.077	.092	-.173	.286	.465	.639	.034
VAR00008	-.229	-.673	.274	.322	.116	-.084	.305
VAR00009	-.383	.355	.072	.582	-.041	.111	-.025
VAR00010	.441	-.087	-.543	-.156	.258	.300	.157
VAR00011	.825	-.233	-.084	.301	.124	-.176	.026
VAR00012	-.213	.539	.197	-.078	.342	-.414	.209
VAR00013	.081	.505	-.121	.053	.432	-.074	.433
VAR00014	-.390	.162	-.457	.145	.244	-.480	.106
VAR00015	.809	.032	.113	.389	-.068	.007	.259
VAR00016	.696	.274	.495	-.067	-.101	-.127	.068
VAR00017	.805	.003	.414	.236	-.136	.019	.137
VAR00018	-.049	.761	.162	-.049	-.056	-.005	-.291
VAR00019	.079	.612	-.187	.289	-.291	.021	.083
VAR00020	.201	.251	-.635	.371	-.054	.068	-.040

Extraction Method: Principal Component Analysis.

a. 7 components extracted.

TABLE 8: ROTATED COMPONENT MATRIX^a

	Component						
	1	2	3	4	5	6	7
VAR00001	-.145	.092	-.219	.000	-.248	-.737	.120
VAR00002	-.027	-.005	-.126	-.732	.211	.033	.088
VAR00003	-.034	.237	.793	-.005	-.039	.130	.042
VAR00004	-.247	.756	-.041	.339	-.066	.045	-.186
VAR00005	.073	.093	-.116	-.039	-.089	.784	.256
VAR00006	-.306	.467	-.621	.234	.257	.089	.076
VAR00007	-.104	.044	-.067	.138	.033	.244	.809
VAR00008	.033	.879	.053	-.115	-.080	.038	-.014
VAR00009	-.137	.161	-.190	.697	.192	.112	.127
VAR00010	.152	-.267	.323	-.331	-.027	-.222	.587
VAR00011	.744	.012	.552	-.080	-.057	.037	.098
VAR00012	-.096	-.094	-.161	.013	.763	.192	-.222
VAR00013	.124	-.144	-.047	-.016	.729	-.014	.299
VAR00014	-.433	.074	.394	.168	.549	-.167	-.057
VAR00015	.911	.000	.152	.100	.029	-.069	.149
VAR00016	.783	-.274	-.187	-.103	.082	.178	-.261
VAR00017	.942	-.015	-.040	.004	-.104	.102	-.048
VAR00018	-.048	-.569	-.304	.365	.240	.252	-.158
VAR00019	.159	-.346	-.118	.552	.240	-.258	.060
VAR00020	.060	-.280	.405	.423	.080	-.294	.368

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 12 iterations.

FACTOR ANALYSIS CONCLUSION PART

TABLE 9: DIFFERENT FACTORS

	Component						
	1	2	3	4	5	6	7
Faculty Training and Development Programme plays a pivotal role in job related stress reduction	.942						
Adequate appreciation of work and performance feedback proves helpful in managing stress.	.911						
Advanced teaching aids reduce job stress	.783						
Grievances Handling System within job can be a factor of stress management	.744						
Comfort ability with job can reduce your stress	.879						
Salary and other monetary benefits according to the potential of employees can reduce stress among employees	.756						
Physical and mental strain causes job stress	.569						
Good Communication Channel with management can be reduce stress among employees		.793					
Good relationship with superiors and subordinates can reduce your stress		-.621					
Line staff conflicts and poor relationship among colleagues increase intensity of stress among them				-.732			
Good Gender Relationship may be factor of stress management			.697				
Compatibility between the personal goals of staff members with institutional goals can be helpful in managing stress			.552				
Centralized authority and decision making are sometimes responsible for increasing job stress.			.423				
Good Working environment can decrease your stress					.763		
Promotional and growth Opportunities prevent job related stress					.729		
Effective Performance Appraisal System can play important role in management of stress					.549		
Job Security is the most important factor to manage stress						.784	
Satisfaction with your job decrease your Stress						-.737	
Advance Loan Facility provided by your organization , can be a factor of stress management							.809
Job assignment according to specialization reduces job related stress							.587

2. Z- TEST ANALYSIS

2.1 Hypothesis for Z-test for each factor of Stress Management

H₀: There is no significance difference between the means score of Rohtak and Jhajjar cities professional education institution's teaching staff about each stress management factors

H₁: There is significance difference between the means score of Rohtak and Jhajjar cities professional education institution's teaching staff about each stress management factors

2.2 Statistical Test

The Z – Test is chosen because the data are interval and two samples large and independent

2.3 Significance Level (α) = 0.05 (two –tailed test)

The Stress Management Factors:

TABLE10: THE Z-TEST (TWO TAILED TEST, SIGNIFICANCE LEVEL-0.05)

Stress Factors	Rohtak City Sample		Jhajjar City Sample		Calculated Value(Z)	Critical Value	Comparison	S/NS
	Mean	Stand Dev.	Mean	Stand Dev.				
V ₁	3.94	.9564	3.90	.9948	.205	1.96	.205 < 1.96	NS
V ₂	3.74	.9858	3.62	.9979	.608	1.96	.608 < 1.96	NS
V ₃	3.96	.7273	3.58	.9055	2.313	1.96	2.313 > 1.96	S
V ₄	3.32	.6528	3.24	.4764	.700	1.96	.700 < 1.96	NS
V ₅	3.76	1.001	3.60	1.030	.788	1.96	.788 < 1.96	NS
V ₆	3.62	.7529	4.10	.9313	2.834	1.96	2.834 > 1.96	S
V ₇	3.78	.9538	3.78	.9538	.000	1.96	.000 < 1.96	NS
V ₈	3.46	.7615	7.94	.3136	4.464	1.96	4.464 > 1.96	S
V ₉	3.92	.4882	4.18	.43753	2.804	1.96	2.804 > 1.96	S
V ₁₀	4.72	.6074	4.24	1.001	2.898	1.96	2.898 > 1.96	S
V ₁₁	4.28	.8091	4.06	.7951	8.103	1.96	8.103 > 1.96	S
V ₁₂	3.28	.7570	4.06	.8184	4.947	1.96	4.947 > 1.96	S
V ₁₃	3.74	.8526	4.12	.7182	2.410	1.96	2.410 > 1.96	S
V ₁₄	3.18	.5225	3.62	.6024	3.902	1.96	3.902 > 1.96	S
V ₁₅	4.14	.9037	3.12	.3282	7.501	1.96	7.501 > 1.96	S
V ₁₆	3.76	.8703	3.24	.6565	3.373	1.96	3.373 > 1.96	S
V ₁₇	4.42	.7024	3.24	.6565	8.678	1.96	8.678 > 1.96	S
V ₁₈	3.62	.8780	4.36	.6311	4.839	1.96	4.839 > 1.96	S
V ₁₉	3.89	.7917	4.16	.7384	2.095	1.96	2.095 > 1.96	S
V ₂₀	3.68	.9570	3.88	.7730	1.105	1.96	1.105 < 1.96	NS

Note: NS- Not Significant, S-Significant

FINDINGS OF COMPARISON Z-TEST ABOUT STRESS MANAGEMENT FACTORS

There is no significance difference between the means score of Rohtak and Jhajjar cities professional education institution's teaching staff about the followings factors of stress management

1. Satisfaction with your job decreases your Stress
2. Line staff conflicts and poor relationship among colleagues increase intensity of stress among them
3. Salary and other monetary benefits according to the potential of employees can reduce stress among employees
4. Job Security is the most important factor to manage stress
5. Advance Loan Facility provided by your organization, can be a factor of stress management
6. Centralized authority and decision making are sometimes responsible for increasing job stress

There is significance difference between the means score of Rohtak and Jhajjar cities professional education institution's teaching staff about the following factors of stress management

1. Good Communication Channel with management can reduce stress among employees
2. Good relationship with superiors and subordinates can reduce your stress

3. Comfort ability with job can reduce your stress
4. Good Gender Relationship may be factor of stress management
5. Job assignment according to specialization reduces job related stress
6. Grievances Handling System within job can be a factor of stress management
7. Good Working environment can decrease your stress
8. Promotional and growth Opportunities prevent job related stress
9. Effective Performance Appraisal System can play important role in management of stress
10. Adequate appreciation of work and performance feedback proves helpful in managing stress
11. Advanced teaching aids reduce job stress
12. Recognition of work/efforts reduces stress
13. Physical and mental strain causes job stress
14. Compatibility between the personal goals of staff members with institutional goals can be helpful in managing stress

SUGGESTIONS

The main aim of the study was an in-depth examination of the relationship of stress management factors and its interrelationship with job satisfaction Based on the findings evolved from the investigation, the investigator made an attempt to put forth the following suggestions :

- 1) To improve the Quality of Work Life can improve the performance as well as reduce the stress among employee.
- 2) All employees may be given due participation while framing policies in the organisation they serve, which will give them a feeling of being a part of the whole. This will help them to contribute to the achievement of the institution's goals.
- 3) Fringe benefits given to the staff may be enhanced their skills and motivate them do something better. The employees shall be provided with canteen, crèche, recreation and entertainment, health facilities etc. in their work place.
- 4) Satisfaction with plays vital role to reduce stress among employees, this factor of stress management both the cities' (Rohtak & Jhajjar) employees is equal effect.
- 5) Comfortableness with job like: Job security, monetary benefits, good grievance committee, good working environment, chance of growth factors are most important to reduce stress among employees.
- 6) After using companions test, both the cities have some difference about some factors of stress management these factor can be handle after creating good working environment.

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WORLD

LEADERSHIP DEVELOPMENT FOR EXCELLENCE: A REVIEW

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ABSTRACT

The aim of the study was to review the leadership development in recent times and the impact of excellent leadership on the success of any organization. A review showed that excellent leaders endorse better performance. On a practical level the findings suggest that excellent leadership in organizations is the key to success in a highly competitive environment.

KEYWORDS

development, excellence and leadership.

INTRODUCTION

In human resource management (HRM) terms, Coleman and Earley (2005) draw attention to the worldwide trend to decentralizing the management of organization that has moved the responsibility for managing people to the unit level. This involves getting the right people to do the job (managing the organization), ensuring that the job is done well (performance management) and supporting managers' ability to achieve organizational goals and promotion (development and succession). Leadership supply remains a vital element in the life of any organization. To appoint someone to leadership positions within organization has potentially profound implication, not only for those individuals, but also for their colleagues and the organization in which they work. This study offers a basis to bring forward helpful practices related to different organizations in different contexts. In any organization, it is important to identify the level at which grievance is settled, the level of employee satisfaction, industrial relations, the interpersonal relations between the employer and the employee, the effectiveness of communication, the level of motivation and the turnover ratio which indicates the culture in that organization and a positive strong culture is develop by the excellent leaders. Now days, the business environment has become very fluid and turbulent. Today's market is highly competitive and factors like quality, flexibility, innovation and creativity are prerequisites for survival. The new concept of workers' participation gives a feeling of belongingness and commitment to the employee. It has been proved that leaders of an organization can lead it on the path of success. Indeed, to lead, organization needs excellent leadership. The concept of retaining and nurturing talent within the organization has become imperative for the development of an organization. Leaders are the key player, to make the organization survive and success in a highly competitive environment. The success of an organization is logically linked to the actions of the leader in charge of that organization. Changes in managerial effectiveness are directly related to changes in organizational effectiveness (House, 1988). If modern leaders are by definition a reflection of modern society, then their contribution to the betterment of society depends largely on their ability to function effectively within the specific situation of the time. Given the impact of a potential leadership crisis, the present study has been commissioned to explore practices, drivers and barriers to leadership development. Understanding practices and potentialities with regard to these issues is important. As one, possible solution to a leadership crisis is to emphasize the growth of leadership talent within an organization, therefore the notion of 'growing your own leaders' has emerged. (Rhodes and Brundrett, 2005; 2006). At the same time, it is also important to understand the role of a leader in the success of an organization and how important it is for any organization to foster and development excellent leadership within the organization.

AN OVERVIEW OF LEADERSHIP THEORIES

The field of leadership study has resulted in numerous theories, some of which were useful in understanding this study. These theories are mentioned briefly.

TRAIT APPROACH

The systematic social scientific study of leadership did not begin until the early 1930s, and almost all prevailing theories of leadership that have been developed since that time are distinctly American in character (House & Aditya, 1997). The dominant research and subsequent literature concerning leadership during the 1930s and 1940s concentrated on leadership trait theories (Hersey, Blanchard, & Johnson, 1996). This was the belief that personal characteristics such as gender and appearance and psychological traits such as authoritarianism and intelligence were the determinants of successful leadership. The early works of Gibb (1947), Jenkins (1947), and Stogdill (1948) identified numerous traits that were associated with measures of leader effectiveness. These leadership traits were commonly grouped by characteristic. Examples of traits within the characteristics groups include: personal characteristics (age, appearance), social background characteristics (education, social status), intelligence and ability characteristics (intelligence, judgment), personality characteristics (enthusiasm, self-confidence), task-related characteristics (desire to excel, persistence), and social characteristics (ability to enlist cooperation, administrative ability) (Bass, 1990).

BEHAVIORAL APPROACH

Disenchantment with the limitations of trait theories by the 1950s caused a shift to research that focused on the predisposition of leaders toward particular behaviours. These studies were either performed in controlled laboratory settings or in the field by asking individuals to record personal observations of leader behaviour. Leadership studies initiated by the Bureau of Business research at Ohio State University in 1945 attempted to identify specific leader behaviours. An instrument was created to collect the observations called the Leader Behaviour Description Questionnaire. Participants were asked to judge the frequency that they observed the leader engaging in these specific behaviours. The early works of the Ohio State staff revealed that initiating structure and consideration were separate and distinct dimensions of leader behaviour. In these studies, the two categories were considered separate axes rather than linked on a single Continuum. (Stogdill & Coons, 1957). Leadership studies were also taking place at the Institute for Social Research at the University of Michigan during this same time period (Kahn & Katz, 1953; Likert, 1961; Mann, 1965). These studies identified two similar leadership constructs for those identified at Ohio State, which the researchers referred to as production orientation and employee orientation. Research interest in the two dimensions of leadership behaviours suggested by the Ohio State and Michigan studies eventually found its way into the management field, resulting in the creation of the Managerial Grid by Blake and Mouton (1964). The two dimensions were listed as concern for production along the X-axis and concern for people along the Y-axis. A simple scoring scale of 1 to 9 (1 low, 9 high) allowed Blake and Mouton to identify five distinct management styles: (a) impoverished management (low production, low people), (b) country club management (low production, high people), (c) authority-obedience management (high production, low people), (d) organizational man management (medium production, medium people), and (e) team management (high production, high people).

SITUATIONAL APPROACH

A contrast to the early works of the trait and behavioural theorists was the situational approach to leadership. Murphy (1941) felt that leadership was not found within the person but was a function of the occasion. The specific aspects of the situation that either enhance or nullify the effect of leadership traits or behaviours were referred to as situational moderator variables. Theories that explain leadership effectiveness in terms of these variables were called situational theories of leadership. These theories describe aspects of leadership that apply better to some situations than to others. Situational leadership theorists insisted that there is no one best way to influence people. A Harvard Business review article by Tannenbaum and Schmidt (1957/1973) was one of the initial attempts to

describe leadership based on the situation. The result was a description of leader behaviour along the democratic (relationship-orientation) to authoritarian (task-orientation) continuum, based on the source of the leader's authority (Tannenbaum & Schmidt). The authoritarian style of leadership assumes power comes from the position itself, while the democratic style of leadership believes that power is granted by the followers. A wide variety of leadership styles were identified between the two extremes.

The effects of change and studies of change management influenced leadership research by the 1990s. Despite all the work that had been done in change management over the past few decades, the concept of change had not been successfully integrated into existing leadership theory (Yukl, 2002b). In 1991, Scandinavian researchers Ekvall and Arvonen suggested that a three-dimensional taxonomy related to change provided the most useful way to group specific leader behaviours into general categories. Yukl (2002b) formalized this acknowledgement of the significant effect that change has on business practices with the introduction of change-oriented behaviour as a distinct new behavioural category. The resultant tri-dimensional leadership theory added the third dimension of change to the traditional two dimensions of task and relations. Tri-dimensional leadership theory was developed to address the shortcomings of existing leadership models. Previous studies that focused on task and relations behaviours showed a positive but weak correlation with subordinate performance (Fisher & Edwards, 1988). Tri-dimensional leadership theory uses a hierarchical taxonomy of leadership behaviours with three behaviour metacategories: task oriented, relations oriented, and change oriented. Each metacategory includes specific component behaviours that correspond closely to behaviours identified in prior research on effective leadership over the last half century (Yukl, Gordon, & Taber, 2002). The 13 leadership behaviours described by the tri-dimensional leadership theory are:

1. **Short-term planning:** deciding what to do, how to do it, who will do it, and when it will be done;
2. **Clarifying roles and responsibilities:** the communication of plans, policies, and role expectations;
3. **Monitoring operations and performance:** gathering information about the operation, including progress and performance;
4. **Supporting:** showing consideration, acceptance, and concern for the needs and feelings of people;
5. **Recognizing:** giving praise and showing appreciation to others for effective performance, achievements, and contributions;
6. **Consulting:** involving the followers in making important decisions;
7. **Empowering:** delegating more autonomy and discretion to subordinates;
8. **Developing:** providing the opportunity to develop skills and confidence;
9. **External monitoring:** observing and recording the external environment in order to identify threats and opportunities;
10. **Envisioning change:** articulating and inspiring a concept of a better future;
11. **Encouraging innovative thinking:** providing an environment where subordinates are inspired to create new ideas for improving the organization;
12. **Taking risks for change:** willingness to stray from the accepted norms in order to improve organizational performance; and
13. **Explaining the need for change:** communicating the importance and inevitability of change within the organization.

LEADERSHIP DEVELOPMENT AND EXCELLENCE

The corporate world is now facing recruitment problems for leadership positions. These problems are especially severe for the recruitment of higher level managers. Traditionally associated with a single individual, notably the head, leadership in organizations has increasingly become associated with individuals at different levels. Ensuring a supply of able middle and senior leaders in organizations is of key strategic importance to the success of an organization and the nation as whole. Another major problem is the high attrition and growth aspirations of the workforce. At least 60,000 of the 171,000 workforce change jobs every year. About 80% of them look for better leaders. Team leaders want to upgrade to supervisors, quality professionals or operations heads. The HR problem threatens to soon become grave.

Following is the table showing the Attrition Rates in different countries in the year 2008 from a survey which was done by a magazine in UK.

TABLE 1

Attrition rates	
USA	42%
Australia	29%
Europe	24%
India	18%
Global Average	24%

The findings in the field of leadership development has revealed that without talent development, a rich source of human potential remains untapped and untrained and may be lost. In commercial organizations this typically involves the organization taking a long-term view so that future requirements for leadership roles and skills can be addressed. It involves well-targeted career development for talented individuals and senior managers working together to recognize and value the leadership potential of others. Much commercial sector literature emphasizes that the adoption of a laissez faire attitude to future leaders is irresponsible, as performance motivation and retention are seen as important outcomes of active succession planning.

In India, a number of individual studies are beginning to offer a picture of some of the issues involved in leadership development. In her book, "Leadership Development in the New Millennium", Jyoti Budhraj focuses on the application of leadership development practices in diverse contexts and analyses its relative implications.

Leaders who have a strong concern for the goals of the organization were considered to be task-oriented (Bass, 1967). Their assumptions about roles, purposes, and behaviour reflected their interest in completing assignments (Bass, 1990). Misumi (1985) conceived task-oriented leadership behaviour as performance leadership, behaviour that prompts and motivates the group's achievement of goals.

The importance of leadership is denoted in the works of Bass and Avolio (1993) and Schein (1992), according to these writers, if culture is seen as an integral part of the organization, then the culture is molded by the leader of that organization (Bass and Avolio, 1993; Schein, 1992).

Schein (1992) observes that, during the process of organizational formation, the founder of a company creates an organization which reflects their values and beliefs. In this sense, the founder creates and shapes the performance of their organization. However, as the organization develops and time passes, the created culture of the organization exerts an influence on the leader and shapes the actions and style of the leader. Through this dynamic ongoing process, the leader creates and is in turn shaped by the organizational culture. In summarizing the consensus of leadership development and excellence, Bass and Avolio (1993) mirror the argument of Schein (1992) by suggesting that leader shapes the culture and is responsible for the performance and success of any organization.

Bass (1985) demonstrates the leadership by examining the impact of different styles of leadership on organization. Similarly, Brown (1992) observes that good leaders need to develop the skills that enable them to alter aspects of their organization in order to improve their organizational performance.

Leaders do not command excellence, they build excellence. Excellence is "being all you can be" within the bounds of doing what is right for your organization. To reach excellence a person must first be a leader of good character. Organizations will not achieve excellence by figuring out where it wants to go, then having leaders do whatever they have to in order to get the job done, and then hope their leaders acted with good character. This type of thinking is backward. Pursuing excellence should not be confused with accomplishing a job or task. Excellence starts with leaders of good and strong character who engage in the entire process of leadership and the first process is being a person of honorable character.

Character develops over time. A person's observable behavior is an indication of his/her character. This behavior can be strong or weak, good or bad. A person with strong character shows drive, energy, determination, self-discipline, willpower, and nerve. He sees what he wants and goes after it. He attracts followers. On the other hand, a person with weak character shows none of these traits. His traits are disorganized, he vacillates and is inconsistent. An organization needs leaders with both strong and good characteristics, people who will guide them to the future and show that they can be trusted.

To be an effective or an excellent leader, followers must have trust in him and they need to be sold on his vision. Korn-Ferry International, an executive search company, performed a survey on what organizations want from their leaders. The respondents said they wanted people who were both ethical and who convey a strong vision of the future. In any organization, a leader's actions set the pace. This behavior wins trust, loyalty, and ensures the organization's continued vitality.

As correctly said by Mr. Asim Khan, CEO, BMG, the success of any company depends in part on the match between individuals and the skills of leader of the organization. Leaders need an accurate understanding of the organization's culture in order to direct activities in a productive way and to avoid the destructive influence of having employees who are not committed to the company's goals. A shared sense of purpose starts with the hiring process and continues with careful attention to how employees are motivated and rewarded for their efforts. Leaders need to continually transmit the values through efforts such as story telling, rituals and firm-sponsored social events, as well as consistent positive feedback that gives each member of the organization a sense of importance.

Excellent leaders usually set the tone by exerting core values that form the overall dominant culture shared by the majority of an organization's members. So, if management does not take the time to understand the drives that motivates an organization, problems are inevitable. New procedures and activities will be very difficult to implement if they do not mesh with the organization's culture. Creating an environment where people enjoy and value their work is a key to success and it is the responsibility of a leader. Here comes the important role of leader. To do this effectively, leaders must be sure to communicate clear expectations from every member of the organization. These expectations should be supported by the words and actions of leaders who regularly let people know how their work is important to the organization.. The bottom line for leaders who want to create a culture of success is to start with creating a positive environment. Bring in people whose values are in line with the organization's values and continue to acknowledge success and involve the whole organization in maintaining an environment that allows people to enjoy working hard to meet the company's goals. All this can be done by a leader who is excellent.

Some of the leading organizations and their steps towards creating excellent leaders and taking measures for leadership development are mentioned below:

CENTRE FOR LEADERSHIP DEVELOPMENT

The Centre for Leadership Development, established in partnership with the Initiatives of Change, an international body headed by Mr. Rajmohan Gandhi, the grandson of Mahatma Gandhi and Shri Hans Raj Bhardwaj, the Governor of Karnataka. The Centre's mission is to contribute to the development of leadership not only in private enterprises but also in public institutions in India.

INFOSYS LEADERSHIP INSTITUTE TO NURTURE NEXT GENERATION LEADERS

Infosys Technologies had set up its Leadership Institute at Mysore. The Infosys Leadership Institute is the cornerstone of an Infosys Leadership System for Infosys all over the world. The Institute is to help manage Infosys' growth, to prepare Infosys to face the complexities of the rapidly changing marketplace and to bring about a paradigm shift in the work culture by instilling leadership qualities.

DEVELOPING LEADERSHIP TALENT IN WIPRO

The process adopted by WIPRO for Leadership Development follows a lifecycle pattern. To develop leaders, WIPRO trains its employees on a regular basis. It has created development programs along the lifecycle pattern of leadership. There are five programs that focus on sharpening leadership skills of individual leaders. 1 Entry Level Program (ELP), 2 New Leaders' Program (NLP), 3 Wipro Leaders' Program (WLP), 4 Business Leaders' Program (BLP), 5 Strategic Leaders' Program (SLP)

LEADERSHIP DEVELOPMENT IN ICICI BANK (INDIA)

ICICI Bank is India's second largest bank and largest private sector bank with over 50 years' presence in financial services. ICICI Bank has built leadership capabilities for global markets and investing in high-level executive education programs such as a new Leadership Development Program, designed by the Wharton School of the University of Pennsylvania for senior managers of the ICICI Group. This leadership training program has the strong support and involvement of ICICI's top leaders.

CONCLUSION

It is mandatory to have development mechanisms based on good Human Resource Development and Human Resource Management practices to ensure reasoned and systematic decision-making with respect to leadership development. Some of these mechanisms are already in place and are rooted in the effectiveness of development mechanisms. Although, many organizations are careful to produce and implement leadership development policies and practice, the mindset of senior leaders, the culture they have created within the organization, the static influences of context such as organization size and the more flexible immediate context of organizational performance all appear to be influential. Therefore, organizations need to engage effective mechanisms of leadership development such as mentoring, job rotation, training & development, shadowing, networking, peer-coaching and learning walks in other organizations. It is recommended that the organizations should encourage teamwork, engender trust, offer clear route mapping for career development and make time for leadership development.

It is observed that the most important indicator of organizational success is the leadership style of the most senior person in the organization and his or her team. Senior organizational members act as powerful role models through their behavior. These findings underline the key importance of senior managers being visibly committed to the development and encouragement of leadership talent within the middle level managers. The most crucial thing for retention of staff is their perception of whether they will be able to develop within an organization in a way that meets their aspirations, therefore, with the attitude and efforts for leadership development, organizations can positively contribute to the growth of their own leaders, thus, contribute in the success overall.

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IMPACT OF TRAINING AND DEVELOPMENT IN PRODUCTIVITY MANAGEMENT– A STUDY

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ABSTRACT

In the field of human resource management, training and development is the field which is concerned with organizational activity aimed at bettering the performance of individuals and groups in organizational settings. It has been known by several names, including employee development, human resource development, and learning and development. Mostly in field of operations department there is very highly need of training for the employees in increasing the production process and reducing production cost where mostly organizations development depends on production department. So here in this study that has to be taken is concentrating on providing training and developing programmes in the field of operations where these type of programmes develops the individuals as well as organization, everything will be discussed in this ongoing study with a sample selection from the organization and as well as from the society. Finally we can come to know after the study that how important in implementing the new trends in training and development in the department of operations.

KEYWORDS

Training & Development, Productivity Management, HRM.

INTRODUCTION

In the field of human resource management, training and development is the field which is concerned with organizational activity aimed at bettering the performance of individuals and groups in organizational settings. It has been known by several names, including employee development, human resource development, and learning and development.

Harrison observes that the name was endlessly debated by the Chartered Institute of Personnel and Development during its review of professional standards in 1999/2000. "Employee Development" was seen as too evocative of the master-slave relationship between employer and employee for those who refer to their employees as "partners" or "associates" to be comfortable with. "Human Resource Development" was rejected by academics, who objected to the idea that people were "resources" — an idea that they felt to be demeaning to the individual. Eventually, the CIPD settled upon "Learning and Development", although that was itself not free from problems, "learning" being an over general and ambiguous name. Moreover, the field is still widely known by the other names.

Training and development encompasses three main activities: training, education, and development. Garavan, Costine, and Heraty, of the Irish Institute of Training and Development, note that these ideas are often considered to be synonymous. However, to practitioners, they encompass three separate, although interrelated, activities

- Training: This activity is both focused upon, and evaluated against, the job that an individual currently holds.
- Education: This activity focuses upon the jobs that an individual may potentially hold in the future, and is evaluated against those jobs.
- Development: This activity focuses upon the activities that the organization employing the individual, or that the individual is part of, may partake in the future, and is almost impossible to evaluate.

The "stakeholders" in training and development are categorized into several classes. The sponsors of training and development are senior managers. The clients of training and development are business planners. Line managers are responsible for coaching, resources, and performance. The participants are those who actually undergo the processes. The facilitators are Human Resource Management staff. And the providers are specialists in the field. Each of these groups has its own agenda and motivations, which sometimes conflict with the agendas and motivations of the others.

The conflicts are the best part of career consequences are those that take place between employees and their bosses. The number one reason people leave their jobs is conflict with their bosses. And yet, as author, workplace relationship authority, and executive coach, Dr. John Hoover points out, "Tempting as it is, nobody ever enhanced his or her career by making the boss look stupid." Training an employee to get along well with authority and with people who entertain diverse points of view is one of the best guarantees of long-term success. Talent, knowledge, and skill alone won't compensate for a sour relationship with a superior, peer, or customer

TALENT DEVELOPMENT

Talent development, part of human resource development, is the process of changing an organization, its employees, its stakeholders, and groups of people within it, using planned and unplanned learning, in order to achieve and maintain a competitive advantage for the organization. Rothwell notes that the name may well be a term in search of a meaning, like so much in management, and suggests that it be thought of as selective attention paid to the top 10% of employees, either by potential or performance.

While talent development is reserved for the top management it is becoming increasingly clear that career development is necessary for the retention of any employee, no matter what their level in the company. Research has shown that some type of career path is necessary for job satisfaction and hence job retention. Perhaps organizations need to include this area in their overview of employee satisfaction.

The term talent development is becoming increasingly popular in several organizations, as companies are now moving from the traditional term training and development. Talent development encompasses a variety of components such as training, career development, career management, and organizational development, and training and development. It is expected that during the 21st century more companies will begin to use more integrated terms such as talent development.

Washington Group International, in their paper "The Nuclear Renaissance, A Life Cycle Perspective" defined two logical laws of talent development:

- First law of talent development: "The beginnings of any technology-rich business are all characterized by a shortage of large numbers of technically trained people needed to support ultimate growth"
- Second law of talent development: "The resources will come when the business becomes attractive to the best-and brightest who adapt skills to become part of an exciting opportunity"

Talent development refers to an organization's ability to align strategic training and career opportunities for employees

OBJECTIVES OF THE STUDY

- To develop and provide multidisciplinary didactic training programs which: (a) are tailored to meet the individual needs of fellows; (b) are comprehensive; and (c) have a high likelihood of producing well qualified independent researchers
- To provide guidance and support to fellows with the goal of producing highly qualified, independent researchers who fully comply with ethical standards
- To stimulate interest and positive attitudes toward rehabilitation research in the area of neurobehavioral recovery and intervention
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- To provide fellows with practical experience by involving them in ongoing, productive rehabilitation research programs staffed by outstanding scientists
- To enhance productivity by providing access to state-of-the-art evaluation, treatment, computer, and telecommunications technology
- To help fellows master the skills necessary to develop and write scientific publications and successful grant applications
- To encourage and support research fellows' productivity as indicated by presentations at conferences and publication of manuscripts in peer-reviewed journals
- To help fellows successfully find employment which includes rehabilitation research as a primary responsibility

RESEARCH METHODOLOGY

The proposed study will use both primary and secondary data. The primary data will be collected through a well-prepared questionnaire from selected undertakings. On the other hand, the sources of secondary is found to be collected from research reports by various agencies, govt. publications of statistics relating to the FMCG products & markets, journal, magazines, reference books concerned. Data thus collected is analyzed through statistical techniques like averages, trend analysis, and association of attributes. Appropriated statistical testing will be used at relevant places. For analyzing the opinions of respondents, scaling techniques will be employed. Hence, for the better understanding of the data presentation will be also made through tables, graphs, pie-diagrams etc, wherever necessary

LIMITATIONS OF THE STUDY

- The Study aims at examining the training and development in the field of operations Department.
- But all the units of the organization may not be covered due there are many Departments and many employees,
- There will be every possibility of deviation in the answering pattern from what the respondents really feel,
- There will be every chance of misinterpretation of some question in such a case the response might be a vague.

TRAINING SCENARIO IN INDIAN INDUSTRY

With the world-wide expansion of companies and changing technologies, Indian Organizations have realized the importance of corporate training. Training is considered as more of retention tool than a cost.

Today, human resource is now a source of competitive advantage for all organizations. Therefore, the training system in Indian Industry has been changed to create a smarter workforce and yield the best results. With increase in competition, every institution wants to optimize the utilization of its resources to yield the maximum possible results. Training is required in every field be it Sales, Marketing, Human Resource, Relationship building, Logistics, Production, Engineering, etc. It is now a business effective tool and is linked with the business outcome.

ROLE OF ORGANISATION IN TRAINING AND DEVELOPMENT

An organization has a very close relationship with the trainee and the trainer because it is the first contact for both.

The demand for the training in the organization increases when the organization wants:

- To hire new people – training as a means of training new recruits
- To Expand – When the company wants to increase its headcount
- To increase certain number of staff (in position) by a certain date
- To enhance the performance of employees
- Organization's name to be a part of training unit

The organization goes through the following steps for the transfer of training to the field. How much money did your organization invest last year in training and development that failed to provide the results you sought? You are not alone if employee training classes rarely resulted in the transfer of immediately useful information to your workplace.

Real employee behavioral change, based on the training content, is even harder to demonstrate in most organizations. Discouraging? You bet. So what's an organization to do to ensure employee training transfer to the workplace?

You can create a training and development support process that will ensure that the employees training you do works. You can make training and development more effective within your organization. These ten suggestions and approaches will make your employee training more effective and transferable; their application will result in measurable differences to your bottom line performance.

This article is the first of a three-part series about making employee training transfer to the workplace and produce the results you need for your organization. The second article explores actual processes and activities within the employee training session that help people obtain useable skills for workplace application. The third article helps your organization support people as they apply the skills from the employee training and use the information in your real-time workplace.

CREATING TRAINING STICKINESS BEFORE THE EMPLOYEE TRAINING SESSIONS You can do the following in advance of the employee training session to increase the likelihood that the training you do will actually transfer to the workplace.

MAKE SURE THE NEED IS A TRAINING AND DEVELOPMENT OPPORTUNITY Do thorough needs and skills analysis to determine the real need for employee training and development. Make sure the opportunity you are pursuing or the problem you are solving is a training issue. If the employee is failing in some aspect of her job, determine whether you have provided the employee with the time and tools needed to perform the job. Does the employee clearly understand what is expected from her on the job? Ask yourself whether the employee has the temperament and talent necessary for her current position; consider whether the job is a good skill, ability, and interest fit?

CREATE A CONTEXT FOR THE EMPLOYEE TRAINING AND DEVELOPMENT Provide information for the employee about why the new skills, skill enhancement, or information is necessary. Make certain the employee understands the link between the training and his job. You can enhance the impact of the training even further if the employee sees the link between the training and his ability to contribute to the accomplishment of the organization's business plan and goals.

It's also important to provide rewards and recognition as a result of successful completion and application of the training. This contextual information will help create an attitude of motivation as the employee attends the training. It will assist the employee to want to look for relevant information to apply after the session.

PROVIDE TRAINING AND DEVELOPMENT THAT IS REALLY RELEVANT TO THE SKILL YOU WANT THE EMPLOYEE TO ATTAIN or the information he needs to expand his work horizons. You may need to design an employee training session internally if nothing from training providers exactly meets your needs. Or, seek out providers who are willing to customize their offerings to match your specific needs.

It is ineffective to ask an employee to attend a training session on general communication when his immediate need is to learn how to provide feedback in a way that minimizes defensive behavior. The employee will regard the training session as mostly a waste of time or too basic; his complaints will invalidate potential learning.

Whenever possible, connect the employee training to the employee's job and work objectives. If you work in an organization that invests in a self-development component in the appraisal process, make sure the connection to the plan is clear.

FAVOR EMPLOYEE TRAINING AND DEVELOPMENT THAT HAS MEASURABLE OBJECTIVES AND SPECIFIED OUTCOMES that will transfer back to the job. Design or obtain employee training that has clearly stated objectives with measurable outcomes. Ascertain that the content leads the employee to attaining the skill or information promised in the objectives. With this information in hand, the employee knows exactly what he can expect from the training session and is less likely to be disappointed. He will also have ways to apply the training to the accomplishment of real workplace objectives.

PURPOSE OF TRAINING AND DEVELOPMENT

The quality of employees and their development through training and education are major factors in determining long-term profitability of a small business. If you hire and keep good employees, it is good policy to invest in the development of their skills, so they can increase their productivity. Training often is considered for new employees only. This is a mistake because ongoing training for current employees helps them adjust to rapidly changing job requirements.

Purpose of Training and Development Reasons for emphasizing the growth and development of personnel include Creating a pool of readily available and adequate replacements for personnel who may leave or move up in the organization.

Enhancing the company's ability to adopt and use advances in technology because of a sufficiently knowledgeable staff. Building a more efficient, effective and highly motivated team, which enhances the company's competitive position and improves employee morale. Ensuring adequate human resources for expansion into new programs. Research has shown specific benefits that a small business receives from training and developing its workers, including:

1. Increased productivity.
2. Educated employee turnover.
3. Increased efficiency resulting in financial gains.
4. Decreased need for supervision.

Employees frequently develop a greater sense of self-worth, dignity and well-being as they become more valuable to the firm and to society. Generally they will receive a greater share of the material gains that result from their increased productivity. These factors give them a sense of satisfaction through the achievement of personal and company goals.

TRAINING METHODS**ON THE JOB TRAINING**

1. COACHING
2. MENTORING
3. JOB ROTATION
4. JOB INSTRUCTION TECHNIQUE

OFF THE JOB TRAINING

1. SENSITIVITY TRAINING
2. TRANSACTIONAL ANALYSIS
3. SIMULATION EXERCISES
4. STRAIGHT LECTURES

THE TRAINING PROCESS

The model below traces the steps necessary in the training process: Organizational Objectives Needs Assessment Is There a Gap? Training Objectives Select the Trainees Select the Training Methods and Mode Choose a Means of Evaluating Administer Training

Evaluate the Training the purpose of formulating a training strategy is to answer two relatively simple but vitally important questions: (1) what is our business? And (2) what should our business be? Armed with the answers to these questions and a clear vision of its mission, strategy and objectives, a company can identify its training needs. Identifying Training Needs Training needs can be assessed by analyzing three major human resource areas: the organization as a whole, the job characteristics and the needs of the individuals. This analysis will provide answers to the following questions:

CONCLUSIONS

So here in this study the risk has been taken is concentrating on managing the stress which is major obstacle for every individual and the organization in present competitive world. The way the individuals and organizations are feeling the stress in and out of the work pressures and how the management is concentrating on to overcome this problem, everything was discussed in this ongoing study with a sample selection from the organization and as well as from the society. Finally we can come to know after the study that how important to be arrogant and how important to overcome the pressure and survive the situation and sustain in the competitive world. And there are different causes for the stress in the society and as well as in the organizations and there are different scaling techniques to identify the stress in the organisations. Now I can say that this word "STRESS" is imposing good amount of pressure we pronounce it, and we use it. The same pressure is on the people of organisation and Society. That's why managing the stress in this competitive world is very critic and difficult. But any how to sustain we need to manage it, and are doing now.

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DEMAND ESTIMATION UNDER PUSH MARKETING STRATEGY: TOOL TO MITIGATE BULLWHIP EFFECT

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ABSTRACT

A phenomenon that is now well known as the bullwhip effect suggests that the variability in the orders increases as they move up the supply chain from retailers to wholesalers to manufacturers to suppliers. This effect is observed in a range of industries, modeled by several authors and various remedies have been suggested. Most of the authors explore the cause of bullwhip effect. Demand signal processing, non-zero lead times, order batching, supply shortages, and price fluctuations are the major reasons for bullwhip effect to occur. In this paper, the impact of push marketing strategies on bullwhip effect has been explored. Furthermore, this paper also explores the optimal order quantity for retailers under certain conditions, in case of pull marketing strategies such that the total cost per unit time at retailer's end is minimum. A mathematical model has been developed suggesting the situations under which a supplier takes the decision about whether to fill the order or not. By eliminating or controlling this effect, it is possible to increase product profitability, reducing the useless costs such as stock-out and obsolescence costs.

KEYWORDS

Bullwhip Effect, Demand Estimation, Optimal Order Quantity, Push Marketing Strategies, Supply Chain Management.

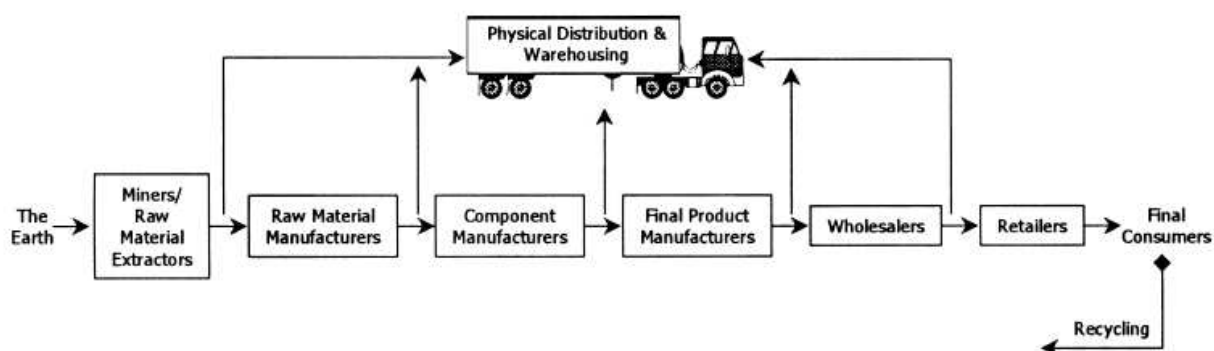
INTRODUCTION

Over the past decade, the traditional purchasing and logistics functions have evolved into a broader strategic approach to materials and distribution management known as Supply Chain Management (SCM). Supply Chain Management consists of network of organizations related to each other in different activities (like flow of material, information or finance) that produce value in form of product or service to satisfy customer. Supply Chain Management can be applied to large companies with several sites, covering large geographical area with the aim to satisfy large number of people with different types of products or services. In broad sense, supply chain management is inter-organizational supply chain which does different types of functions like marketing, production, procurement, logistic, finance, etc. The utmost need of governing supply chain management is to get competitive advantage; the organizations which apply supply chain management are able to optimize resources and hence improve its functions and survive in the market.

Supply Chain Management deals with competitiveness which can be improved by reducing cost, optimizing use of resources, increasing flexibility to deal with customer demand and frequent changes in customer demand, providing superior quality of products and services, utilizing information and communication technology. There are various facets of supply chain management. Besides competitiveness and customer service, strong integration between sub-functional departments within the organization and outside the organizations, i.e. network and inter-organization collaboration, is very much required to implement a successful and effective supply chain. Supply chain management should be process orientated and equipped with advance planning. It should also look into customer behavior, change in demand and technology, forecasting of finance, material, etc. Foundation of supply chain management includes purchasing, resource allocation and requirement, manufacturing of goods or services, logistics, marketing, finance, statistics and operational research, accounting, information technology, organizational theory, and so on.

Different authors have given the different definitions of supply chain management. Tan et al. defined it as a capability which is to enhance competitive advantage. Berry et al. (1994) defined supply chain in terms of information and trust. Jones and Riley (1987) defined it as "An integrative approach to dealing with the planning and control of the materials flow from suppliers to end-users." Christopher (1992) defined it in terms of upstream and downstream operation. Another definition of supply chain management emerges from the transportation and logistics literature of the wholesaling and retailing industry, emphasizing the importance of physical distribution and integrated logistics. There is no doubt that logistics is an important function of business and is evolving into strategic supply chain management (New and Payne, 1995).

FIG. 1: ACTIVITIES AND FIRMS IN A SUPPLY CHAIN. SOURCE: NEW AND PAYNE (1995)

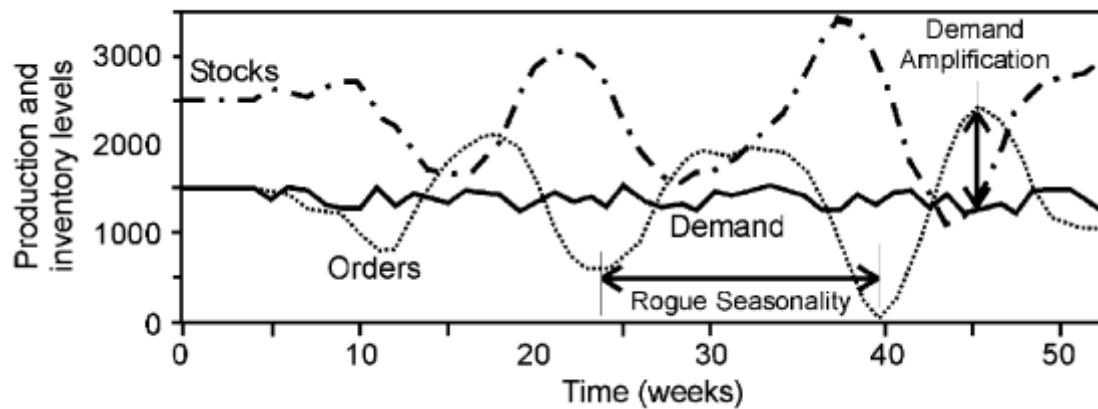


As it can be noted from Figure 1, process integration in terms of information exchange plays very important role to make supply chain management effective. Information is to flow from customer to retailer, retailer to wholesaler and then wholesaler to manufacturer, this flow of information is termed as upstream information.

On the basis of the information various activities like planning, manufacturing, distribution and marketing are performed to attain some functional objectives under system constraints.

Information exchange within supply chain is main pillar to make it successful and effective. If either desired information or in-flow of information is having any error then it causes a big problem. The problem in deformation of the information while it goes upstream in supply chain is termed as **Bullwhip effect**. Any fluctuation in demand at customer end results in big deviation at manufacturer end. Even it has been seen that if demand is constant it gives a distorted picture to the manufacturer about the quantity to produce.

FIG. 2: DEMAND AMPLIFICATION OF TIME SERIES TO BE VIEWED THROUGH THE "FILTER" LENS. SOURCE: BERRY AND TOWILL, 1995



Suppose for a particular period, demand of a certain product is not known to retailer, then retailer would have high stock in order to overcome the uncertainty and the same information is passed to the wholesaler and then to the manufacturer. In that case manufacturer would produce the product in more quantity than it must have produced. So the inventory level becomes high only due to lack of information of demand at retailer's end. Higher inventory results in blocking of working capital for the firm. The blocking of working capital reduces the operational efficiency of the firm. When the number of supply chain increases, the complexity becomes larger and the aggregate inventory becomes much higher. This aggregate inventory results in loss of opportunity cost, reduces the required efforts, integrity and flow of information between partners.

According to the study of R. Metters (1997), the retailer's end cost of carrying inventory of product for a year equals at least 25 percent of what they pay for the product. Two-week inventory reduction represents a cost savings nearly equal to 1 percent of sales or the average retailer profit equals about 2 percent of sales so saving is enough to increase profit by 50 percent. Campbell soup found that after it introduced the program, profit of its product grew twice as compared to earlier profit.

Procter and Gamble (P&G) is the company which named this phenomenon as bullwhip effect after seeing the great variation between the order they are producing and actual sales of the product "pampers diapers." They observed that diaper with uniform demand created a wave of changes up the supply chain due to very minor changes in demand. HP also found great variability in the sale of printers; HP found it difficult to fulfill the orders on time and in order to meet the time it resulted in the increase in cost. Studies of apparel and grocery industry have shown a similar phenomenon in order as they move upstream in supply chain from retail to manufacturing. Nearly in all types of companies bullwhip effect has been observed like Campbell soup in consumer product IBM and Motorola in electronics, General Motors in automobiles and Eli Lilly in pharmaceuticals, etc.

LITERATURE REVIEW

Supply chain management has received attention since the early 1980s, yet conceptually the management of supply chains is not particularly well understood, and many authors have highlighted the necessity of clear definitional constructs and conceptual frameworks on supply chain management (Saunders, 1995, 1998; New, 1995; Cooper et al., 1997; Babbar and Prasad, 1998). Saunders (1995) warns that pursuit of a universal definition may lead to unnecessary frustration and conflict, and also highlights the fragmented nature of the field of supply chain management, drawing as it does on various antecedents including industrial economics, systems dynamics, marketing, purchasing and inter-organizational behavior. The scientific development of a coherent supply chain management discipline requires that advancements be made in the development of theoretical models to inform our understanding of supply chain phenomena. As an illustration, the application of Forrester's (1961) industrial dynamics model applied to supply chains (the Forrester Effect, also known as bullwhip effect or whipsaw effect) exemplifies such a model. Its value lies in the ability to aid understanding of the actions of materials flow across a chain, and has provided a basis for further advancement of understanding supply chain dynamics (for example, see Sterman, 1989; Towill, 1992; Van Ackere et al., 1993; Lee et al., 1997). Cooper et al. (1997) support this view, pointing to the fact that whilst supply chain management as a concept is a recent development, much of the literature is predicated on the adoption and extension of older, established theoretical concepts.

Forrester (1961) initiated analysis of this variance amplification phenomenon i.e. the bullwhip effect. His work has inspired many authors to develop business games to demonstrate the bullwhip effect. The well-known Beer Game originated from MIT at the end of the fifties and Sterman (1989) reports on the major findings from a study of the performance of some 2000 participants. Kaminsky and Simchi-Levi (1998), Kaminsky et al. (2000) developed a computerized version of the beer game. There is certainly no lack of empirical evidence from real-world supply chains. Lee et al. (1997a, b) identify five major causes of the bullwhip effect: demand signal processing, non-zero lead times, order batching, supply shortages and price fluctuations. Of these Disney and Towill (2003b) consider lead time and demand signal processing to be of particular importance. Remedies include synchronizing capacities and lead times (Lee et al., 1997; Towill, 1997), increased coordination among companies (Metters, 1997), vendor-managed inventory (Disney and Towill, 2003b) and including demand variability in pricing decisions (Naish, 1994). In terms of management science techniques, Yao and Dong-Qing (2001) indicates that demand forecasting and ordering policies are two key methods of controlling the bullwhip effect and Paik and Seung-Kuk (2003), in a statistical study, identified demand forecasting as one of the significant variables for bullwhip control. Miyaoka and Hausman (2004) also found that improved forecasting could reduce fluctuations in manufacturing production levels. Out of the various above mentioned factors that results in bullwhip effect, there are many other factors also that are causes bullwhip. The marketing strategies like push and pull marketing strategies leads to fluctuation in demand.

The push marketing strategies are the production and distribution strategies based upon the forecast rather than on specific customer demand. It is applied to the supply chain where the uncertainty of demand is small and production and distribution are based on long term forecast.

Most marketing activity in push strategy is directed at distributors and retailers in order to get them to carry the product and promote it to the consumers. The sales force, price incentives, retailers advertising and other forms of trade promotions are used to push the product through the distribution channel (agents, wholesalers, retailers, and others) to consumers.

The present study focuses on the impact of push marketing strategies on retailers order quantity. The retailers have two choices either the order is filled under the impact of push marketing strategy where the benefits are provided to it or fill the usual order.

A mathematical model is formed that shows the optimal order quantity for the retailer such that total cost per cycle per unit time is minimum. The research paper is further divided into several sections. The next section discusses the assumption and notations used through the research paper. In section 4, the mathematical formulation for retailer's optimal decision with algorithm is discussed. Later on demand estimation is discussed in section 5 and section 6 is having concluding remark.

ASSUMPTIONS AND NOTATIONS

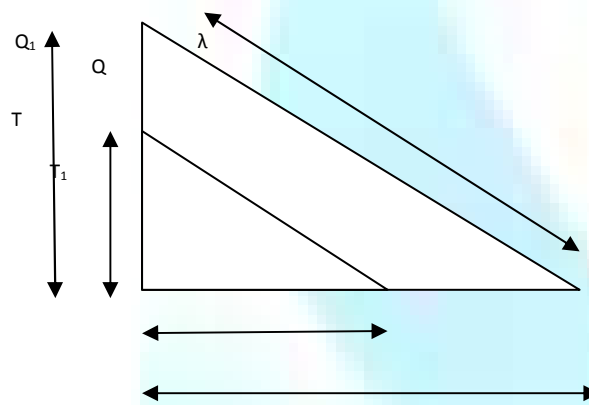
1. Demand is deterministic and occurring with constant rate.
2. Lead time is negligible, supply is instantaneous.

- 3. Shortages are not allowed.
- 4. The value of money is constant over a period of time, cycle length.
- λ : Demand rate
- A: ordering cost per order
- c: cost of unit item
- p: selling price of unit item
- I: Inventory carrying Charge
- Q: Ordering quantity without the impact of push marketing strategy
- T: cycle length of Quantity Q
- Q_1 : ordering quantity under the impact of push marketing strategy. ($Q_1 > Q$)
- T_1 : cycle length of Quantity Q_1 .
- B: benefits given to the retailers under the push strategies.
- I_p : Interest paid to incurred more inventories to take the benefits of Push Strategy.
- TC: Total Cost per cycle per unit time

MODEL FORMULATION

This section consists of three parts. In first part, the retailer decision without the impact of push marketing strategy is discussed where as in second part the total cost is if takes the order according to push marketing strategy where he has to fill the order more than usual quantity. In third section the algorithm about the decision making problem regarding whether to take the extra inventory with benefits or not.

FIG. 3: SHOWS THE COMPARISON BETWEEN THE USUAL ORDER QUANTITY AND THE ORDER QUANTITY UNDER THE PUSH STRATEGY.



Source: Author

From figure 3, it can be predict that,
 $Q = \lambda T$ and $Q_1 = \lambda_1 T_1$ (1)

4.1 Order Quantity without effect of push marketing strategy

In this section, retailer places the usual order on the basis of demand such that total cost per cycle per unit time is minimum. Total cost per cycle is taken as sum of ordering cost, purchasing cost and inventory carrying cost.

$$\text{Total Cost per cycle} = A + cQ + \frac{1}{2}IcQT \tag{2}$$

$$\text{Total cost per unit per unit time, } TC(Q) = \frac{A\lambda}{Q} + c\lambda + \frac{1}{2}IcQ \tag{3}$$

To minimize this TC, applying the principal of maxima and minima, put $\frac{dTC}{dQ} = 0$ and $\frac{d^2TC}{dQ^2} > 0$

We get $Q = \sqrt{\frac{2A\lambda}{Ic}}$ which is known as EOQ (Economic Order Quantity)

$$\text{Corresponding total optimal cost can be obtained } TC = \sqrt{2A\lambda Ic} + c\lambda \tag{4}$$

$$\text{Total revenue generated during this cycle} = pQ$$

$$\text{Revenue per unit time} = \frac{pQ}{T} = p\lambda$$

Profit per cycle per unit time is given by

$$p\lambda - \left[\frac{A\lambda}{Q} + c\lambda + \frac{1}{2}IcQ \right] \tag{5}$$

1.2 Order Quantity with effect of push marketing strategy

Now if retailer takes the benefit which is of Rs. B, then order quantity will increased to Q_1 . To purchase more quantity than Q, retailer has to take a loan which is having a interest rate I_p .
 the total interest paid during the cycle is given by,
 $I_p c(Q_1 - Q)$

The interest paid per unit time is given by,
 $\frac{I_p c \lambda (Q_1 - Q)}{T_1}$

This can be rewrite as, (6)

Now, the total cost per cycle per unit time is given by,

$$TC(Q_1) = \frac{A\lambda}{Q_1} + c\lambda + \frac{1}{2}IcQ_1 + \frac{I_p c \lambda (Q_1 - Q)}{Q_1} \tag{7}$$

So the total profit per cycle is given by,

$$p\lambda - \left[\frac{A\lambda}{Q_1} + c\lambda + \frac{1}{2}IcQ_1 + \frac{L_e c\lambda(Q_1 - Q)}{Q_1} \right] \tag{8}$$

Now, the increase in profit per unit time is given by applying (8) – (5)

$$p\lambda - \left[\frac{A\lambda}{Q_1} + c\lambda + \frac{1}{2}IcQ_1 + \frac{L_e c\lambda(Q_1 - Q)}{Q_1} \right] - p\lambda + \left[\frac{A\lambda}{Q} + c\lambda + \frac{1}{2}IcQ \right]$$

This can be rewrite as,

$$TC(Q_1) - TC(Q) = A\lambda \left(\frac{1}{Q} - \frac{1}{Q_1} \right) + \frac{1}{2}Ic(Q - Q_1) - \frac{L_e c\lambda(Q_1 - Q)}{Q_1} \tag{9}$$

1.3 Algorithm to find the Retailer’s optimal Decision

The following steps can be taken to estimate the optimal cost for the retailer

Step 1. Find the minimum Q, corresponding to the total cost obtain in (3) and corresponding total cost give by (4)

Step 2. Knowing the value of Q_1 on which wholesaler agrees to pay benefits B , and value of Q obtain in step 1, compute (9) i.e. $TC(Q_1) - TC(Q)$

Step 3. Compare the value obtain in equation (9) with B ,

if, $TC(Q_1) - TC(Q) < B$, then purchase quantity Q_1 otherwise purchase Q.

2. Demand estimation for manufacturer

In the last section, retailer’s optimal order quantity decision under the impact of push marketing strategy has been explored. An algorithm has been suggested on the basis of which retailers are able to decide whether the large order should be placed or not. In this section estimation has been done by which manufacturer is able to predict the quantity that needs to be manufactured.

Let $r_1, r_2, r_3, r_4, \dots, r_n$ be the n retailers present in the supply chain.

Out of which some retailers work under the impact of push marketing strategy and place big orders. Since such retailers can be exactly identified by the algorithms provided in section 4, let out of n retailers k order the big order quantity denoted by Q_1 .

There may exist some retailers who order usual quantity and stick to the same. Since k number of retailers fill the order of quantity Q_1 , hence rest of the retailers $n - k$ fill the usual quantity. For such retailers who fill the usual order quantity, the expected quantity is yet to be determined as the optimal order quantity varies from retailer to retailer.

The quantities $Q_{11}, Q_{12}, Q_{13}, Q_{14}, \dots, Q_{1m}$ are considered as possible quantity that a retailer can order. Let $p_{11}, p_{12}, p_{13}, p_{14}, \dots, p_{1m}$ be the probability with which any retailer fill the order of quantity $Q_{11}, Q_{12}, Q_{13}, Q_{14}, \dots, Q_{1m}$.

Hence the expected units ordered by any retailer is given by

$$\sum_{j=1}^m p_{1j} Q_{1j} \tag{10}$$

Since there are $n - k$ such retailers so the expected quantity ordered by these retailers is given by

$$\sum_{j=1}^{n-k} \sum_{i=1}^m p_{ij} Q_{ij} \tag{11}$$

The remaining k retailers will fill order with quantity Q_1 each, hence the total number of units filled by these retailers are kQ_1 .

So the expected quantity $E(Q)$ that needs to be manufactured by manufacturer on the basis of retailers order quantity is given by

$$E(Q) = kQ_1 + \sum_{j=1}^{n-k} \sum_{i=1}^m p_{ij} Q_{ij} \tag{12}$$

To compute the variance in this expected demand we have

$$var(Q) = var(kQ_1 + \sum_{j=1}^{n-k} \sum_{i=1}^m p_{ij} Q_{ij}) \tag{3.2.1.4}$$

$$var(Q) = var(kQ_1) + var\left[\sum_{j=1}^{n-k} \sum_{i=1}^m p_{ij} Q_{ij}\right] \tag{13}$$

Now since k and Q_1 both are constant quantities, hence $var(kQ_1) = 0$

$$var(Q) = var\left[\sum_{j=1}^{n-k} \sum_{i=1}^m p_{ij} Q_{ij}\right] \tag{14}$$

As it is known high variance results in higher uncertainty and it will be difficult to predict the demand. In this case when the algorithm about order quantity is known the variance is less than the variance which is computed applying the algorithm. Mathematically

$$var\left(\sum_{j=1}^n \sum_{i=1}^m p_{ij} Q_{ij}\right) \geq var\left[\sum_{j=1}^{n-k} \sum_{i=1}^m p_{ij} Q_{ij}\right]$$

Hence the expression obtained in (12) is better than the estimation when the algorithm of retailers optimal order quantity is not determined.

To deal with the uncertainty of this variance the desired level (z) of output that can be produced is given by

$$E(Q) + z \sqrt{var(Q)}$$

where $E(Q)$ and $var(Q)$ can be determined by (12) and (14), and z is a normal distribution parameter.

CONCLUSION

Forecasting is always considered as one of the reason by which bullwhip effect occurs. In such a cut throat competition when the push marketing strategies are applied the estimation of demand by forecasting methods become obsolete. The mathematical procedure is provided by which demand estimation can be done and hence results in reduction of bullwhip effect. Beside the demand estimation the variance of demand is also computed.

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THE IMPACT OF WORKING CAPITAL MANAGEMENT ON PROFITABILITY AND LIQUIDITY

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ABSTRACT

Working Capital Management has its effect on liquidity as well on profitability of the firm. This paper scrutinizes the impact of working capital and liquidity on profitability of Tata Motors during 2002- 2010. In this paper we have studied the impact of different components of working capital on profitability (ROI) of Tata Motors. Karl Pearson's correlation, T-test, Regression, Rank correlation, Average, Standard Deviation have been used for analyze the variables. The results show that there is no significant relation between liquidity and profitability. Out of 7 components of working capital only two factors have negative impact on profitability namely working capital turnover ratio and cash turnover ratio. It implies that there is a positive correlation between working capital components and profitability (ROI) of Tata Motors during 2002-2010. If ATR increased by one unit, the ROI decreased by 5.47 units that was statistically significant at 5% level. However, for one unit increase in WCTR, CTR, the profitability decreased by 0.57 and 0.49 respectively.

KEYWORDS

Working Capital, Profitability, Liquidity, ROI.

INTRODUCTION

Working Capital is the life blood and nerve centre of a business. Just as circulation of blood is essential in the human body for maintaining life, working capital is very essential to maintain the smooth running of a business. No business can run successfully without an adequate amount of working capital. Working Capital management is an important aspect of financial management. Every business needs funds for two purposes- for its establishment and to carry out its day to day operations. Long term funds are required to create production facilities through purchase of fixed assets such as plant & machinery, land & building, furniture etc. Investments in these assets represent that part of firm's capital which is blocked on a permanent or fixed basis and is called fixed capital. Funds are also needed for short term or current assets such as cash, marketable securities, debtors and inventories. Funds, thus, invested in current assets keep revolving fast and are being constantly converted into cash and this cash flow out again in exchange for other current assets. Hence it is also known as revolving or circulating capital or short term capital.

Net working Capital is the excess of current assets over current liabilities. It may be positive or negative. Every business concern should have adequate working capital to run its business operations. It should have neither redundant or excess working capital nor inadequate nor shortage of working capital. Excessive working capital means idle funds which earn no profits for the business and hence the business cannot earn a proper rate of return on its investment and it may lead to unnecessary purchasing and accumulation of inventories causing more chances of theft, waste and losses. It may result into overall inefficiency in the organization.

A concern which has inadequate working capital cannot pay its short term liabilities in time. Thus it will lose its reputation and shall not be able to get good credit facilities. It cannot buy its requirement in bulk and cannot avail of discounts and it becomes difficult to utilize efficiently the fixed assets due to non availability of liquid funds.

Therefore, the management of working capital is a crucial task for every manager in an organisation. Because, working capital directly affects the liquidity and profitability of an organization. Ineffective management of working capital management is one of the important factors causing industrial sickness. Therefore, optimal level of working capital is necessary to an organization for survival in market in effective manners.

REVIEW OF THE LITERATURE

Many researches have been conducted from time to time on this topic till now. Prominent amongst them are:

P. C. Narware This study focuses on the working capital management and profitability. It also examines the interrelationship between profitability and working capital, with the assistance of ratio analysis. The findings of the study are Working capital management and profitability of the company disclosed both negative and positive association. Out of the nine ratios selected for the study three ratios, namely CTSR, WTR and DTR registered negative correlation with the selected profitability ratio, ROI. The slopes of the ROI equation depicted that positive and negative influence of variations in the independent variables on the profitability of the company. Out of the five regression coefficients of the ROI Line, only one coefficient which was associated with DTR revealed negative influence on the profitability. The coefficient of multiple determination (R²) makes it obvious that 68.50 percent of the total variation in the profitability of the company. WCL of the company concluded, the increase in the profitability of the company was less than the proportion to decrease in Working capital.

Raheman and Nasr (2007), In this research, Authors have selected a sample of 94 Pakistani firms listed on Karachi Stock Exchange for a period of 6 years from 1999 – 2004, Authors have studied the effect of different variables of working capital management including the Average collection period, Inventory turnover in days, Average payment period, Cash conversion cycle and Current ratio on the Net operating profitability of Pakistani firms. Debt ratio, size of the firm (measured in terms of natural logarithm of sales) and financial assets to total assets ratio have been used as control variables. Pearson's correlation, and regression analysis (Pooled least square and general least square with cross section weight models) are used for analysis. The results show that there is a strong

negative relationship between variables of the working capital management and profitability of the firm. It means that as the cash conversion cycle increases it will lead to decreasing profitability of the firm, and managers can create a positive value for the shareholders by reducing the cash conversion cycle to a possible minimum level. Authors find that there is a significant negative relationship between liquidity and profitability. We also find that there is a positive relationship between size of the firm and its profitability. There is also a significant negative relationship between debt used by the firm and its profitability.

Gill, Biger and Mathur (2010), The paper seeks to extend Lazaridis and Tryfonidis’s findings regarding the relationship between working capital management and profitability. A sample of 88 American firms listed on New York Stock Exchange for a period of 3 years from 2005 to 2007 was selected. Authors found statistically significant relationship between the cash conversion cycle and profitability, measured through gross operating profit. It follows that managers can create profits for their companies by handling correctly the cash conversion cycle and by keeping accounts receivables at an optimal level. The study contributes to the literature on the relationship between the working capital management and the firm’s profitability.

OBJECTIVES OF THE STUDY

The present study is envisaged with the following objectives:

1. Critically examine the relationship that is found between working capital management and profitability of Tata Motors
2. Critically examine the impact of different components of working capital on profitability of Tata Motors.
3. Critically examine the relationship that is found between liquidity and profitability of Tata motors.

HYPOTHESIS OF THE STUDY

- H₀ = There is no significance relation between liquidity and profitability of Tata Motors during 2002-10
- H_A = There is significance relation between liquidity and profitability of Tata Motors during 2002-10

SAMPLE SELECTION AND METHODOLOGY

The present study is analytical in nature and it is based on secondary data. The data of Tata Motors Ltd., for the years 2002 to 2010 used in this study have been collected from the financial statements published in Annual Reports of Tata Motors Ltd. Editing, classification and tabulation of financial data collection from the above mentioned source have been done as per the requirement of the study. For analyzing the data simple statistical tools such as ratio, mean, standard deviation, correlation. Regression, t-test and rank correlation have been used. All statistical calculation has been done through SPSS.

The ratios relating to working capital management which have been selected and have been used for analysis are as follows:

I: Current Ratio (CR); II: Acid Test Ratio (ATR); III: Current Assets to Total Assets Ratio (CTTR); IV: Working Capital Turnover Ratio (WCTR); V: Inventory Turnover Ratio (ITR); VI: Debtors Turnover Ratio (DTR); VII: Cash Turnover Ratio (CTR); and VIII Return on Investments (ROI)

FINDING OF THE STUDY

TABLE-1: DESCRIPTIVE STATISTICS

VARIABLE	MEAN	STD. DEVIATION
ROI	20.1111	9.70109
CR	.9967	.24187
ATR	.7311	.21595
CATA	.4011	.12414
WCTR	1.2473E2	328.37370
ITR	9.9167	1.75780
DTR	24.7811	9.83385
CTR	19.3889	5.90712

The descriptive statistics of the variables of the study are presented in the table 1. The Mean value of WCTR is 124.73 and S.D. is 328.37 which indicate higher volatility in the value of WCTR. But the mean value of CATA is 0.40 and S.D. is .12 which point out lesser volatility in the value of CATA.

TABLE-2: CORRELATION MATRIX

Variables	ROI	CR	ATR	CATA	WCTR	ITR	DTR	CTR
ROI	1							
CR	0.438	1						
ATR	0.498	0.97	1					
CATA	0.705	0.889	0.854	1				
WCTR	-0.587	0.002	0.178	-0.125	1			
ITR	0.328	-0.036	0.192	-0.073	-0.658	1		
DTR	0.575	0.692	0.816	0.571	-0.515	0.624	1	
CTR	-0.108	-0.324	0.444	-0.267	0.077	-0.332	-0.274	1

In table-2 an attempt has been made to examine the impact of working capital on profitability by computing Karl Pearson’s coefficient of correlation between ROI and other components of working capital. It can be noticed from table-2 that correlation between ROI and CATA is 0.705 a moderate degree of positive correlation .and which is found to be significant at 5 percent level .It implies that there is a positive correlation between the profitability of the firm and the ratio of current assets to total assets Secondly, It can be detected from table-2 that correlation coefficient between ROI and CR is 0.438 a moderate degree of correlation. Thirdly, Correlation between ROI and ATR is 0.498 a moderate degree of positive correlation, which is found to be significant at 5 percent level. The quick ratio is very useful in measuring the liquidity position of the firm. It measures the firm’s capacity to pay off current obligations immediately. It is evident from these two ratios that the amount of current and liquid assets increases risk as well as profitability. Fourthly, correlation between WCTR and ROI is -0.587,i.e, a moderate degree of negative correlation. It implies there is a negative association between ROI and WCTR. It is an accepted principal that the faster the working capital turnover, the lower is the relative investment and greater is the profitability. But the computed value of correlation coefficient between ROI and WCTR do not obey the rules to the accepted principal. Correlation between ROI and ITR is 0.328 i.e. a very low degree of positive correlation. It implies that the faster the inventory turnover ratio, greater is the profitability. Correlation between ROI and DTR is 0.575 and lastly Correlation between ROI and CTR is -0.108 which is not significant. Hence, the study of the impact of working capital ratios on profitability viewed both negative and positive impacts. The study of the relationship between the profitability and these ratios conforms to generally accepted rule that smaller the liquidity increases the profitability of the firm.

MULTIPLE REGRESSION MODEL

Multiple regressions represent a logical extension of more than two variables regression analysis. Instead, more than one independent and one dependent variable is used to estimate the values of a dependent variables. The multiple regression equation describes the averages relationship among more than two variables and this relationship is used to predict or control the dependent variables. The general form of the regression equation is:

$$Y = a_0 + a_1X_1 + a_2X_2 + \dots + a_nX_n + \epsilon \dots\dots\dots (1)$$

Where X_1, X_2 etc are repressors variables, a_1, a_2 and so on are the parameters to be estimated from the data and ϵ is the error term following classical OLS assumptions i.e., The deviations ϵ is assumed to be independent and normally distributed with mean 0 and standard deviation (σ). In this paper, we have framed one regression equations. The regression measure the degree of relation between profitability (ROI) and working capital management.

THUS, THE EMPIRICAL MODELS OF THE STUDY IS

$$Y (ROI) = b_0 + b_1 (CR) + b_2 (ATR) + b_3 (CTTR) + b_4 (CTS) + b_5 (WTR) + b_6 (ITR) + b_7 (DTR) + b_8 (CTR) + e \dots \dots \dots (2)$$

All variables are used in natural logarithm form for economic estimation. Because Ehrlich (1977) and Layson (1983) argue on theoretical and empirical grounds that the log linear form is superior to the linear form. Both Cameron (1994) and Ehrlich (1996) suggest that a long-linear form is more likely to find evidence of a restraints effect than a linear form.

THUS, THE FINAL EMPIRICAL MODELS OF THE STUDY IS

$$Y \ln (ROI) = b_0 + b_1 \ln (CR) + b_2 \ln (ATR) + b_3 \ln (CATA) + b_4 \ln (WCTR) + b_5 \ln (ITR) + b_6 \ln (DTR) + b_7 \ln (CTR) + e \dots \dots \dots (3)$$

TABLE-3: MULTIPLE REGRESSION ANALYSIS
R=0.966, R SQUARE=0.933, ADJUSTED R SQUARE= 0.470, S.E. OF THE ESTIMATE= 7.06, F VALUE=2.01392

Variable	B	Std. Error	Beta	T	Sig.
(Constant)	-24.2387993	79.44058564		-0.30512	0.811468
CR	152.9429121	273.9462751	3.813176	0.558295	0.67584
ATR	-245.8109493	319.3802366	-5.47195	-0.76965	0.582404
CATA	100.3916948	59.63522901	1.284678	1.683429	0.341238
WCTR	-0.016914273	0.021900746	-0.57253	-0.77231	0.58134
ITR	2.672873999	5.888844207	0.484316	0.453888	0.728748
DTR	0.919647611	1.233770744	0.932233	0.745396	0.592215
CTR	-0.81605586	1.277199733	-0.49691	-0.63894	0.638042

Table -3 depicts the multiple correlation and the regression coefficient of ROI on ATR, CR, CATA, WCTR, ITR, DTR and CTR showing the strength of the relationship between the dependent variable-ROI and all the independent variables taken together and the impact of these independent variables on the profitability of the firm. It can be detected from table-3 that ATR, WCTR and CTR are negatively associated with ROI. If ATR increased by one unit, the ROI decreased by 5.47 units that was statistically significant at 5% level. However, for one unit increase in WCTR, CTR, the profitability decreased by 0.57 and 0.49 respectively. It can be monitored from the table that CR, CATA, ITR and DTR are positively associated with the profitability of the concern. If CR increased by one unit, the profitability (ROI) of the concern increased by 3.81. However, for one unit increase in CATA, ITR and DTR, the profitability (ROI) increased by 1.28, 0.48, 0.93 respectively. The multiple correlation coefficient of ROI on ATR, CR, CATA, WCTR, ITR, DTR and CTR is 0.96. It signifies that the profitability of the firm was highly influenced by CR, ATR, WCTR, ITR, DTR and CTR contributed 0.93 percent variations in the profitability of the firm.

GRAPHICAL PRESENTATION OF TRENDS OF CATA AND ROI

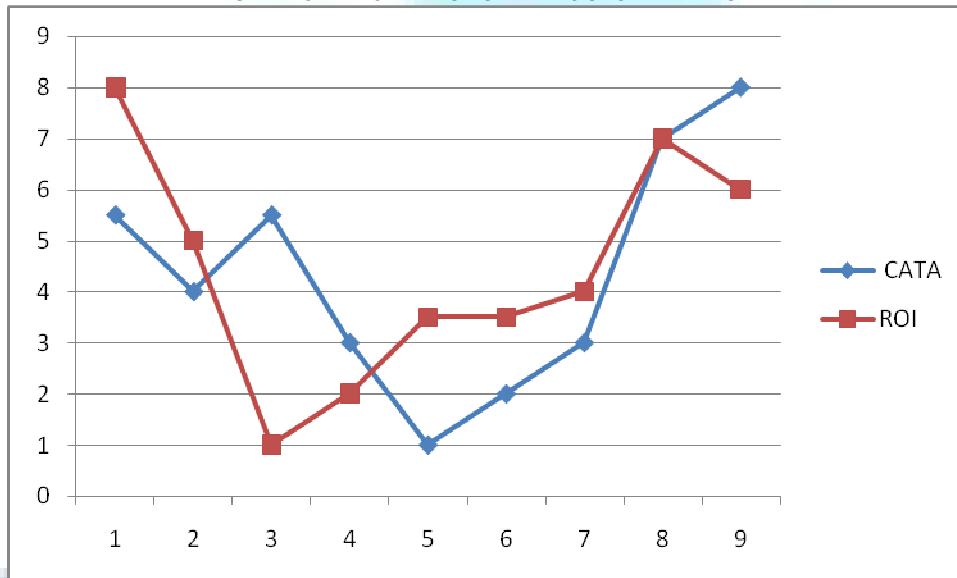


TABLE-4: RELATIONSHIP BETWEEN LIQUIDITY AND PROFITABILITY

Year	CATA	INDEX	RANK	ROI	INDEX	rank
2002	0.36	100	5.5	5	100	8
2003	0.39	108.3333	4	18	360	5
2004	0.36	100	5.5	31	620	1
2005	0.51	141.6667	3	29	580	2
2006	0.59	163.8889	1	28	560	3.5
2007	0.53	147.2222	2	28	560	3.5
2008	0.4	111.1111	3	21	420	4
2009	0.25	69.44444	7	8	160	7
2010	0.22	61.11111	8	13	260	6

Table 4 reveals the current assets to total assets ratio (CATA) as well as return on investments (in per cent) along with their growth index (base year: 2001-02). The CATA ratio was 0.36 times in 2001-02 and it was marginal increased 0.39 times in 2002-03 and further remaining period of the study it has been show up and down trends. But, in nutshell it has been increased and stood 0.59 times in 2005-06. The coefficient of variance in the ratio has been observed 18.90 per cent. ROI has been increased from 5 to 18 and from 18 to 31 per cent from 2002 to 2004 further, it has been decreased from 2 per cent in 2004 to 2005 and in 2009 it has again decreased and stood 9 per cent. The maximum ROI has been 31 per cent in 2004 and minimum 5 per cent in 2001-02; while, average ROI has been 20.11 per cent during the period under consideration. The value of R^2 is 0.705 i.e., moderate degree of correlation. It means 70.5 per cent variation is

arisen in profitability due to liquidity in Tata Motors. The rank correlation has been used to prove the null hypothesis. The calculated value of rank correlation is 0.563 while, tabulated value of 't' test at 7 d.f (n-2) is 2.365. The tabulated value of student 't' test is more than calculated value. Therefore, H_{01} is accepted and we conclude that there is no significantly relation between the liquidity and profitability in general and Tata Motors in particular.

CONCLUSION

In this paper we analyzed the impact of different components of working capital on profitability of Tata Motors during 2002-2010. Working capital management and profitability of the company disclosed both negative and positive association. It can be monitored from Table-2 that out of 7 components of working capital only two factors have negative impact on profitability namely working capital turnover ratio and cash turnover ratio. It implies that there is a positive correlation between working capital components and profitability (ROI) of Tata Motors during 2002-2010. It can be discovered from table-3 that out of 7 components of working capital the value of b (regression coefficient) only there namely ATR, WCTR and CTR are negatively associated with ROI. If ATR increased by one unit, the ROI decreased by 5.47 units that was statistically significant at 5% level. The coefficient of multiple correlation (R^2) makes it obvious that 93.30 percent of the total variation in the profitability of the company is due to working capital management. We have also analyzed the impact of liquidity on profitability. From table-4 it can be discovered that value of R^2 is 0.705 i.e., moderate degree of correlation. It means 70.5 per cent variation is arisen in profitability due to liquidity in Tata Motors. But value of rank correlation is less than the table value at 5% level, so there is no significant relation between liquidity and profitability.

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APPENDIX

TABLE-5: WORKING CAPITAL RATIOS OF TATA MOTORS

Year	ROI	CR	ATR	CATA	WCTR	ITR	DTR	CTR
2002	5	1	0.63	0.36	1000.17	6.85	11.35	20.7
2003	18	0.85	0.54	0.39	18.35	7.41	12.57	27.81
2004	31	0.79	0.54	0.36	11.82	9.83	19.92	22.32
2005	29	1.08	0.84	0.51	25.96	11.09	28.95	10.99
2006	28	1.37	1.08	0.59	7.1	10	31.69	11.53
2007	28	1.36	1.04	0.53	8.7	10.73	42.55	24.89
2008	21	0.97	0.74	0.4	23.21	10.48	30.04	20.53
2009	8	0.89	0.68	0.25	21.78	10.41	24.64	14.03
2010	13	0.66	0.49	0.22	5.51	12.45	21.32	21.7

MANAGING EMPLOYEE RETENTION AND TURNOVER IN THE RETAIL SECTOR

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ABSTRACT

Retailing is one of the largest sectors in the global economy. Indian retail industry is the largest industry in India, with an employment of around 8% and contributing to over 10% of the country's GDP. Retail industry in India is expected to rise by 25% yearly mainly being driven by strong income growth, changing lifestyles, and favorable demographic patterns. Retailing is human resource-centered. According to a report titled 'India Organised Retail Market 2010', published by Knight Frank India in May 2010 during 2010-12, around 55 million square feet (sq ft) of retail space will be ready in Mumbai, national capital region (NCR), Bengaluru, Kolkata, Chennai, Hyderabad and Pune. According to a report by the Mercer, the average attrition in 2010 was 10% across Indian companies, a rate that may rise to 25% in 2011-12 with improved salaries. With 88 per cent of Indian companies expected to recruit larger number of employees next year, the likelihood is that the churn will be even bigger. The retail boom has witnessed large-scale recruitment across the country, but that has led the industry to grapple with high attrition too. This has prompted retailers to try out new innovations aimed at not just getting raw and new talent but also retaining employees. In view of the growing importance of human resource in the retail business, the authors are motivated to write this paper, discussing the issues involved, challenges faced by the retailers and the strategies to be evolved to make better utilization of the man power resource.

KEYWORDS

Retail, attrition, retention strategies.

INTRODUCTION

The secret of successful retailing is to give your customers what they want. And really, if you think about it from your point of view as a customer, you want everything:

- a wide assortment of good-quality merchandise;
- the lowest possible prices;
- guaranteed satisfaction with what you buy;
- friendly, knowledgeable service;
- convenient hours; free parking;
- a pleasant shopping experience.

Sam Walton, Founder Chairman, Wal-Mart (1918-1992)

Retailing, one of the largest sectors in the global economy, is going through a transition phase not only in India but the world over. Retail industry has emerged as one of the most dynamic and fast paced industries with several players entering the market. It is gradually inching its way towards becoming the next boom industry. The last few years have witnessed an unforeseen pace of transformation in India's retail sector. The major cities have seen a mushrooming of glitzy malls, while modern format retail stores of various hues have spread to every corner of the world. The Indian retail market is one of the fastest growing industries and is expected to grow from US\$ 392.63 billion in 2011 to US\$ 674.37 billion by 2014, it said in terms of volumes, retail sales in India would grow at an average of four per cent between 2010 and 2014. Indian retail industry is the largest industry in India, with an employment of around 8% and contributing to over 10% of the country's GDP. The present employment in the retail business is nearly 4 crores and around 20 crores depend on this sector. There is a scope of better exposure to the international standards with the entry of transnational companies, which in turn is encouraging more & more retail management programs to open up and help bridging the gap of supply & demand of talented professionals for management. Retail industry in India is expected to rise by 25% yearly mainly being driven by strong income growth, changing lifestyles, and favorable demographic patterns.

The Indian retail industry is poised for an explosive growth. Presently India is rated as the fifth most attractive emerging retail market and is seen as a potential goldmine. A T Kearney, the well known international consultancy, recently identified India as the second most attractive retail destinations globally from among thirty most emergent markets. It has made India the cause of a good deal of excitement and the cynosure of many foreign eyes. Modern retail business accounts for about 4 per cent of the total retail market in India. This share is expected to increase to about 15 -20 per cent with the entry of a number of corporate into the segment. Modern retail formats have grown by 25-30 per cent in India in the last year and could be worth US\$ 175-200 billion by 2016.

Besides this, a shopping revolution is ushering in India. Retailing has changed the whole concept of shopping in terms of format and consumer buying behavior. Modern retail has entered India and can be seen as sprawling shopping centers, multi- storied malls and huge complexes offering shopping, entertainment and food all under one roof. the Indian retailing sector is at an inflexion point where the growth of the organized retailing and growth of organized retailing and growth in consumption by Indian population is going to take a higher growth trajectory .The key drivers for growth of retail sector in Indian cities are:

- Demographic change
- Dual income nuclear family
- Emerging services sector

- Suppliers/brands willing to partner with retailers
- Acceptance in the job market
- High income consumers
- Media explosion
- Reasonable pricing for the quality and branded stuff.
- India on the radar of global retailers

Despite all these crucial developments, only Rs. 67310 crores of the entire retail industry is organized. This is about 5% of India's retailing sector. The top five players account for less than 1% of the entire market. A huge 12-15 million outlets constitute the rest of the 98% of the unorganized sector. Despite the enormous growth opportunities available in Indian retail, the sector continues to be burdened by a wide variety of roadblocks that act as barriers to the otherwise upbeat scenario. A few of them are:

- Regulatory barriers that restrict the FDI.
- Dominance of unorganised sector
- Lack of skilled human capital
- High attrition rate in the industry
- Low operation size
- Lack of retail space.

Given that only 5% of the total retail market is organized, there is ample space and time to experiment with innovative formats and value propositions. There is enough room for new players to co-exist. More opportunities to make Indian brand win are to create buying power through credit, to price competitively, to exist unsustainable non-core business, to focus on power brands and to think of alternative models for a wider reach. The above significant factors amply demonstrate the growth and development of retail markets depends upon the vibrant and talented human resource.

HUMAN RESOURCE MANAGEMENT IN RETAIL SECTORS

"Take away my factories, but leave my people, and soon we will have a new and better factory." Andrew Carnegie, the American steel billionaire."

The impact of human resource management (HRM) policies and practices on firms performance is an important topic in the field of human resource management, industrial relations, and industrial and organisational psychology (Boudreau 1991, Jones & Wright 1992, Kleiner 1990). A number of texts have appeared in recent years promoting the advantages of using high involvement human resource practices (Arthur 1994, Kochan & Osterman, 1994, Levine 1995, Pfeffer 1998, Guthrie 2001) as well as on the use of High Performance Work Practices, which can improve the knowledge, skills, and abilities of a firm's current and potential employees, increase their motivation, reduce shirking, and enhance retention of quality employees (Jones & Wright 1992).Retailers achieve their financial objectives by effectively managing their five crucial resources: their location, merchandise inventory, stores, employees and customers. Human Resource Management (HRM) is particularly vital in retail sector as they are labour intensive like service sector. HRM can be the basis of a sustainable competitive advantage for the following three reasons. First, labour cost accounts for a significant percentage of retailer's total expenses. Thus, effective management of employees can result in cost advantage. Second, the experience that most customers have with a retailer is determined by the activities of employees who select merchandise; provide information and assistance and stock display and shelves. Thus, organisation's talent plays a major role in differentiating a retailer's offering from its competitors offering. Finally, the potential advantages are difficult to duplicate.

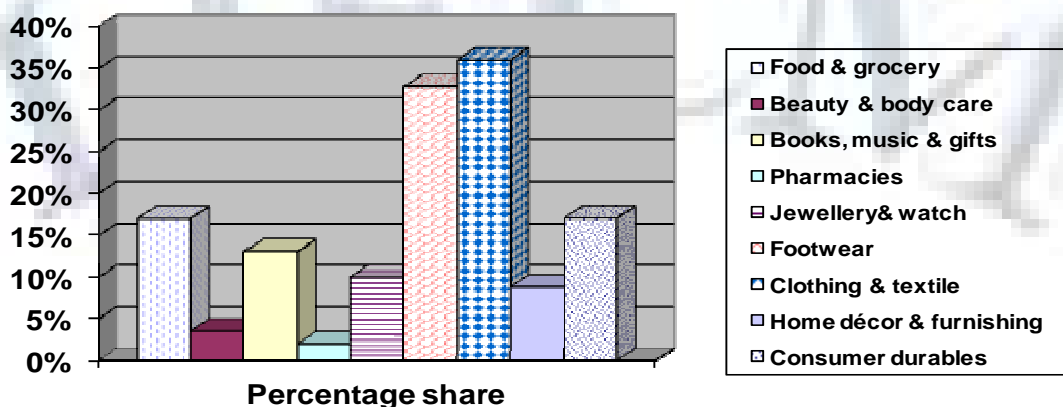
Retailing is human resource-centered. It is estimated that in India up to 95 million square feet of retail space would be created by the end of 2012. Assuming one front end customer associate for every 300 square feet of retail space created India would need approximately an additional 2,10,000 customer associates in the next three years. Jobs in the organized sector includes those at the malls, discount formats ,stop over formats such as those within the petrol bunks, departmental stores, brand retail chains ,specialty retailers, hypermarkets ,supermarkets in a cross section of products and services –fashion, food, grocery ,consumer durables ,FMCG ,lifestyle goods etc. newer formats like cellular/mobile shops, retailing by IT voice and video applications etc. will be dominant in offering jobs in retail –especially front end sales and customer service jobs. The following table depicts the human capital and its share in organized retail

TABLE: HUMAN CAPITAL IN ORGANIZED RETAIL (% SHARE)

Retail forms	Percentage share
Food & grocery	17%
Beauty & body care	3.56%
Books, music & gifts	13.08%
Pharmacies	2%
Jewellery & watch	10%
Footwear	32.84%
Clothing & textile	36%
Home décor & furnishing	8.76%
Consumer durables	17.04%

Source: <http://www.docstoc.com/docs/27855682/AN-ANALYSIS-OF-INDIAN-RETAIL-INDUSTRY>

The data arranged in the above table is shown in the bar diagram.



Source: <http://www.docstoc.com/docs/27855682/AN-ANALYSIS-OF-INDIAN-RETAIL-INDUSTRY>

In view of its growing importance in the business, the authors are motivated to write this paper, discussing the issues involved, challenges faced by them and the strategies to be evolved.

ISSUES FACING HR IN RETAIL SECTOR

There are a number of issues involved in retail business in India which certainly impact the growth of the sector. Undoubtedly, the retail businesses need large scale hiring and staffing in the retailing is unique due to the following reasons:

- Retail jobs in the frontline are low paid jobs with an industry average of Rs 3000. Hence salary paid cannot be used as motivators to induce people to apply for jobs.
- Retail jobs are also not career builders in the short run. Not many of the front lines can grow to become departmental /stores head
- Value addition is very uncommon except in few professionally run retailing units. There is paucity in effective training imparted to the front liners.
- There is hardly any kind of human resource strategy devised in retailing sector. Though retailers spend a lot in incorporating international standards in to their outlets but fail in doing the same, when it comes to human resource.
- Retail jobs are physically very demanding. Employees are required to work for 10hours a day, six days a week, work on weekends, holidays and festive days.
- Attrition level is very high in retail sector. The attrition in the middle and senior management is not as significant as that of front end personnel; it is almost 20% in front liners. But another key issue is lack of competency in modern retailing practices.

CHALLENGES FACED IN HRM IN RETAILING

The HR managers in retail sector are currently facing the following challenges:

- Managing part –time employees is the biggest challenge for an HR manager in the retail firm, as they work only during their shift and are not totally involved in their work.
- Retailers operate on thin margins and hence have to be cautious in paying high wages. Paying high salaries will deprive them of good profits.
- Unavailability of experienced manpower.
- Threat of poaching
- Changing employee demographics with acute shortage of skilled sales force. As there is ample opportunities in the Indian economy with a large chunk of youngsters being recruited by the BPO's and call centers, there is acute shortage of freshers.
- Differences in work culture and values in the arena of work.
- Work force diversity.
- Retailers have to compete with other high growth industries like telecom, insurance and more specifically ITeS/BPO firms which look for similar skill sets like customer orientation, selling skills and communication skills. Salary levels offered in most IT companies are significantly higher and thus making it an attractive jump for front end employees in retail.
- Knowledge e of the products and services can directly influence the sale in retail formats with assisted selling. Lack of competency can directly affect the stores reputation.
- Stressful environment.
- Lack of formal retailing education.
- Most retail employees come with very minimal qualification; therefore they cannot be subjected to intense conceptual inputs or classroom inputs. On the other hand employees in retail sector cannot be spared for long hours or days for training, hence providing them effective training without hindering their work becomes a real predicament and a major challenge

TOP TWELVE RETENTION STRATEGIES

The above challenges need an urgent attention by the Marketing Managers in general and the HR managers in particular in the retail sector. It are a serious observation that the organizations must consider attrition while drawing their recruitment plans. According to a report by the Mercer, a human resources consultancy the average attrition in 2010 was 10% across Indian companies, a rate that may rise to 25% in 2011-12 with improved salaries. With 88 per cent of Indian companies expected to recruit larger number of employees next year, the likelihood is that the churn will be even bigger. The retail boom has witnessed large-scale recruitment across the country, but that has led the industry to grapple with high attrition too. This has prompted retailers to try out new innovations aimed at not just getting raw and new talent but also retaining employees.

Retention of key and talented employees is very critical to the long-term health and success of any organization. It is a known fact that retaining employees ensures customer satisfaction, increased product sales, satisfied colleagues and reporting staff, effective succession planning and deeply embedded organizational knowledge and learning. Unlike other industries retailing is facing new challenges and issues in managing its human resource. Keeping in view the above challenges and issues the authors have suggested the following retention strategies which can be implemented in order to reduce the inefficiencies and attrition in the sector:

- **COMPENSATION:** the biggest challenge of ensuring employees contribution to business results is in figuring out what kind of reward and recognition program to implement. It should be well remembered that pay related programmes can establish a strong nexus between employee motivation and profitability of the store. Hence, a compensation package has to be so devised that it is low on guaranteed pay but aggressive on store profitability-linked bonuses or incentives. The type of a package ensures good performance from the employees as they shall be rewarded in accordance to their performance.
- **JOB ROTATION:** Many retail sectors work on shift basis. All shifts may not be beneficial. Hence rotation in shifts should be fair, irrespective of preference given by the employees. Similarly rotation during peak hours of the support should also be fair. Equal opportunity should be extended to all for showing their individual dexterity.
- **EMPLOYEE RECOGNITION:** The companies need to prioritize employee recognition and understand the power of recognizing the talent to motivate and to retain them. This is expected to trigger an improvement in morale and motivational factors. This may be supplemented by prizes, awards, foreign travel, club membership etc.
- **HEALTHY MANAGEMENT PRACTICES:** this refers to ensuring that the store employees are kept satisfied by meeting all their basic needs and expectations as per the promise made .This includes paying salaries on time, processing leave, loan and other requests on time, providing neat and clean changing rooms, good uniforms and most important, ensuring that their issues and grievances are redressed quickly and fairly. This leads to harmonious employee relations scene in the near future.
- **BUILD BRAND NAME:** build the brand name of the company in the overall employment market by communicating its attributes in a way that distinguishes the company from the competitors. The focus of the company can be on attributes such as inclusiveness, competitiveness, fast-paced, goal oriented, values- based, having high pressure, and so on.
- **DEVELOPING A SUSTAINABLE CULTURE:** The retail organization should have the right cultural orientation to run the retail business; otherwise the best expertise shall not be able to bring success to it. It is said that retailing is a combination of a courier company, a fast food restaurant, an FMCG business, and a five star hotel. Retail has the need back end logistics complexities of a courier company. It has the speed and standardization needs of a fast food restaurant. It has the supply chain, brand management and customer knowledge requirements of an FMCG business. It calls for personal contact, attention

and ambience of a five star hotel. All these carry a very high level of attention to detail. Hence one has to develop a conducive environment where in the employees can provide the same effectively.

- **RECRUIT THE RIGHT PEOPLE AND PROVIDE CAREER ADVANCEMENT OPPORTUNITIES:** Finding qualified employees in the retail trade industry is currently a daunting challenge for many employers. And this challenge is becoming increasingly difficult to handle. In addition to establishing good recruiting methods, it will also be necessary to build on effective employee loyalty procedures if you hope to keep your best resources. The retailers have to recruit people who have an inclination towards their job and also create a sense of loyalty among them. Many retailers are trying to help the employees get higher education when they are rendering service in their businesses. For eg. Kishore Biyani -promoted Pantaloon Retail (India) has already tied up with B-schools such as Welinkar's Institute of Management Development and Research in Mumbai and Chennai Business School for recruiting students pursuing retail management courses. On the other hand, Reliance Industries Ltd., is mulling setting up a university that will have various courses, including one on retail management. Home improvement product retailer House Full International Ltd also recently announced a tie-up with Karma Retail Academy with an objective to train and create professionals for the industry and gear them up for the booming retail scenario.
- **PART TIME EMPLOYEES HAVE TO BE TREATED WITH DUE DILIGENCE:** since retail sector works on shift basis, there is lot of part time employees found working there. Here are some proven methods to motivate the part time employees:
 - a. **Orient them properly.** Avoid confusion by clearly identifying who is allowed to give the part-time worker assignments.
 - b. **Assign a mentor.** Even after proper orientation, part-time workers will be confused. Assign a full-time worker to be a mentor. The part-time worker will feel more like part of the team, and the mentor will feel good about the added responsibility.
 - c. **Mix up the work load.** Don't overload part-time workers with "grunt" tasks only. It's a common temptation to assign all low-level work to part-time employees. Find out what kind of specialized skills the part-time worker has, and take advantage of them
 - d. **Eliminate any hard feelings** between part-timers and full-timers from the start.
 - e. **Offer flexible hours.** Many part-time workers have special situations that require them to work only part-time. By allowing flexible work hours, the retailers can retain their part-time workers longer, eliminating the need for costly retraining.
 - f. **Offer financial incentives.** Most companies don't offer part-time workers bonuses. Set up a bonus plan based on company revenues. Give them a reason to get excited about their jobs. Offer part-time employees a higher wage than standard. It will prevent competitors from raiding your employees and forcing you to retrain new ones.
- **MAKE WORK FUN FOR THE EMPLOYEES:** Let the employees have fun and relaxation when the retail business is not in full swing. Preferably vacations and workshops can be arranged for the employees during this period. Remember birthdays and anniversaries of the employees, it will develop a sense of belongingness in employees.
- **BALANCE BETWEEN WORKLIFE AND PERSONAL LIFE:** helping employees maintain a balance between personal and work life is a vital strategy that can help retailers' develop a happier, more productive and more loyal employee culture. Retailers should focus on sufficient hours of work and flexibility in scheduling of those hours to meet employees personal needs as well as those of the company.
- **EMPLOYEE SAFETY SHOULD ON THE TOP PRIORITY LIST:** As the retail employees have to work during odd hours, the companies should be extra careful about the safety of the employees especially woman employees.
- **EMPLOYEE ENGAGEMENT:** The best way to retain is to provide work motivation. Challenges, job satisfaction, treating employees with significance, being sensitive to their needs and providing a flexible and predictable environment may help retention. A number of HR practices have been found like periodic training, learning opportunities, freedom and autonomy at work place, recognition of contribution etc. will make a lot of difference in enhancing retention rates.

Winning the war for talent is imperative for the success in Indian retailing. Indian retailers need to develop good HR practices to enhance competency and retention, while simultaneously developing processes and systems to ensure that high personnel turnover does not disrupt operations. Organizations need to concentrate on their most important asset –“the Human Resource” and try to retain them in the long run. This is perhaps the biggest challenge which the HR department of any retail sector is facing. It's time we address the problem scrupulously.

“The magic formulae that successful business have discovered is to treat customers like guests and employees like people”

-Peter Thomas J

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A STUDY ON AWARENESS OF ADVERTISING – WITH SPECIAL REFERENCE TO STUDENTS OF ARTS AND SCIENCE COLLEGES AFFILIATED TO MANONMANIAM SUNDARANAR UNIVERSITY, TIRUNELVELI

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ABSTRACT

The purpose of this study was to examine media exposure response to and awareness of product advertising an education and age groups including awareness of a media advertisement. The individual potential buyer is induced to pass through several stages on his way to buy product or favour a seller. We can think of three kinds of consumer response to promotion such as awareness changed attitudes and new behaviour indicating motivation response. Product manufactures are intensely promoting their products to consumers. Student's awareness with regard to advertisement and their attitude towards advertised product is essential in marketing of goods and services. The influence of demographic characteristics, attitudes and media exposure awareness and behaviours was examined.

KEYWORDS

Advertising, Attitude and Students Awareness process.

INTRODUCTION

The most glamorous element of promotion mix is contained in advertising. In life everyday life, people, come into contact with many different kinds of advertisement. Advertisement is considered as an important weapon for the creation of demand for the products. Without advertisement no manufactures or sellers will be successful in their business as it attracts customers towards their products. It is readily known to us employs to deliver its message. We see it and T.V, in our newspaper and magazines, an our outdoor bill boards and in trains, buses and taxicabs. We receive in it our mail and hear it on our friends. Although there are others, these in essence are the principal media through which advertising informs us and or attempts to persuade us to do something. Usually we are being asked to buy something, whether it is a product, a service or an idea.

Advertising is a tool is marketing for communication of ideas and information about goods or services to a group, it employ paid service or time in the media or uses another communication vehicle to carry its message and it openly identifies the advertiser and his relationship to the sales report.

"D.P.Jha and Vohra" in their article "Role portrayal of men and women in Indian television and advertising" reveals that majority of the advertisements showed women as preoccupied with physical attractiveness and sex objects. Women were seen associated with purchase of low value products such as food products and cosmetics. Role portrays in advertising reflecting indigenous aspects of the countries culture implying the marketers need to be sensitive to cultural variation while developing advertising contents.

OBJECTIVES

The specific objectives of the present study are:

1. To study the attitude of college students towards advertisement.
2. To know the most preferred media by college students
3. The study the various factors influencing awareness of college students with regard to advertisement.

METHODOLOGY

The research method used was the structured survey research with a questionnaire that was addressed to students who are studying in the Manonmaniam Sundaranar University and its affiliated colleges. Questionnaires were collected from 500 students based on purposive sampling. Percentage method is used to analyses the awareness of advertising among college students.

SAMPLE PROFILE

TABLE - 1: DEMOGRAPHIC PROFILES

Age Wise Classification		
Age	Frequency	Percent
18 – 21	307	61.4
21 – 23	193	38.6
Total	500	100
Level of Education		
Education	Frequency	Percent
U.G.	311	62.2
P.G.	189	37.8
Total	500	100
Gender		
Gender	Frequency	Percent
Male	204	40.8
Female	296	59.2
Total	500	100
Subject Area		
Subject Area	Frequency	Percent
Arts	224	44.8
Science	192	38.4
Commerce	84	16.8
Total	500	100

The profile of the respondents with respect to their age, gender, education, subject area is presented in table – 1. The major age group of 18 – 21 and they contribute 61.4 percent of the total sample. The next age group is 21 – 23 and its form 38.6 percent. Majority of the respondents are studying U.G. (62.2 percent) and 37.8 percent of the respondents are studying P.G. In gender, majority of the respondents are female (59.2) and remaining 40.8 percent of the respondents are male. In education wise classification, out of 500 respondents, 44.8 percent of the respondents are studying the arts, 38.4 percent of the respondents are studying science and remaining 16.8 percent of the respondents are studying commerce.

TABLE – 2: REGULARLY HEARING / VIEWING

Hearing/Viewing	Frequency	Percent
Yes	266	53.2
Some times	202	40.4
No	32	6.4
Total	500	100

Table 2 shows that 53.2 percent of the respondents are watch and learning to T.V and radio programmes regularly. The usual time of watching is between 8 pm to 11 pm with some breaks, 40.4 percent of the respondents are sometimes watching and hearing the programmes and 6.4 percent of the respondents are not interested to watch is hearing the programmes.

TABLE – 3: INFLUENCED BY INDOOR ADVERTISEMENT

Indoor advertisement	Frequency	Percent
T.V	294	78.6
Newspaper/ Magazine	55	14.7
Radio	25	6.7
Total	374	100

Table – 3 reveals that 78.6 percent of the respondents are get product information through television, 14.7 percent of the respondents get their information from newspapers and magazines and another 6.7 percent of the respondents get their information from radio.

TABLE – 4: ADVERTISING CONCEPT

Advertising concept	Frequency	Percent
Educational advertisement	198	39.6
Employment advertisement	132	26.4
Product advertisement	150	30.0
Cultural and religious advertisement	20	4.0
Total	500	100

Table – 4 reveals that 39.6 percent of the respondents preferred educational advertisements while 26.4 percent of the respondents preferred advertisement relating to employment opportunities, besides 30 percent of the respondents is preferred product advertisement and remaining 4 percent of the respondents preferred cultural and religious type of advertisement.

TABLE – 5: CELEBRITY ADVERTISEMENT CONVEY THE PRODUCT

Celebrity advertisement	Frequency	Percent
Yes	475	95.0
No	25	5.0
Total	500	100

Table – 5 pointed out 95 percent of the respondents are attracted by the celebrity advertisement and these celebrity advertisements give remembrance, attractiveness and motivation to buy the products.

TABLE – 6: KINDS OF PRODUCTS

Products	Frequency	Percent
Beverages	100	20
Cosmetics items	140	28
Food items	80	16
Health care products	70	14
Dresses	45	9
Jewellery	65	13
Total	500	100

Table – 6 shows that 28 percent of the respondents are preferred cosmetic items, 20 percent of the respondents are preferred beverages advertisement and 9 percent of the respondents are preferred dresses advertisement.

TABLE – 7: AWARE OF CONSUMER PROTECTION

Aware of consumer protection	Frequency	Percent
Yes	436	87.2
No	64	12.8
Total	500	100

Table – 7 reveals that 87.2 percent of the respondents are aware of consumer protection act 1986 and remaining 12.8 percent of the respondents are not aware of consumer protection.

TABLE – 8: AWARENESS ABOUT THE PRODUCT

Awareness about the product	Frequency	Percent
Yes	423	84.6
No	77	15.4
Total	500	100

Table – 8 shows that 84.6 percent of the respondents are agree that media create awareness about the product and remaining 15.4 percent of the respondents of the respondents are not agree that advertisement media create awareness about that product.

Advertisement plays a vital role in creating awareness and informing consumer about the product. Being a communication media advertisement consumer more effectively. Advertisement should be creates an interest in the mind and that interest should lead to intention and finally to purchase.

CONCLUSION

The advertisement should have an honest, simple and clear message. Advertisements with a clear message help attract many people towards the services offered by the companies or organization. In a competitive market, where several firms are striving to win over customers, it is not enough if just the availability is made known. It is essential to propagate the distinctive features of the product and advertisement plays an important role in creating awareness of the product as well as demand for the product.

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PERFORMANCE MANAGEMENT AS EFFECTIVE TOOL FOR SUSTAINABLE COMPETITIVENESS IN THE AIRPORT AUTHORITY OF INDIA

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ABSTRACT

International Markets provide a wide range of opportunities compared to the domestic marketing but global business is inherently more risky than domestic business. International Business firms have the fundamental goals of expanding market share, sales, revenue and increase in profits. Expanding markets in overseas countries is one of the strategies to achieve these fundamental goal. "Knowledge is the only meaningful resource today" New breed of knowledge workers between 18-24 years of age are smart, practical, fiercely ambitious and restless. They have inquiring minds and zealous spirit. They have obsession to acquire higher and more saleable skills. This is, their only guarantee to a better job and the recipe to speedy success in a fast changing world. Managing employee performance based on the organizational needs, strategic requirements, and customer's preference is crucial aspect of human resource management at national and international levels. The paper deals with the complexities of organizations operating in nationals or international levels in the changing environment and how the human resources be effective in managing competitiveness to sustainable growth of the organizations. Performance management is about creating an environment where people know what is expected of them, have access to the tools they need for their work, and are supported in their quest to do their best. It is about creating people who feel good about themselves and their accomplishments and in turn will reward the organization with loyalty and high retention. Hence, a case study of performance appraisal system in Airport Authority of India has been taken for consideration as a case study.

KEYWORDS

AAI, Environmental Variation, Innovator, Rater Bias, Sustainable Growth.

INTRODUCTION

Managing employee performance based on the organizational needs, strategic requirements, and customers preference is crucial aspect of human resource management at national and international levels. Multinational Corporations incur high cost on human resources due to employment of different kind of foreigners. Therefore, they expect the foreigners to perform distinctly and create, contribute and add significant value to the organizational activities. Foreign employees are also mindful to their cost to the MNC and concerned to contribute phenomenally to the organizational goals and strategies. MNCs Expectations from foreign employees are diversified and varied widely compared to that from domestic or national employees. Similarly foreign employees do aim to making multi-faceted and varied contribution to different stake holders of MNCs. Measurement of employee's performance in MNCs is comparatively more complicated than that in a domestic company. MNCs encounter critical challenges in the process of performance appraisal and management of foreign employees.

The paper deals with the complexities of organizations operating in nationals or international levels in the changing environment and how the human resources are effective in managing competitiveness to sustainable growth of the organizations. Performance management is about creating an environment where people know what is expected of them, have access to the tools they need for their work, and are supported in their quest to do their best. It is about creating people who feel good about themselves and their accomplishments and in turn will reward the organization with loyalty and high retention. The basic purpose of this paper is to

1. Creating a workplace where top performances want to stay.
2. Transforming people who are not "stars" into top performers. and
3. Aligning behavior and actions toward the goals of the business enterprise.

To full fill above objectives, we have to raise some relevant questions relating to performance management to test the hypothesis.

- What performance was set out to be achieved during the period?
- How it has been achieved?
- What has been the shortfall and constraints?
- What are we going to done now?
- How will we know that we have done it?
- What kind of feedback can be expected?
- What assistance can be expected to improve performance?
- What rewards and opportunities are likely to follow from the performance appraisal?

In this paper, all the questions raised above has tried to find out the suitable answer for sustainability of the organizations especially in the Airport Authority of India Ltd. Performance management in AAI be effective tool of organizations competitiveness for sustainability is a reality or myth. The entire paper is divided in to four major parts including introduction.

PERFORMANCE MANAGEMENT IN CHANGING ENVIRONMENT

International Markets provide a wide range of opportunities compared to the domestic marketing but global business is inherently more risky than domestic business. International Business firms have the fundamental goals of expanding market share, sales, revenue and increase in profits. **1** Expanding markets in overseas countries is one of the strategies to achieve these fundamental goal. "Knowledge is the only meaningful resource today" **2** assert Management Guru **Peter Drucker** New breed of knowledge workers between 18-24 years of age are smart, practical, fiercely ambitious and restless. They have inquiring minds and zealous spirit. They have obsession to acquire higher and more saleable skills. This is, their only guarantee to a better job and the recipe to speedy success in a fast changing world. It is quite a task to keep Generation 'Y' hooked to one job and one employer for long because they do not identify with old- fashioned jargon like loyalty. Their primary commitment is "We, Me and My career Success... the faster I get there, the better" **3** so how to retain them is a big challenge. The performance appraisal occurs usually annually on formalized basis and involves appraise and appraiser to find out the questions raised above. When the

employees have this type of information, they know what the organization expects from them, what assistance is available, and what can they expect when the required level of performance is achieved. This will increase employees acceptance of the appraisal process and result in the trust that employee has in the organization. An environment that affords an opportunity for further growth while minimizing stressful situations will certainly enhance appraisal acceptance. Establishing this type of environment goes for beyond the performance appraisal process. Every aspect of managing people and their work relates to the improvement of their quality of work life. Performance appraisal is an integral part of trusting, healthy, and happy work environment that goes a long way in promoting the same. Organizations are run and steered by people. It is through people that goals are set and objectives realized. The performance of an organization is thus dependent upon the sum total of performance of its members. According to **Peter Drucker**, "an organization is like a tune; it is not constituted by individual sounds but by their synthesis". **4** The success of an organization will therefore depend on ability to measure accurately the performance of its members and use it objectively to optimize them as a vital resource.

The performance of an employee is his resultant behavior on task which can be observed and evaluated. It refers to the contribution made by an individual in the accomplishment of organizational objectives. Performance can be measured by some combination of **quantity, quality, time and cost**. People do not learn unless they are given feedback on the result of their actions. For learning to take place, feedback must be provided regularly and it should register both success and failures, and should follow soon after the relevant action(s).

Performance management aims at creating alignment of individual goals with those of the company and enables an individual to effectively manage performance for himself and his team. Performance management embraces both planning and executing. Its major focus is on development of the employee and his competencies for improving his performance and relationships. Performance management is "translating plans into result-execution. **5** It is the process of managing employee's strategy. Performance management provides managers with power to act proactively. We need better performance management because we need better organization. The increasing need for performance management is due to complexity of matrixing employees with two or more bosses, organization flatten from being hierarchical to more process based, customer- focused and value- added services.

Each of these goals is important. Retention is especially important if we are in an industry that cannot afford to pay top salary for a top-notch workforce. Transforming non-performers in to stars becomes more critical as the workforce shrinks. And aligning behavior and actions with the business's goals is the bottom line for staying in business. We need to define and then create the behaviours that will ensure that the company runs at maximum efficiency and productivity.

PERFORMANCE MANAGEMENT IN AIRPORT AUTHORITY OF INDIA LTD.

1. AIRPORT AUTHORITY OF INDIA LTD; A RESUME

Airports Authority of India (AAI) was constituted by an Act of parliament on 1st April, 1995 by merging the International Airport Authority of India and the National Airport Authority. The objective of the merger was for better administrative and cohesive management of airports and civil enclaves whereat air transport services are operated or are intended to be operated and of all aeronautical communication stations and for matters connected therewith or incidental thereto. Development of airports in the North- East and other inaccessible regions has always been a priority over commercial considerations. AAI provides Air Navigation Services over 2.8 million square nautical miles of air space reaching far beyond the continental airspace. Expansion of the activities of AAI covering services at 11 International Airports, 86 Domestic Airports and also facilitating passengers' services at 28 civil enclaves speaks volumes about the commitment to develop civil aviation in the country towards achieving the Corporate Mission. Despite many tragic occurrences like 9/11, Afgan War, Iraq War and SARS that struck the civil aviation sector the world over during the last decades and left it bleeding. AAI has come up persistently with good result, showing all round growth including increased revenue and higher level of profitability while building up the infrastructure. Presently, AAI at various airports handled about more than 5 lakhs aircraft movements (four lakhs domestic and one lakh international), more than 40 million passengers (26 million domestic and 14 million international) and more than 9 lakh tones Cargo (3 lakhs domestic and 6 lakhs international). **6**

2. PERFORMANCE APPRAISAL IN AIRPORT AUTHORITY OF INDIA

Liberalization, globalization and the disappearance of the Licensing Raj have changed the corporate scenario. **7** There is a remarkable change in the way the companies are looking at employee's performance. Being loyal, punctual, and not taking leave are no longer the attributes of a good employee. Value addition has become the role criteria for performance appraisal. The compensation structure has also undergone a major transformation in the recent years. The shift to performance- based pay or variable pay has become widely prevalent in the Indian companies. Every salary hike has been literally linked to performance. This means every executive has to earn his salary hikes. Variable pay now accounts for about 20 to 40 percent of the total Cost to Company (CTC) incurred on an executive's compensation package- both for old and new economy companies.

The key challenges to many Indian companies is how to survive in the new economy. The companies started re-orienting themselves to become efficient players by embracing and leveraging the tools of knowledge –driven economy. Customers focus become sharper than the before. Channel strategies are being revised to achieve top line growth. Each process whether it is performance management system or any of the HR core process or any other business processes like supply chain management is being looked with microscope. In this competitive scenario, performance management systems (PMS) act as an important tool to leverage performance of the organization.

Airports Authority of India strongly believes that the success of PMS shall depend on how the whole HRM processor is in place of organization. We have nurtured a culture, whether every employee targets right first time and every time as way of life. The recruitment process itself acts as an important support for the success of PMS in AAI. In many organizations, appraisals evoke a lot of negative reactions. The AAI have made a sincere effort to make appraisal process proactive and beneficial by considering the common pitfalls of traditional appraisals. In this process, AAI has avoided the stand alone annual review, to generic appraisal, and one sided appraisals in favour of developing a performance management process, designing specific and relevant appraisals by promoting a two-way dialogue.

The basic objectives of Performance Appraisal in AAI are as under:

- To create role clarity performance expectations and measure at individual, group and organizational levels.
- To provide job guidance, feedback and counseling to build upon strength and areas of improvement so as to bridge the gap between performance and expectations.
- To build a positive work relationship between the appraiser and the appraise through a two-way dialoguing communication process.
- To identify the training and development needs of employees.
- To unleash the creative capabilities of our employees.
- To make the reward mechanism more objective, transparent and commensurate with the level of performance.
- To encourage superior performance measuring stretch goals.
- To promote a performance culture as AAI **Culture of excellence**.

Generally, Performance appraisal comprises the following six steps; the performance appraisal systems existing in companies in India have brought forth many problems at all levels in the organizational structure.

- Establish performance standards or Select performance factors (based on job Description) to be evaluated and set the standard to be achieved.
- Set the performance review period.
- Measure actual performance.
- Compare performance with set standards and rate it with a suitable scale.
- Communicate the rating to appraise.
- Use the performance appraisal for the desired purpose.

To make the process more effective, performance appraisal need to be follow that,

- Employees should be actively involved in the evaluation and development process.
- Bosses need to enter performance appraisals with a constructive and helpful attitude.
- Realistic goals must be mutually set.
- Bosses must be aware, and have knowledge of the employee's job and performance.

3. GUIDELINES FOR PERFORMANCE APPRAISAL IN AAI

With a view to assess the performance of employees of AAI, Performance Appraisal Report forms have been evolved and they are obtained every year. The Performance Appraisal System not only helps in career growth of employees but also in taking care of their training needs, skill development and over all development of personality.

For various levels of officer's five types of Performance Appraisal Report have been evolved are as under:

1. Form (PA)-4 : Executive Director/ Equivalent (below the Board Members)
2. Form (PA)-3 : Officers of the level of Sr. Manager to General Manager
3. Form (PA)-2 : Officers of the level of Sr. Superintendent to Manager
4. Form (PA) -1 : Employees of the level of Jr. Assistant to Sr. Assistant.
5. Form (PA) -1 : Group 'D'.

The details of Performance Appraisal Report marked as above in the form of Form (PA)-1, (PA)-2, (PA)-3 and (PA) -4.

GUIDELINES

The following guide lines have been evolved to assess the performance of employees of AAI by the Department of Personnel of AAI.8

1. Blank PAR form is to be issued to appraise against his/ her signature by the concerned issuing authority.
2. The time limit prescribed for completion of PARs at each progressive level should be strictly adhered to. Any delay beyond the prescribed time limit should be viewed very seriously and written warnings should be issued to the concerned reflecting the same in their PARs.
3. No office/ staff who is on transfer to another region/ station is allowed to relinquish office unless the officer has completed the PARs of his/her subordinates or submitted his/her PAR to his reporting officer, as the case may be, for the relevant period. While relieving, an undertaking to this effect needs to be obtained. This is equally applicable where an officer is due for superannuation/ going to resign.
4. It is necessary to ensure that at least one of the officers of the Discipline of which the officer reported upon belongs to. Should act as either Reviewing or as Countersigning Officer. In case there is no officer of that discipline available in an Officer/ Region, after the action of Reviewing Officer, the PAR should be sent either to Executive Director of the Discipline at CHQ or the Member concerned for countersignature.
5. Adverse remarks in the PRA: There may be some instance where it has become necessary to comment adversely on the officer report upon. While the Reporting Officer should ensure that the officer has been given necessary advice, guidance and assistance to correct his faults and deficiencies and that adverse entries should refer only to defects which have persisted despite the Reviewing Officer's efforts.

Relevant copies of written warning/ reprimand / displeasure issued to the officer by way of counseling (where in the opinion of the Reporting Officer, the officer reported upon has not improved despite counseling) should invariably be attached to the PAR. PARs which are graded "FAIR" or "INADEQUATE" and not supported by documents should be returned to the originator for clarification and necessary action.

6. Grading "OUTSTANDING": One should not be graded "OUTSTANDING" unless exceptional qualities and performance has been noticed in him/her. Grounds for giving such a grading should be clearly brought out in the PAR.
7. **Remarks by Reviewing Officer:** The Reviewing Officer while completing his portion on the PAR form **should be specific in his remarks**, as to whether he fully agrees with the Reporting Officer and **where he does not agree** with some or all the remarks of the Reporting Officer, **he should substantiate his remarks with reasons** and record his own assessment of the officer reported upon.

To achieve an objective assessment on each individual to be reported upon, it is essential that due care is taken at each level of reporting viz. persons to be assessed, Reporting Officer, Reviewing Officer and the Counter- Signing- Authority while completing the PAR.

8. While the assessee's bio-data will be filled in Part-I of the PAR form by the issuing officer, the officer being reported upon will be giving his self assessment in Part-II-9 (a), (b), & (c) – thereof. In section (a) of Part-II, the assessee will be required to indicate the tasks performed by him in areas of concentration and objectives (special contribution other than routine tasks). Likewise, in section (b) of Part-II, examples of specific strengths or action demonstrated by the assessee to achieve his/her output for enhancement of general performance will be cited along with the examples. Section (c) will indicate weaknesses / shortcoming which detracted from meeting the required objectives and/or general performance. Training needs which may possibly help the assessee to achieve the desired objectives should be mentioned as well. Again, the Reporting Officer's comments will be required in Para 10 on each of the points raised in Para 9.
9. Against Para 11, the Reporting Officer will be required to indicate the **extent of counseling rendered to the assessee** with a view to help him to overcome his deficiency. This must be supported by written warning/ reprimand issued by the Reporting Officer which will invariably be annexed to the PAR form at the time of its completion.
10. PART-III- **ASSESSMENT** will be filled in by the Reporting Officer by putting a mark (X) with rubber stamp in the appropriate rating column indicated under each of the performance attributes. The Reporting Officer shall also be completing Part-IV- **DEVELOPMENT & TRAINING**. Here, the training needs and the type of training required for the assessee must be specified. **Para-12 must be got filled from the assessee.**
11. Overall rating will be given in the box meant for the purpose at the end of the Part-IV which should have bearing with the strengths and weaknesses on the basis of "x" marks on A, B, C, D & E against each performance attributes.
12. Remarks by Reviewing Officer and Counter- Signing Authority will be recorded in Part-V in the space provided therein.
13. The grading "FAIR" or "INADEQUATE" need to be communicated to the Assessee only in such cases where overall grading "D" or "E" given by the Reporting Officer or Reviewing Officer has been ratified by the CSA. Where CSA disagrees with grading and gives a better than "FAIR" there is no need to communicate. Likewise, where one or two individual attributes have been graded "FAIR" or "INADEQUATE" and the overall performance has been graded better than "FAIR", there is no need to communicate the grading given against the attributes.
14. The adverse entries in a PAR, where three levels of reporting have been completed within Regional Executive Director level, will be communicated to the Assessee by the concerned Regional headquarters itself. After necessary entries to this effect are entered in the relevant column, the PAR along with the copy of intimation and copies of documents in support of adverse entries shall be forwarded CHQ for retention where ever applicable.

Representation for expunction of adverse remarks, if any, received from the Assessee shall be sent to the competent authority (next higher officer to CSA) for his consideration after obtaining the comments of the Reporting/ Reviewing officer. As the case may be if such an authority is not available at Regional Headquarters, such cases may be forwarded to the Headquarters.

4. PERFORMANCE APPRAISAL PROCESS

Performance Appraisal system is being done by the Airport Authority of the different Airport i.e. Airport Director (APD) on the same guidelines as mentioned above the guidelines for the AAI. The performance management system in AAI is being completed in four steps:

1. Performance Planning;
2. Coaching;
3. Performance Review Meetings; and
4. Reward of Recognition.

The appraisal form serves as formal written documents to assure a mutual understanding of what is expected and how well those expectations are being met.

(1) Performance Planning

The performance plan involves;

- (i) Identifying key result areas.
- (ii) Understanding critical success factors. and
- (iii) Drawing the development plan.

SETTING KEY RESULT AREAS

We have learnt that the success of PMS depends on how clearly we set targets to our employees, and create measures to review the progress. To ensure linkage across the organization, we follow the policy deployment route to cascade the targets from organization level to individual level. We were careful not to set too many objectives for the year. The goals were desired to help the employee to identify few critical factors which he/ she takes as a target during the year which is directly linked to business plan of the company and it can be measured.

KRAs involve the followings;

- Areas of responsibility in which an employee is expected to produce results.
- Give direction to a person's job and help to focus on important job areas.
- Provide a basis for appraisal, counseling and feedback.
- Increase mutual job understanding with superiors.
- These KRAs may change as priorities and responsibilities change. They are dynamic in nature.
- Focus on new initiatives.
- Implementing various organizational objectives.

CRITICAL SUCCESS FACTOR (CSF)

These are measures that focus on how the job is to be accomplished and include skills, knowledge and /or behaviour that improve job effectiveness / performance. We currently have identified 12 critical success factors based on competencies required.

DEVELOPMENT PLAN

It equips the employee with skill sets to achieve KRAs, aims to fill gap if any enables the development of employees. Developmental plan is drawn based on the following:

- The KRAs of employee for the year under review.
- The planned KRAs for year to come.
- Barriers to successful performance that have been identified.
- Gaps if any, identified in Critical Success Factors.
- Any other developmental need expressed by the employee during the performance review discussions.

The developmental plan has two parts.

IDENTIFYING TRAINING NEEDS

This can include in- house training as well as external courses. The role of the appraiser is not to choose training course for the employee. Instead, the appraiser should encourage and support the employee to understand the new skills, competencies and experiences he/ she may need for superior performance.

PREPARING A PERSONAL ACTION PLAN (PAP)

In this section, the employee chalks out a list of actions he shall undertake for performance enhancement and self- improvement.

(2) COACHING

Extensive training is given to appraisers to be a good coach and how to do it on an ongoing basis. Appraisers are trained to:

- (i) Analyse the reasons why unsatisfactory performance is occurring.
- (ii) Help the employee to identify opportunities and strengths.
- (iii) Prepare an action plan including activities, time allocation and support required to enhance performance and make an impact.
- (iv) Make appraisers demonstrate genuineness or sincere interest in helping the employee, while at the same time, empowering him/her to solve job related problems and challenges.

(3) PERFORMANCE REVIEW

In AAI, a lot of importance is given to performance review discussion. One HR representative is being present at all appraisal meetings. In the review of KRAs and Critical Success Factor. The HR's role is to ensure consistency in the approach across the organizations and constantly remind the appraisers about the rating errors like (a) Hello effect, (b) Leniency or harshness errors, (c) Central tendency. and (d) personal biases.

Performance evaluation is the outcome of dialogue process where the appraisee presents his contributions as against the agreed targets. The appraiser and appraisee also reach detailed agreement on each of the critical success factors. Rating scale- A 5 –points rating scale is used and performance standard for each of the Critical Success Factors is defined. If an appraisee meets the standard, he /she is rated as 4 on the scale.

(4) PERFORMANCE REWARD AND RECOGNITION

The outcome of performance appraisal is linked to.

- (i) Performance- linked pay.
- (ii) Development opportunities.
- (iii) Challenging assignments in various task forces in the company.

(I) PERFORMANCE –LINKED PAY

One of the direct linkage of the appraisal process is the performance –linked pay. In AAI , to meet the new demands of the business and to motivate the employees for higher performance, the Authority has started linking a part of the salary increase to individual performance measures as variable pay. While deciding the quantum of payment for differential functions, several aspects are taken into account:

- Profitability performance of the company in the previous year.
- Compensation survey outcomes.
- Market value of the position.
- Individual performance as an outcome of PMS process.

The changes in the compensation policy which are directly linked to the appraisal outcome are communicated across the organization and HR department ensures acceptance across all levels for smooth implementation.

(ii) 360 DEGREE LEADERSHIP DEVELOPMENT

While the policy development route to develop KRAs are common across all levels, the AAI has introduced a 360 degree leadership feedback mechanism to develop leadership at the senior management level and have drawn 12 generic competencies as critical success factors for middle management.

The 360 degree feedback for the senior management members has been designed to meet:

- (a) The effectiveness with which each of them performs various leadership and management roles.
- (b) The styles with which he performs some of the significant tasks and the impact he has on his staff as a result of these styles.
- (c) The various competencies the person exhibits in the process of performing various roles and tasks in the organization.

A detailed action plan for improvement has been drawn up by each senior management member and this is closely monitored and supported by the HR team.

Thus, in AAI, performance management is both a process and a system. It is a process of creating a work environment in which people are able to perform to the best of their abilities. The performance management system is a whole work system that begins when a job is defined as needed. It ends when an employee leaves this organization. AAI uses performance management as a substitute for traditional appraisal systems. It is viewed as broader work system context. It is considered that the goal of performance is to achieve the AAI's vision and accomplish the needs of individuals by continuously adding values to his organization and himself/ herself.

5. STEPS TAKEN FOR EFFECTIVE PERFORMANCE MANAGEMENT SYSTEM

To procure the Corporate Mission, AAI has adopted good work culture and effective communication system effective performance management system. Some of the special features are as under:

- AAI believes that, as a general rule, legislation is the most effective safeguard of ethical conduct, and these should be additional guidelines to management and employees to ensure high standards.
- It is in consciousness, that success of a corporation is a reflection of the professionalism, conduct and ethical values of the management and employees which comes through with recruiting right people and providing continuous training.
- It also recognizes the legitimate rights of the customers to know how the organization operates.
- AAI requires, its management and employees to avoid such personal activities and financial interests as would conflict, or appear to conflict with their commitment to their jobs.

Besides the above said principles, AAI have identified and projected certain other principles for people processes in the organization.

(I) GENERAL PRINCIPLES

- It is more people and service oriented than system oriented.
- Committed to create values for their customers.
- Decentralized within the limits imposed by basic policy and strategy decisions as well as group wide needs for coordination and management development.
- Committed to the concept of continuous improvement.

(II) ORGANIZATIONAL PRINCIPLES

- AAI is in favour of flat organization with few levels of management and broad span of control. Extending to project team and task force, networking and horizontal communication are encouraged without diluting the authority of managers in decision making process, to ensure flexible and efficient organizational structure and working methods.
- Differentiates levels of responsibility in the management structure while avoiding too many hierarchical levels and limiting staff work to those tasks necessary for support of line management.
- AAI gives line responsibility an edge over the functions in order to assure operational speed and responsibility.
- Having at every level of the organization a team with a leader and not a team as leader.
- The designation / job title is based on function of the position rather than hierarchy of the company.

(III) VALUE ADDED LEADERSHIP

Members of the AAI management at all levels are more concerned with continuously adding value to the company than exercising formal authority.

(IV) QUALITIES AND CHARACTERISTICS OF AAI MANAGERS

Selection of manager for higher positions and responsibility are made on the basis of the following criteria:

- Courage, solid nerves, and compare, capacity to handle stress.
- Ability to learn, open mindedness and perceptiveness.
- Ability to communicate, motivate and develop people.
- Ability to create a climate of innovation.
- Thinking in the proper context.
- Credibility in others, practice what you preach.
- Willingness to accept change and ability to manage change.
- International experience and understanding change.

In addition, manager should possess varied interest, good general education, responsible attitude and behaviour and sound health.

(V) PEOPLE INVOLVEMENT

- Involvement of people at all levels start with appropriate information and communication about the overall activities of the company and the specific aspects of work.
- Any changes and possible improvements are discussed and explained.
- People invited to contribute their ideas to the process. This motivates the staff, create more job satisfaction, contribute to personal growth and at the same time improve the results of the company.
- AAI gives great importance to training and development of people but it is also conscious of the fact that the selection of the right people is crucial and will substantially improve the effect and the result of the training efforts.

(VI) BASICS OF THE AAI CULTURE.

- High commitment to quality facilities and services.
- Respect to culture and tradition: AAI pays respect to culture and traditions of all their customers to whom they provide services. It also makes efforts to integrate itself as much as possible into the culture and traditions where it operates, therefore accepting cultural and social diversity. It does not discriminate on ethic, religious or any other basis.
- AAI believes in global thinking and strategies.
- It does not believe in downsizing. They believe and reward long term association and commitment towards the organization. This has been reflected in their retirement. Benefits / social security schemes.

MAIN ELEMENTS OF THE CULTURE

- A more pragmatic than dogmatic approach to action.
- Being realistic and basing decision on facts rather than dreams of illusion.
- Commitment to a strong work ethic, integrity, honesty and quality.
- Relations based on trust, expecting mutual integrity and rejecting intrigues.
- A personalized direct way of dealing with each other, thus trying to reduce bureaucratic procedures to a minimum.
- AAI people do not show off but are conscious of their work and pride in the positive image of the organization. Basically they are modest but not without style and sense of quality.
- People are open to dynamic and future oriented technology, changes in consumers habits, business ideas and opportunities, but they maintain respect for basic human values, attitudes and behaviour. AAI is skeptical of short-term facts and self-appointed gurus.

(VII) MANAGEMENT COMMITMENT

Members of management at all levels are strongly committed to the company towards its development, its culture and the leadership concept.

Thus, the healthy organizational culture is a common perception in the organizations' members of AAI and JPNI Airports, Patna. There are various forms and style of participative management. Quality Circle concept is also applied to and techniques adopted to discuss various problems related to quality of services.

6. PITFALLS OF PERFORMANCE APPRAISAL

Performance appraisal helps management to collect data on human resources and use it for enhancing responsiveness of the organization. Since performance appraisal is done by people who have emotions, there will always be some subjectivity. Though criterion could be stipulated, personal linkages and biases will influence the evaluation. Every assessor has a price- expectation of a particular type of behaviour. An appraisee who meets it, will get higher assessment. Being subjective in nature, there are certain pitfalls which need to be guarded against. It must be appreciated that issue of performance appraisal is very sensitive to the appraisee because it affects his present position (status, and self-esteem) and career growth. Performance appraisal system must not only be fair, equitable

and transparent, but it must be perceived to be so. This can happen only if the system has in-built transparency. Some of the common pitfalls encountered in performance appraisal are the following:

- Shifting standards
- Different rater's pattern
- Central tendency
- First impression
- Latest Behaviour
- Hello effect
- Horn effect-
- Stereotyping (Rater's Bias)
- Spill-over effect

Performance appraisals of international employees are also very critical and challenging due to variation in culture and environment of the country. The significant lacuna in this mechanism is that of superiors in the parent company, in most cases; do not have the experience of working in a foreign country or in a subsidiary environment. They lack the knowledge of organizational culture of the subsidiary. In addition, they are blind of economic system and political factors that influence the job performance of a foreign employee to the great extent. Thus, the rater of the parent company would not be effective in most cases in appraising an employee in an environment which is mostly strange for him/ her.

AAI is not free from the pitfalls in the process of performance appraisal systems. Some of the common pitfalls as discussed above encountered in performance appraisal. Generally in governmental organizations stereotyping (Rater's Bias) is prevailing also in the AAI. There are other pitfalls such as taking too short appraisal interviews and failing to support opinion with evidence, inadequate briefing of the appraisee and pre-judging performance. In this organization, there is system called CCR (Character Confidential Roll) –a system stated by East India Company is prevailing till now. Since it is confidential, it can be manipulated. The corporate world realized its disadvantages and introduced self- appraisal system.

CONCLUSION AND SUGGESTIONS

Performance management aims at creating alignment of individual goals with those of the company and enables an individual to effectively manage performance for himself and his team. Performance management embraces both planning and executing. Its major focus is on development of the employee and his competencies for improving his performance and relationships. Performance management is **“translating plans into result-execution.”**

To make Performance Management System more effective, few things may suggest to be noted below.

- Performance Appraisal system should provide reliable and valid data and information. The techniques/ methods of appraisal should satisfy the conditions of inter –reliability. Appraisal must also satisfy the conditions of validity of measuring what they are supposed to measure.
- The appraisal system should be relevant. It should measure the performance and provide information for which it is designed or planned. The techniques should be designed covering the areas and content of the job based on the purpose of the appraisal. The purpose of appraisal may be for contract renewal, promotion, training and development, deputation or new assignment and career planning and development.
- AAI should use customize appraisal forms. Customized forms incorporating the language and other unique requirements should be designed rather adapting a standard form.
- The appraiser and appraisee must be conscious and consensus. The appraiser secures the acceptance of the appraisee regarding the ground realities of assignment.
- There must be open and continuous communications. Most employees want to know continuously how well they are performing on the job. An effective appraisal system should provide needed feedback on a continuous basis. Appraisal interviews should permit both the appraiser and appraisee to learn about the gaps and adjust the performance ratings and formulate the performance management policies for the future. To this end the raters should clearly explain their performance expectations to the appraisees quite in advance of the appraisal period. Once, it is known, employees would work to that end.
- The performance appraisal system should sensitive to the ground realities. Performance appraisal form, appraisal procedure and evaluators should be sensitive to the changing and varying ground realities related to cultural factors, language, semantics, foreign political factors, trade unions , government policies and functioning.
- Appraisee should know the rules of the game. They should receive information and adequate feedback about the performance result on continuous basis in order to correct the performance. Employee could not perform better without having access to the performance rating information.
- Performance appraisal forms as well as procedure should be easy to operate the appraiser as well as the appraisee. It should not be complex.
- The rater should have the knowledge of the appraisee, appraisee's work, behaviour, culture, organizational culture, environmental factors affecting the appraisee's work and on so forth. In other words, the appraiser should be in direct and close observation of the appraisee and his/ her work.

Thus, AAI should must follow the suggestions to make appraisal system more effective so that it could become close to the ground realities of the organizations where the employees concerned are working. Therefore, it should be customized for the country, company and employees. Performance management should aim at improving skill rather making the employees redundant.

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SALES: A LUCRATIVE BASKET FOR CONSUMERS AND SHOPKEEPERS

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ABSTRACT

In the past decade manufacturers and retailers have been gradually switching from the line mass media advertising to a variety of the line sales promotions. Although sales promotions take up a very large share of total marketing expenditure, they remain an area of less strategic consideration or attention than any other aspect of the promotion mix. The potential benefits of using sales promotions could range from giving immediacy and encouraging purchase of a product or service by changing the perceived value for- money equation. Despite the growth in sales promotions, there is a scarcity of literature devoted to the use of sales promotion techniques within a particular Asian city over a period of time. The present paper take an inside tour in Sales promotion techniques. Vivid Endeavour has been made by the authors to jot down the viewpoints of the consumers and shopkeepers of Chandigarh regarding sales. At the end few recommendations are listed as to overcome hurdles. Authors acted as catalyst as to fill the gap between consumers and shopkeepers by implementing.

KEYWORDS

Sales, Consumers, Shopkeepers, Results, Recommendations, Implications.

INTRODUCTION

Profit in business comes from repeat customers, customers that boast about your project or service, and that bring friends with them”

-W. Edwards Deming⁴

The decade of 1990's is one of great promise and great opportunities lie before us. Eastern Europe is emerging as a promising market and Asian economies continue to expand their internal markets and global market share. The Supreme irony is that the underdeveloped world has a crying need for food, clothing, shelter and other basic goods but lacks purchasing power. The developed world has enormous industrial capacity to satisfy these needs but will sell only those with purchasing power. The last decade taught a humbling lesson to business firms everywhere. Modern marketing calls for more than developing a good product, pursuing it attractively and making it accessible to target customer. Sales promotion is an initiative undertaken by organizations to promote increase in sales, usage or trial of a product or services. Sales promotion is an important component of an organizations overall marketing strategy along with advertising, public relations, and personal selling. Sales promotion techniques like Rebates, gifts, samples, exhibitions, contests, games etc. advertising also plays an important role in increasing the sales now days.¹⁰ Sale promotion acts as a competitive weapon by providing an extra incentive for the target audience to purchase or support one brand over another. The effect of using sales promotions are as follow:

- Encouraging purchase of large size unit: Sales promotion consists of diverse collection of incentive tools, mostly short term designed to stimulate quicker or greater purchase of products or service by consumer.
- Generating trials among non-users: Trials among non-users of a product is generated through invitation of prospective purchasers to try the product without cost or little cost with the hope that they will buy the product
- Persuading retailers to carry new items and higher level of inventory: Sales promotion encourages retailers to give shelf space to new products. Manufacturers provide retailers with financial incentives to stock new products.
- Encouraging off season buying: Sales promotion has also encouraged off season buying especially during the festive periods, people tend to buy more of a particular product because of the added value, compared to normal season.
- Building brand loyalty: Sales promotion helps to build brand loyalty by giving the seller the opportunity to attract a loyal and profitable set of customers which provides sellers some protections from competition and greater control in planning their marketing mix.¹

Thus usage of sales promotion activities has a direct impact on behaviour as it motivates a consumer to buy now rather than in future, enhances value of an offer temporarily till the promotion period, encourages switching, reinforce or reward loyalty etc. Traffic building is achieved by special event promotions like Diwali, Rakshabandhan promotions; inventory reduction through end of season sale; creation and building store image through feature advertising and displays and joint promotions and price image by highlighting the discounts.⁵

AIMS AND OBJECTIVES OF THE PAPER

The present paper was planned with the following aims and objectives:

1. To identify the influence of sales on selected consumers i.e. college going girls.
2. To find out the genuineness of the sales.
3. To recognize the benefits related sales to shopkeepers as well consumers.
4. To find out the problems faced by the shopkeepers as well as consumers during sales.

LIMITATIONS OF THE PAPER

The present paper has following limitations:

1. The paper was conducted in Chandigarh only.
2. The sample size was limited to fifty college going girls only.
3. Only ten shopkeepers dealing with ladies readymade apparels were taken as sample.

LITERATURE REVIEW

An attempt has been made to present the review of various studies carried out with regard to see the effect of sales on the buying habits of the consumer. A brief overview is presented below:

- Weng & Run (2010) investigated on “The influence of personal values on sales promotional techniques for convenience products” which shows that sales promotion techniques preferences do have an impact towards consumers purchase satisfaction and behavioral intention.⁹

- A study carried out by Patel Vipul "Impact of Demographic Factors on Consumer Response to Sales Promotions: An Empirical Study" in (2010). In this study, five demographic factors i.e. gender, age, income, education and household size were considered to have impact on consumer responses to sales promotion. 518 active mall shoppers were surveyed with the help of structured questionnaire in shopping malls located in the four cities of Gujarat. T-test and ANOVA were applied to test the null hypothesis. This study may provide refined insights in and understanding of the influence of sales promotions on consumer purchase behavior. The results of this study may help the marketing managers of retail stores to identify their target consumers and in turn, to develop appropriate sales promotional programs to persuade those consumers to purchase readymade garment.⁷
- "Innovative sales promotion techniques among Hong Kong advertisers – a content analysis" by Kim, Yang & Geoffrey (2008) reveals the alliance between the promotion techniques and the environment is important and underlines the marketing practitioners with a new perspective that would encourage them to more strategically manage the sales promotion with the consideration of the environmental dynamics along with the time line.³
- Vyas, Preeta H. in 2007 carried out "Sales Promotion Practices in Apparel Retail Sector and Challenges Ahead." investigates sales promotion activities of six apparel stores in Ahmedabad market and compares them on various dimensions. It presents major findings and provides insights on consumer behaviour. Lifestyle, for instance, has a loyalty programme called 'The Inner Circle', while Pantaloons offers a 'Green Card' Rewards programmes, Westside has 'Club West' to woo the customers. Managerial challenges are posed in planning and implementing such activities.⁸
- A study carried out by Liu, Yuping (2007) found out the "Long-Term Impact of Loyalty Programs on Consumer Purchase Behavior and Loyalty." Using longitudinal data from a convenience store franchise, the study found out that consumers who were heavy buyers at the beginning of a loyalty program were most likely to claim their qualified rewards, but the program did not prompt them to change their purchase behavior. In contrast, consumers whose initial patronage levels were low or moderate gradually purchased more and became more loyal to the firm. For light buyers, the loyalty program broadened their relationship with the firm into other business areas. Thus there is a need to consider patronage to decide rewards for loyalty programmes.⁶
- A study carried out by Aguirregabiria, Victor (2002) on "Sales promotions in supermarkets: Estimating their effects on profits and consumer welfare". This paper studies empirically the welfare implications of this type of policies. We present a model of dynamic price competition among retailers who sell several varieties of a differentiated storable good. In this model, firms use sales promotions as a mechanism to discriminate intertemporally among heterogeneous consumers. The model is estimated using scanner data from the food retailers of a US town. The estimated model is used to compute counterfactual equilibria under different restrictions on the use of sales promotions. We compare consumer surplus and the profitability of small and large retailers under the factual and the counterfactual equilibria.²

METHODOLOGY

For the present paper, the sample consisted of fifty college going girls and ten shopkeepers dealing with ladies readymade apparel from Chandigarh were selected. Proportionate stratified random sampling was used to select ten shopkeepers as Chandigarh was divided into five zones– north, south, east, west and centre. From each stratum two shops were taken. Stratified Randomized sampling technique was used to select the fifty college going girls were selected as sample who was visiting these shops for sales. Survey method along with questionnaire cum interview schedule was considered to be most suitable. Two individual questionnaires were prepared for consumers and shopkeepers.

RESULTS AND DISCUSSION

The investigators visited shops offering sales and questionnaires were filled by the respondents. Then the responses were tabulated and percentage was calculated. These are as follow:

I- RESULT OF SELECTED CONSUMERS

FIGURE 1: PREFERENCE OF SALES/ EXHIBITION/ SECONDS' SALES

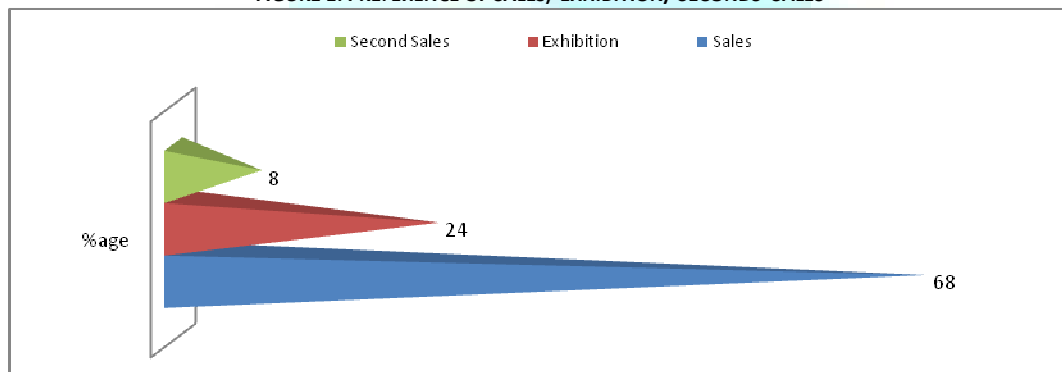
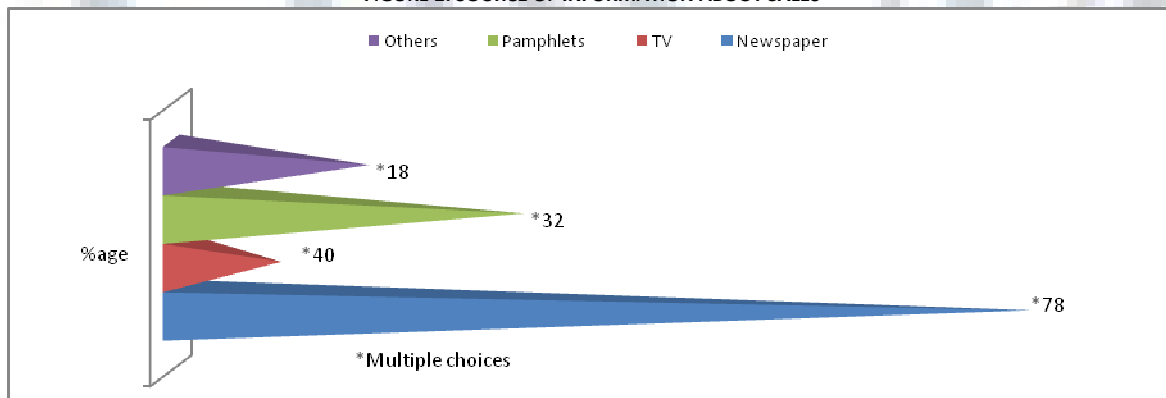


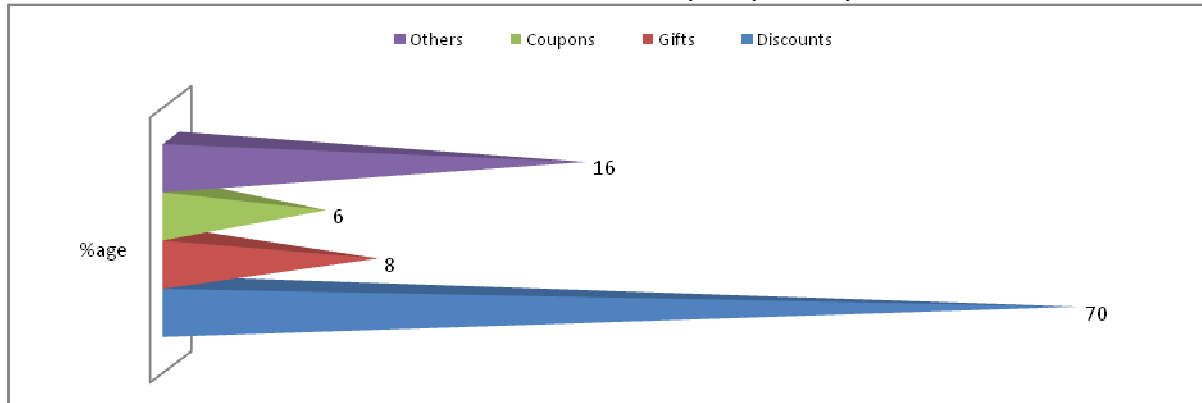
Figure 1 show that most of the respondents preferred sales as they found them genuine, quality of the product and satisfied with the image of the brand as well as shop. On the other hand some of the respondents prefer exhibition in terms of variety and comparatively low prices. Rest of the lot responded and voted seconds' sales as minor irregularities in garment could be ignored if they are getting heavy discount on branded garments.

FIGURE 2: SOURCE OF INFORMATION ABOUT SALES



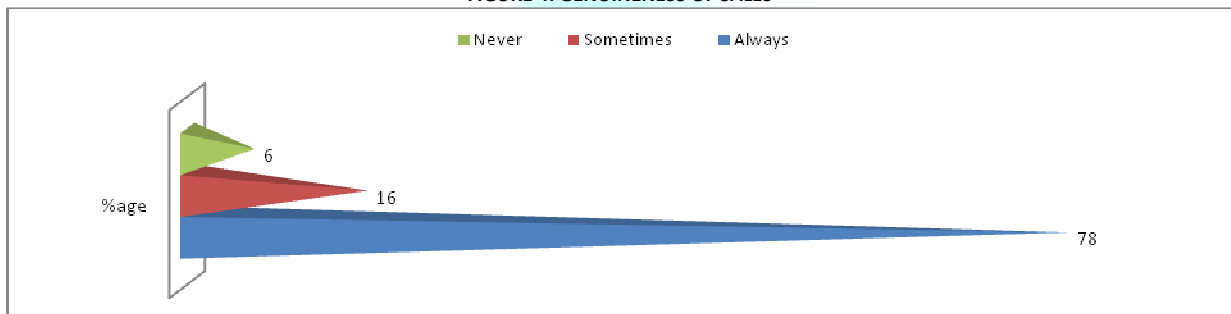
In this category as illustrated by figure 2 newspapers won the award to be more informative regarding sales, where as pamphlets came out to be the second runners up and others sources like from friends, relatives, etc following them on third position. Very few of them receive information from TV.

FIGURE 3: IN SALES LOOKING FOR DISCOUNTS/ GIFTS/ COUPON/ OTHERS



Mostly respondents look for discounts in the sales which can be seen through figure 3 whereas some respondents look for offers like buy one get one free schemes, price packs etc. On the other side, gifts and coupons managed to grab attention of few respondents.

FIGURE 4: GENUINENESS OF SALES



As shown in figure 4 most of the respondents say that these sales are genuine as these sales help them to buy expensive and branded goods at fewer prices.

FIGURE 5: PREFERENCE OF BRAND NAMES

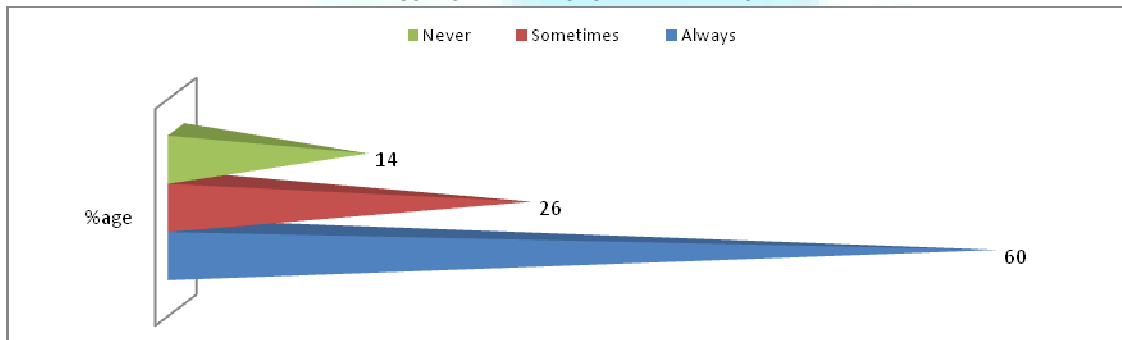


Figure 5 depicts Brand names are the lookout for most of the respondents in sales as they are quality conscious. To turn the coin it was seen one-fourth of the sample goes occasionally for brands and few of the respondents never went for brands.

FIGURE 6: INCREASE OF SALES IN OFF SEASON

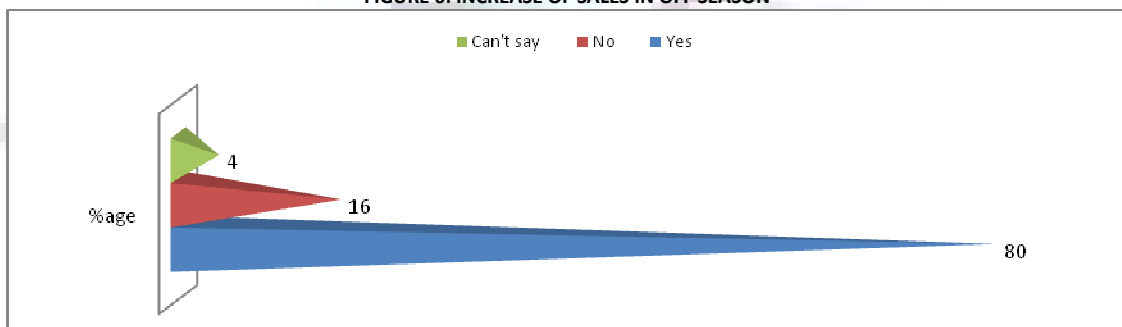
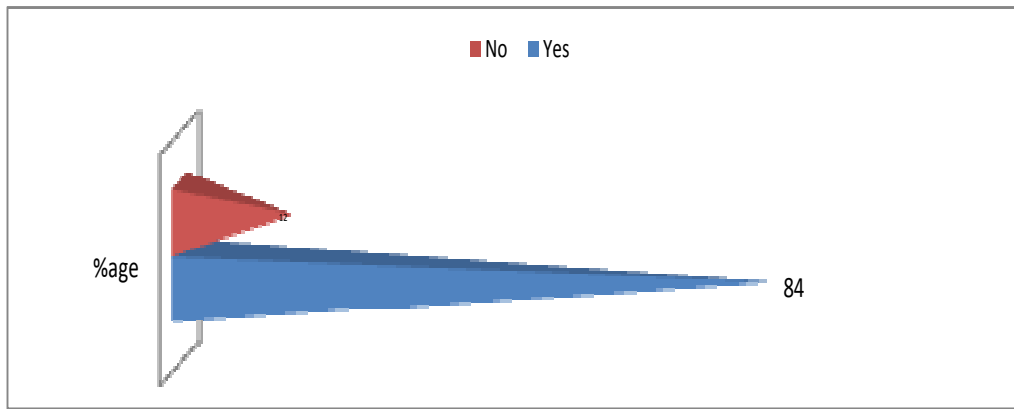


Figure 6 depicts that a big lot of respondents agreed to the inclination of sales in off-season as it time for shopkeepers to clear their stock and gain profits.

FIGURE 7: SALES BENEFICIAL TO CONSUMERS OR NOT



As shown in figure 7 respondents in bulk found these sales to be beneficial to consumers as they get good quality and branded items at low prices. Whereas other respondents faced few problems while shopping like -they were not allowed to try, could not return a wrong purchase and did not get a correct size sometimes.

FIGURE 8: SALES SHOULD BE HELD SELDOM/OFTEN

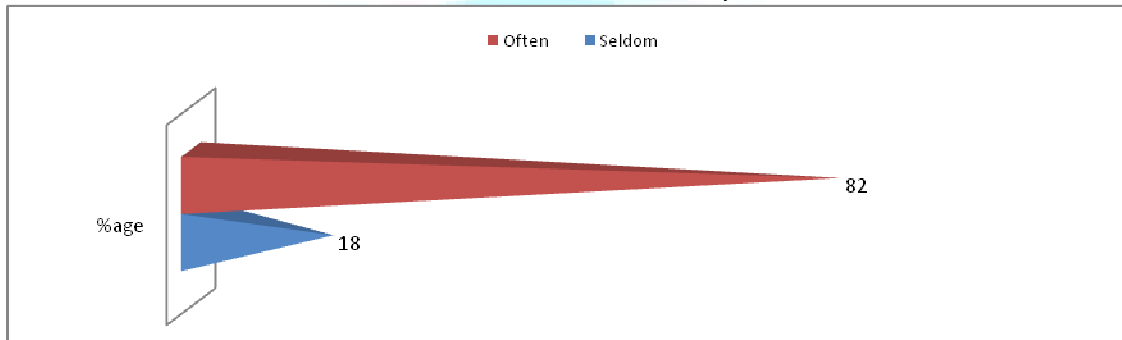
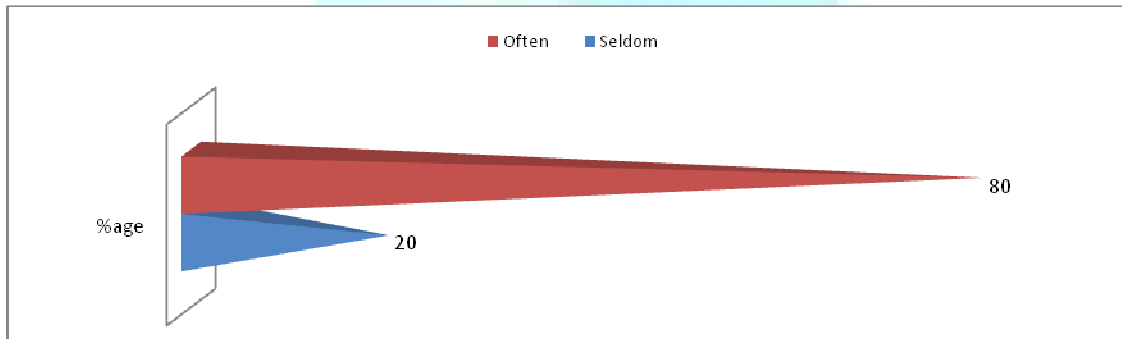


Figure 8 depicts that most of the respondents think that these sales should be held frequently as it is beneficial to consumers.

II- RESULT OF SHOPKEEPERS

FIGURE 9: INCREASE IN SALES VOLUME DUE TO OFFERS



From figure 9 it is concluded that shopkeepers found that offers like discounts, price packs, free gifts etc increase the selling aspect.

FIGURE 10: SALES SHOULD BE HELD SELDOM/OFTEN

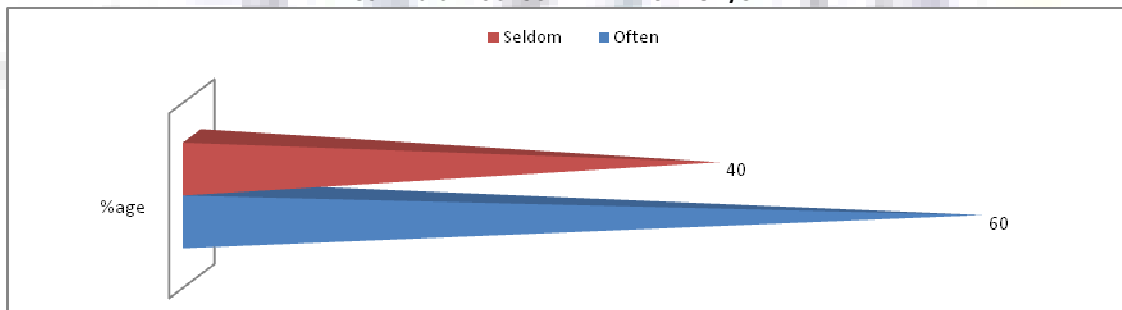


Figure 10 shows most of the shopkeepers approved that these sales should be held frequently as it increases selling but rest of the shopkeepers think that sales should be held rarely because then customer will prefer buying from discount counter, not from fresh stock.

FIGURE 11: SALES ARE BENEFICIAL TO SHOPKEEPERS OR NOT

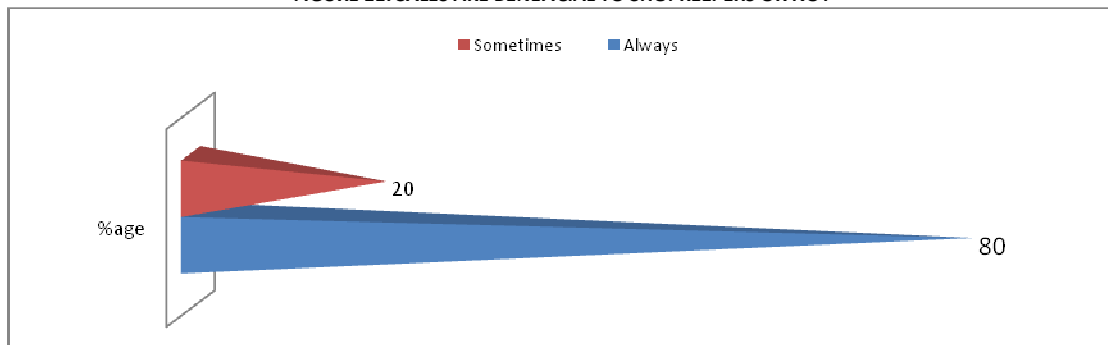
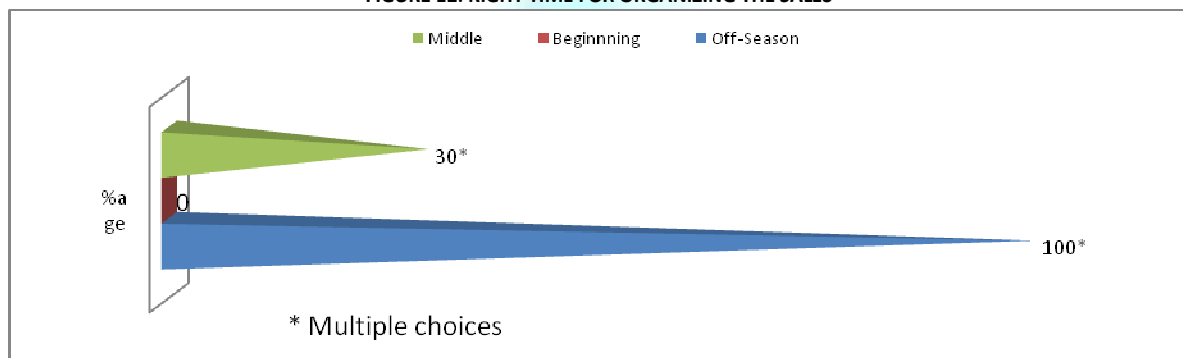


Figure 11 indicates that most of shopkeepers declare that they always get benefits from sales as due to offers there is increase in sales; this also help them to clear out there old stock and help in the publicity of the shop, but rest of respondents utter, in order to clear the stock prices have to decline. On the same platform extra manpower has to be engaged and extra expenditure to be incurred.

FIGURE 12: RIGHT TIME FOR ORGANIZING THE SALES



As shown in figure 12 that all Shopkeepers organize the sales in off season as to clear the stock and preparation for next season stocks. Some of respondents also organize the sales in the mid-season as they think it increases the sale volume and add publicity of the shop.

SUMMARY

We can say that sales promotion covers a wide variety of short term incentive tools designed to stimulate consumer market and the trade. Taking this into consideration present paper "SALES: A LUCRATIVE BASKET FOR CONSUMERS AND SHOPKEEPERS" was undertaken. The major findings are:

Responses of consumers i.e. college going girls: Most of the respondents prefer sales as they think sales are more genuine and they are sure about the quality and image of the shop. Newspapers are the richest source of information about sales. Most of the respondents look for discounts in the sales and prefer buying brand names from well known shop because of quality consciousness in addition of getting them at lower prices. But some respondents says that they faced problems as they were not allowed to try, could not return a wrong purchase and unavailability of the correct size.

Responses of Shopkeepers: Huge number of shopkeepers agreed to the sales offers as they increase the selling aspect. Shopkeepers organize these sales in off season as to clear the stocks and preparation for next season stock. On the other side, some of respondents discovered these sales not as beneficial as they have to decline their prices, extra manpower to be engaged and extra expenditure to be incurred.

CONCLUSION

From the present paper we conclude that shopkeepers organize sales mainly to clear out the old stocks which become outdated the next season. The main incentives given by shopkeepers are discounted price, free gifts, coupons etc. These sales are beneficial to shopkeepers in the publicity of the shop along with a package of problems in terms of extra expenditure in terms of advertisement and engaging extra manpower. Consumers often talk about sales; they glance through sales and buy only when they like something. They are attracted by discounts and prefer buying brand names from well known shops because of quality consciousness. Consumers sense these sales are authentic, genuine and advantageous to them as they get good eminence and branded items at low prices. As every coin has two sides, we came across with the consumers who are not fascinated by sales due to problems of not getting the right size, not allowed to get trial affair etc.

RECOMMENDATIONS

Based on the findings, the researchers hereby make the following recommendations:

- The shopkeepers should be aware of the effective use of sales promotions
- The shopkeepers should publicize their sales offers more largely as to have larger number of consumers.
- Develop a system to tap novice sales ideas from time to time for both at shopkeeper as well as consumer level for planning future sales promotional activities.
- Repetitive use of the same promotional schemes for a prolonged period may have negative effect on the loyal customers. So, retailers must view to developing more promotional strategy in line with the company's objectives.

IMPLICATIONS

For the present study researchers made efforts not only to collect the viewpoints of consumers and shopkeepers. But at the same platform they conveyed the problems faced by consumers while shopping. Vivid Endeavour was made as to act as catalyst between consumers and shopkeepers for smooth and happy shopping.

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CONSUMER PERCEPTION OF BRANDED PETROL IN NAVI MUMBAI**DR. ELIZABETH MATHEWS****HEAD****DEPARTMENT OF COMMERCE****C.K.THAKUR****A.C.S.COLLEGE****NEW PANVEL****SANGEETA TANAJI KAMBLE****LECTURER****ST.JOSEPH'S JUNIOR COLLEGE****KALAMBOLI****ABSTRACT**

Most new generation cars launched in the country after 1990s need better quality fuel to be able to offer their best in terms of smooth, knock-free performance and peak power output. The cost of maintaining the car and the cost of spares that need frequent replacement also gets reduced with the use of better quality fuel. The area of study of Branding of Petrol was chosen as Navi Mumbai. Navi Mumbai is spread over 344sq.Km and starts from Vashi in the North to Panvel in South and Airoli in the East and Uran in West. The composition of the population is a best example after Mumbai of mix of cosmopolitan locality, with people living in complete harmony. The area of study of Branding of Petrol is Navi Mumbai. Navi Mumbai is spread over 344sq.Km and starts from Vashi in the North to Panvel in South and Airoli in the East and Uran in West. The composition of the population is a best example after Mumbai of mix of cosmopolitan locality, with people living in complete harmony. The study is based on both Primary and Secondary data. The study proves that there is a tendency among the vehicle owners to buy and consume the technically superior petrol in Navi Mumbai.

KEYWORDS

Branded Petrol, Navi Mumbai, Nodes, CIDCO.

INTRODUCTION

A vehicle demonstrates its best efficiency and engine performance when it is new. As the engine ages, its performance suffers from petrol fuel-generated deposits that form on the fuel injectors, intake valves and combustion chamber. Additives are required to control deposit formation. Today's fuels, however, lack sufficient treatments of either enough additives or high quality additive. Petrol with additives has high performance rating and come with higher cost. High octane petrol increases the engine performance very much so it would be more advisable for the customers. Most new generation cars launched in the country after 1990s need better quality fuel to be able to offer their best in terms of smooth, knock-free performance and peak power output. The cost of maintaining the car and the cost of spares that need frequent replacement will also be reduced with the use of better quality fuel.

With the introduction of the fuel consumption label in 2001 which has to be displayed on all new cars in the dealer showroom and increasing fuel prices, fuel consumption has become an important factor for vehicle buyers.

BPCL Launched the 'Pure For Sure' program in August 2001 to ensures that petroleum products were delivered properly both in terms of quantity as well as quality. The campaign was aimed at stringent certification of quality and quantity, ensuring courteous, personalized services and efficient fuelling. Similar measures were undertaken by IOC and HPCL; both the companies expanded their retail initiatives rapidly. The companies promoted retails outlets aggressively and their media campaign mainly focused on providing convenience, modern facilities, cleanliness and pure (unadulterated) fuel.

OBJECTIVES OF THE STUDY

1. To find out customer awareness and willingness to buy branded fuel in Navi Mumbai nodes.
2. To study consumer perception of branded petrol.
3. To compare available branded petrol in the market.
4. To know the future of the brands.

SCOPE OF STUDY

This study is based in Navi Mumbai and a sample size of 200 respondents.

HYPOTHESIS

"The consumers of Navi Mumbai have a tendency to pay for and consume technically superior petroleum products".

The research methodology used for this Research study is based on –Survey method.

1. Interviews with experts and professionals from the same fields
2. Collection and evaluation of Primary Data and Secondary data

CITY AND INDUSTRIAL DEVELOPMENT CORPORATION OF MAHARASHTRA LIMITED (CIDCO)

CIDCO was designated the New Town Development Authority for a project aimed to decongest Mumbai in respect of both population and commerce, by shifting industries and job opportunities to the developing satellite towns. Now after fulfilling its prime duty of relieving Mumbai and its infrastructure of the increasing number of migrants and residents, Navi Mumbai has emerged as an urbanized location with the efforts of CIDCO. CIDCO through its town planning process has converted large tracts of virgin land on which no semblance of infrastructure existed into a planned city. The CIDCO started functioning as a fully owned company of the State Government with initial subscribed capital of Rs.3.95 crores from the government. It was entrusted with developing the necessary social and physical infrastructure and was also entitled to recover all cost of development from sale of land and constructed properties. The actual work of planning and development of Navi Mumbai was started by CIDCO in March 1971.

BRIEF SKETCH OF THE NAVI MUMBAI REGION

The area of study of Branding of Petrol was chosen as Navi Mumbai. Navi Mumbai is spread over 344sq.Km and starts from Vashi in the North to Panvel in South and Airoli in the East and Uran in West. The composition of the population is a best example after Mumbai of mix of cosmopolitan locality, with people living in complete harmony.

The planning of the city had been done meticulously with a futuristic eye. The city was named New Bombay because the parent was then called Bombay, now renamed Navi Mumbai.. It was divided into large nodes, each one independent of one other, yet connected very well through public transport. Vashi was the first node to come up, followed by Sanpada, Nerul, Belapur, Kharghar and New Panvel. Magnificent railway stations in each node, wide roads and highways, malls and shopping centres. Flats, parks and gardens, penthouses and bungalows came up regularly and in an organized way.

Navi Mumbai is a good offering for a Quality life. It is a well-planned city, with futuristic infrastructure and presence of corporate giants. The city was planned by City & Industrial Development Corporation of Maharashtra Ltd (CIDCO). It was constituted in 1970; today it is a premier town planning and development agency of India.

Navi Mumbai is in fact, one of Asia's largest new city built on completely undeveloped land. The new city is being developed as an independent, self-sustainable, self-contained city to act as a counter magnet to relieve pressure on Greater Mumbai.. This booming new satellite city has already become the base of reputed Indian and multinational corporates.

BRANDING

Branding is a process, a tool, a strategy and an orientation, Branding is the process by which marketers tries to build long term relationship with the customers by learning their needs and wants so that the offering (brand) could satisfy their mutual aspirations. Branding can be viewed as a tool to position a product or a service with a consistent image of quality and value for money to ensure the development of a recurring preference by the customer. Branding can be used as a differentiation strategy when the product cannot be easily distinguished in terms of tangible features Marketers use branding as a differentiation strategy and try to develop an intimacy with customer groups, such differentiation is an on – going process.

BRANDING OF PETROL

It was in July 2002 that a major milestone in India's Petroleum Industry was achieved in the form of Bharat Petroleum Corporation Ltd. (BPCL), one of the leading players in the Petroleum Industry, launching premium grade petrol under the brand name, 'Speed'. This was the first instance of an oil company launching branded fuel in the market. Soon, the two other leading oil companies, Indian Oil Corporation (IOC) and Hindustan Petroleum Corporation Ltd. (HPCL), also launched their own new generation fuels.

While IOC's branded petrol was called 'Premium', HPCL called it 'Power'. IOC and HPCL also launched branded diesel called 'Diesel Super' and 'TurboJet' respectively. In December 2002 another company, Indo-Burma Petroleum (IBP) launched a new brand of premium grade petrol 'Joshi' and a premium grade high-speed diesel, 'Shakti'. Within a short span of time, the country had seen the emergence of an entirely new market category.

This trend was in line with the global trends wherein petroleum companies tried to build a loyal customer base by branding petroleum products. Both the petro retailers and marketers have been on a major co-branding drive to provide facilities like **convenience stores** and **credit cards**. Not only are efforts being made to attract new customers. But also to keep them through various loyalty programmes and other offers like HPCL's **Club HP** and BPCL's **Petrocard**. With these initiatives, the two firms are also going ahead with expansion of their infrastructure. There exists an eagerness and willingness in the Indian Petroleum Industry to innovate and change according to the need of the times.

TABLE 1: HIGHLIGHTS OF DEVELOPMENT IN NAVI MUMBAI

Survey Highlights	Year of Survey			
	1987	1995	2000	2005
Total migration to Navi Mumbai (%)	69	66	50	60
Population migrated from Mumbai (%)	61	42	47	48
Literacy rate (%)	93	94	96	98
Graduates and above (%)	15	17	27	28
Average family size	3.86	4.01	4.05	3.80
Reason for moving to Navi Mumbai (%) (Easy Ownership and reasonable price)	43	28	31	42
Ownership of vehicles (%)	18	28	46	49
Population working in offices (%)	44	27	60	74
People working & residing in Navi Mumbai (%)	48	65	63	60
Happy with physical infrastructure (%)	NR	40	67	80
Happy with social facilities (%)	NR	NR	85	82
Happy with education amenities (%)	NR	NR	75	86

NR- Not Recorded

Source: CIDCO (2007), Salient Features of Nodes in Navi Mumbai

The above table shows that there has been steady development in Navi Mumbai and CIDCO has concentrated on Physical and social infrastructure and majority of the residents are satisfied with the same. The number of residents of Navi Mumbai who own vehicles has increased from 18% in 1987 to 49% in 2005, which justifies the purpose of the study.

CONSUMER PERCEPTION OF BRANDS**TABLE 2: AWARENESS OF BRANDED PETROL AMONG REGULAR PETROL BUYERS**

Particulars	Number of respondents	Percentage
Speed	96	48%
Power	78	39%
Xtrapremium	24	12%
Unaware	02	01%

Source: Primary Data

TABLE 3: TO FIND OUT CUSTOMER RESPONSE TO BRANDED FUELS IN NAVI MUMBAI NODES**WILLINGNESS TO TRY BRANDED FUEL**

Particulars	Number of respondents	Percentage
Yes	178	89
No	22	11
Total	200	100

Source: Primary Data

TABLE 4: MOST FREQUENTLY USED BRAND

Particulars	Number of respondents	Percentage
Speed	94	52.8
Power	62	34.8
Xtrapremium	22	12.4
Total	178	100

Source: Primary Data

TABLE 5: SATISFACTION LEVEL OF CUSTOMERS

Particulars	Number of respondents	Percentage
Satisfied	165	92.7
Dissatisfied	08	4.49
Not Sure	05	2.81

Source: Primary Data

FINDINGS

- It was found that 48% of the respondents were aware of the brand speed(BPCL), 39% were aware of the brand power(HPCL), 12% were aware of the brand Xtrapremium (IOCL) and 1% was unaware of the brands.
- 89% of the respondents were willing to try various brands of petrol, 11% was not ready to try different brands
- 52.8% of the respondents using branded petrol use Speed, 34.8% use Power, 12.4% use Xtrapremium.
- 92.7% of the respondents were very satisfied with their choice of branded fuel.
- The satisfaction levels of the customers were encouragingly high and such a situation arose because of the good quality of the products being advertised and sold.
- This further positively justifies the hypothesis that there is a tendency among the vehicle owners to buy and consume the technically superior petroleum products.
- The preferred brand of Quality petrol i.e. BPCL (Speed) is the most preferred brand.
- A majority of the respondents of Survey on branded fuel said their main reason to try the new offerings would be just to test quality; Customers are opting branded fuels for just an experience. The survey shows that the marketing efforts of the companies promoted many customers to try out the fuel.
- Therefore, Branded fuel will gain greater consumer acceptance if oil companies market them harder. All oil companies are planning similar initiatives.
- Thus, the struggle for gaining a larger share of the market would intensify in the future.

CONCLUSION

The success of the branded fuel being marketed depends on the factors like brand awareness, smooth performance of the engine with maximum power output and the willingness of the buyers to recommend the said brand with positive intentions. The perception about the branded fuel created after it was used by the respondents that it had definitely brought about positive change in the engine performance and ride quality. With this desirable effect on the branding in Petroleum products in Navi Mumbai region, the study at the end positively justifies the hypothesis that there is a tendency among the vehicle owners to buy and consume the technically superior petroleum products.

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STRESS MANAGEMENT- A COMPARATIVE STUDY OF SELECTED PUBLIC & PRIVATE SECTOR ORGANIZATION IN CHHATTISGARH

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ABSTRACT

Stress is seen in every corner of the world and which occurs to everyone. People use the term stress to describe the feeling they have when it all seems too much, when they are overloaded and don't feel that they are able to meet all the demands placed upon them. Occupational stress has been recognized as a major health issue for modern work organizations. Conditions of the workplace have been shown to lead to negative emotional reactions (e.g., anxiety), physical health problems in both the short term (e.g., headache or stomach distress) and the long term (cardiovascular disease), and counterproductive behavior at work. Evidence is growing that enhanced control at work can be an important element in employees' health and well-being. It has become predominant and people have come up with balanced monitored concepts to minimize stress. This paper proceeds to explain stress, the causes and the ways to minimize stress.

KEYWORDS

Stress, occupational stress, employee health, control.

INTRODUCTION

Stress is the psychological and physical state that results when the resources of the individual are not sufficient to cope with the demands and pressure of the situation. Level of job satisfaction and stress can affect both individuals and organization. Stress seems to become even more serious at an alarming rate in many organizations. Job stress is a recognized problem in health care workers and doctors are considered to be at particular risk of stress and stress related psychosocial problems. If stress happens too often or lasts too long, it can have bad effects. It can be linked to headaches, an upset stomach, back pain, and trouble sleeping. It can weaken your immune system, making it harder to fight off disease. If you already have a health problem, stress may make it worse. It can make you moody, tense, or depressed. Your relationships may suffer, and you may not do well at work.

A lot of research has been conducted into stress over the last hundred years. Some of the theories behind it are now settled and accepted; others are still being researched and debated. During this time, there seems to have been something approaching open warfare between competing theories and definitions: Views have been passionately held and aggressively defended.

Stress is a state of discomfort experienced by an individual. Loss of emotional stability is the general expression of stress. It is generally apparent when the individual experiences a biological disorder. Stress has a positive association with the age, life styles, time constraints and the nature of occupation. Certain occupations are more prone to the stress than the others. For instance, drivers of vehicles, doctors, lawyers and managers are more likely to get stress than teacher, bankers and operating personnel. Individuals feel stress when the needs or desires are not accomplished in the normal expected ways. This is because of the natural constraints operated on the individuals.

STRESSORS

Stressors are divided into physical and social groupings and the social stresses can be subdivided into further:

A. PHYSICAL STRESSORS

Example:

TABLE-1

Heat, Fire, Traffic, Violence, Own Illness,	Noise
Cold	Poor working conditions and equipment.

B. SOCIAL STRESSORS

There are four main causes of social stress:

TABLE-2

Social, economic and political	
Unemployment	Taxes
Inflation	Crime
Cost of housing	Technological change

TABLE-3

Family	
• Sharing of workload	• Death or illness in the family
• Jealousy	• Different lifestyle,
• Sex roles	• Money problems.
• Different values	

TABLE-4

Job and career	
• Deadlines	• Muddled communication
• Travelling time	• Competition
• Power struggles	• Education/Training

TABLE-5

Interpersonal and environmental	
Different values	Smokers/Non-smokers
Obligations	Driving habits
Waiting time	Social expectations
Poor service	

TABLE-6

STRESS	NEGATIVE IMPLICATION S
(a) PHYSICAL:	1. Poor performance resulting in fall in the quality and quantity of work .
	2. Absenteeism at work,
	3. Negative fallout of business
(b) SOCIAL:	1.Increase in social tensions
	2. Resistance to social change,
	3.Withdrawal from normal social networks
(c) PSYCHOLOGICAL:	1.Deterioration in morale
	2.Hurdles in effective communications
	3.Irrational judgments about others
	4.Sense of distrust and alienation
(d) BEHAVIORAL:	1.Poor decision making and its implementation
	2.Accidents in workplaces
	3.Loss of potential human resources

REVIEW OF LITERATURE

STRESS SURVEY

In the 2000 annual "Attitudes in the American Workplace VI" Gallop Poll, sponsored by the Marlin Company,

- 80% of workers feel stress on the job;
- 50% comment that they need help in learning how to manage stress;
- 14% felt like striking a co-worker but didn't;
- 25% felt like screaming or shouting;
- 10% are concerned about an individual at work becoming violent;
- 9% are aware of an assault or violent act in their workplace;
- 18% had experienced some sort of threat or verbal intimidation in the last year;
- The 2000 Integra Survey reported similar results and alintified that;
- 62% found they had work-related neck pain at the end of the day;
- 44% reported stressed-out eyes;
- 38% complained of hurting hands;
- 34% reported difficulty in sleeping because they were stressed-out;
- 12% had called in sick because of job stress;
- Over 50% said they often spend 12-hr. days on work-related duties;
- Over 50% frequently skip lunch because of the stress of job demands;

Different researchers provide different categories of work stressors.

- P.S. Swaminathan and S. Rajkumar studied stress level in organization and their impact on employees behavior among the employees of banks, educational institute and own establishment to the corporate. In their study, an attempt was made to identify the stress level across the age, profession, types of jobs and duration of work. With respect to work environment in various occupational categories and its impact on employees behavior. In their study they found that role overload, role self distance and role stagnation are the major factors which cause stress to them.
- Garg Pratibha conducted a study among the private sector banking professionals. The study investigates the relation between distress level and quality of life. The sample consists of six private sector banks of Chandigarh tricity. The result shows that there is a significant negative relation between distress and quality of life. Result shows that quality of life increased after stress management intervention and distress level decreased significantly.
- Shailendra Singh in his study – Profiles of stress experience explores the various forms of stress in the organization experienced by the executives in the organization and provide adequate description of the profile of stress experiences and to examine the stress experience among the employees of public and private sector. In this study he had taken the 10 dimensions of job stress in which out of that on 5 dimensions viz., role conflict, role ambiguity, inequity, lack of leadership and job difficulty both sectors don't differ. Executives of public sector experience more stress on four dimensions they are lack of group cohesiveness, constraints of change, job requirement capability mismatch and inadequacy of role authority.
- Bhatnagar and Bose studied organizational role stress among the branch managers of the banking organization. In their study an attempt was made to identify age and leadership styles as correlates with ten types of role stress. Role stress was found to be associated with leadership styles. For instance, inter-role distance correlated negatively with high task low people orientation and significantly with low task high people orientation. The ability to take decisions at work is closely related to locus of control.
- Study by Rajeshwari and Anantharaman on Role of Human Computer Interaction factors as Moderatos of occupational stress and work exhaustion found that IT professionals have long work hours with different time zones, total team work, task to be completed on deadline with perfection as per client needs which requires interpersonal, technical and organizational. These characteristics lead to occupational stress and work exhaustion.

OBJECTIVE OF STUDY

1. To find out the comparative study of stress between the employees of public and private sector.
2. To identify the major stressors of the organization.
3. To study the impact of stress on the performance of the employees.
4. To get an insight into the strategies used by the company for their employees to keep them stress free and satisfied on job and at their work place.

RESEARCH METHODOLOGY

To test the above, the following null hypotheses were formed. The hypotheses are as follows:

H1: Stress level of employees is dependent on age of public sector and private sector employees.

H2: Stress level is dependent on the gender of public sector and private sector employees.

H3: Stress level is dependent on income level of public sector and private sector employees.

H4: There is a relation between job stress and performance of Public sector and private sector employees.

H5: There will be a negative relationship between organization commitment and job stress in public sector employees and private sector employees.

The study proposes to evaluate stress level of employees who are currently pursuing in organization. Most of us are aware that employee stress is an increasing problem in organizations. We hear about postal workers killing co-worker and supervisors and then we learn job related tensions were a major cause. Friends tells us they are stressed out from greater workloads and having to work longer hours because of downsizing at their company. We read surveys where employees complain about the stress created in trying to balance work and family responsibilities. The study is carried out determine the stress level among the

employees of two companies one belongs to public sector- The SECL- Bilaspur, and the other is private sector- Monnet Ispat and Energy ltd- Raipur. The total sample was of 100, which is equally divided between both sectors as 50 from public sector and 50 from private sector.

RESPONDENTS' PROFILE

Out of the 50 respondents of SECL, 6% employees are below the age of 25, 6% employees are the age group of 26-35, 26% are of the age group of 36-45, 56% are between the age group of 46-55 and the rest of 6% employee lies between the age group of 56-65. 94% employees of SECL are married while the rest 6% remains unmarried. 80% employees working in SECL are males and the rest 20% are females.

Out of the 50 respondents of Monnet company, 6% employees are below the age of 25, 38% employees belongs to the age group of 26-35, 36% employees belongs to the age group of 36-45, 16% employees belongs to the age group of 46-55 and the rest 4% employees belongs to the age group of 56-65. 94% of the company employees are married while remaining 6% are unmarried. 88% of employees working in monnet are males and the remaining 12% are females.

PUBLIC SECTOR V/S PRIVATE SECTOR – A COMPARISON AT A GLANCE UNDER FOLLOWING HEADS

TABLE-7

COMAPRISION OF STRESS BETWEEN PUBLIC AND PRIVATE SECTOR ON THE BASIS OF DIFFERENT STRESS DIMENSIONS				
DIMENSIONS OF STRESS	NO. OF COMPONENTS	PRIVATE SECTOR	PUBLIC SECTOR	INFERENCE
ORGANIZATIONAL COMMITMENT	5	200 (41%)	291 (59%)	The result clearly shows that the organizational commitment in public sector is higher than private sector
SALARY STRUCTURE	5	232 (34%)	443 (66%)	From the analysis it clearly shows that the salary structure is very good and more satisfactory in public sector as compared to private sector
LACK OF GROUP COHESIVENESS	4	221 (46%)	256 (54%)	The percentage obtained for the given dimension clearly reveals that the employees of private sector are more close to each other and the cohesiveness among them is more as compared to public sector
ROLE CONFLICT	4	166 (51%)	159 (49%)	The percentage shows that the both company's employees is facing the role conflict stress but in private sector it is high
ROLE OVERLOAD	3	82 (51%)	80 (49%)	The percentage reveals clearly that the employees are overloaded with their job but in private sector it is high
LACK OF LEADERSHIP SUPPORT	3	97 (48%)	104 (52%)	The result shows that the support of leaders are less in public sector as compared to private sector
JOB DIFFICULTY	3	103 (47%)	115 (53%)	The public sector employees faces the job difficulty problem as compared to private sector
HEALTH (MENTAL & PHYSICAL)	4	129 (52%)	119 (48%)	The mental and emotional stress is quite high in private sector as compared to public sector
CAREER AND ACHIEVEMENT	3	96 (58%)	70 (42%)	The career and growth prospect in private sector is higher than public sector
SOCIAL SUPPORT	3	148 (47%)	196 (53%)	The social support to the public sector is higher as compared to private sector
OVERALL STRESS	10	1474 (45%)	1833 (55%)	The overall reponse based on the above dimension of stress reveals that the public sector stress is quite high as compared to the private sector.

The overall analysis above shows that on the 5 dimensions out of 10 viz., organizational commitment, salary structure, role conflict, role overload and mental and physical health stress the private sector stress is high and on the rest of 5 dimensions viz., group cohesiveness, leadership support, career and advancement, social support and job difficulty, public sector stress is high.

H1: Stress level of employees is dependent on age of public sector employees.

TABLE 8

Sample (n)	Mean stress	S.D	Degree of freedom	F-ratio
50	22.24	8.4	2,9	1.59

On the basis of above calculated hypothesis, F-ratio @ 5% d.f 2,9, the table value is 4.26 and the calculated value is 1.59, which is less than the table value so here our null hypothesis is accepted that the age of the employee is dependent on the stress level of employees.

H2: Stress level of employees is dependent on the age of private sector employees.

TABLE 9

Sample (n)	Mean stress	S.D	Degree of freedom	F-ratio
50	21.04	7.30	2,9	7.15

On the basis of above hypothesis calculation, F-ratio @ 5% significance level, d.f 2,9, the table value is 4.26, and the calculated value is 7.15, which is much higher than table value so here our null hypothesis is rejected for private sector and here the employees age is independent of their stress level.

H3: There is no difference in Stress among the male employees of public and private sector sectors.

TABLE 10

Sample	Public sector(n1)	Sample private sector (n2)	Mean stress	S.D SECL	S.D Monnet	Z value
50	50	50	22.31	8.4	7.30	.98

On the calculation of hypothesis using z test @ significance level 5% two tailed test the table value is 1.96 and the calculated value is .98 which is smaller than table value so here our null hypothesis is accepted that there is no difference in stress among the male employees at their work place of both sectors.

H4: There is no difference in Stress among the female employees of public and private sector sectors.

TABLE 11

Sample	Public sector(n1)	Sample private sector (n2)	Mean stress	S.D secl	S.D Monnet	Z value
50	50	50	22.31	8.4	7.30	1.21

On calculating the hypothesis again for gender with reference to female employees the z test is applied @ significance level of 5% the tabulated value is 1.96 and the calculated value is 1.21 which is smaller than the table value so our null hypothesis is accepted that there is no difference among the female employees in their stress at the work place.

H5: The stress is independent of income level of the employees of public sector

TABLE 12

Sample (n)	Mean stress	S.D	Degree of freedom	r value	t-value of r	Table value
50	8.15	1.2	48	0.19	1.34	1.6

On the basis of above calculated hypothesis, the correlation between the salary and the respondent's score is very low but is significant @ 5% level of confidence. Thus, here our hypothesis is accepted that the stress level is independent of the salary of the public sector employees.

H6: The stress is independent on income level of the employees in private sector

TABLE 13

Sample (n)	Mean stress	S.D	Degree of freedom	r value	t-value of r	Table value
50	4.36	2	48	0.79	8.9	1.6

On the basis of above calculated hypothesis, the correlation between the salary and the respondent's score is quite high but is not significant @ 5% level of significance. Here the calculated value is more than table value @ 5% level of significance, so our null hypothesis is rejected and the stress of the private sector employees are dependent on salary of the employees.

H7: There is a relation between job stress and performance of Public sector employees.

TABLE 14

Sample (n)	Mean stress	S.D	Degree of freedom	r value	t-value of r	Table value
50	1.84	2	48	-0.77	8.36	1.6

On the basis of above calculation, there is a negative correlation between the job performance and stress of the respondent's score. This means that there is an inverse relation between the stress and job performance and also insignificant @ 5% level of confidence.

H8: There is a relation between job stress and performance of private sector employees.

TABLE 15

Sample (n)	Mean stress	S.D	Degree of freedom	r value	t-value of r	Table value
50	2.58	2	48	-0.95	21.07	1.6

On the basis of above calculation, there is a negative correlation between the job performance and stress of the respondent's score. This means that there is an inverse relation between the stress and job performance and also insignificant @ 5% level of confidence.

H9: There will be a negative relationship between organization commitment and job stress in public sector employees.

TABLE 16

Sample (n)	Mean stress	S.D	Degree of freedom	r value	t-value of r	Table value
50	22.24	8.4	48	-0.24	1.71	1.6

The correlation between the organizational commitment and stress level is -0.24 the absolute value is 0.24 which is used for testing the significance @ 5% level of confidence interval. Here the calculated t value is 1.71 and the table value is 1.6 which is smaller than calculated value, so there is no negative relationship between the organizational commitment and the job stress in public sector.

H10: There will be a negative relationship between organization commitment and job stress in private sector employees.

TABLE 17

Sample (n)	Mean stress	S.D	Degree of freedom	r value	t-value of r	Table value
50	21.04	7.30	48	.177	1.19	1.6

The correlation between the organizational commitment and stress level is 0.17 which is low but significant @ 5% level of confidence interval. So there is a negative relationship between the organizational commitment and the job stress in private sector.

RECOMMENDATIONS

A Small percentage of the employees did have high stress. Person facing stress at the organizational level of lot of psychological problems in the form of decreased motivation, absenteeism low productivity targets not being achieving etc. as a read for the above said employees facing stress are advised to attend stress management courses which will help them to build coping strategies and cause out their stress. The stress management program comprises of a package program consisting of:

- Relaxation and meditation.
- Positive outlook towards works / responsibilities
- Inter personal skill development
- Since T & D, job related factors, performance appraisal & job satisfaction were perceived stressful by the employees, the employees should be counseled regarded the matter.
- There should be proper mechanism to measure the effectiveness of the training program conduct by the company so that individual responses before and after the training can be evaluate properly and if there is any gap, it should be filled immediately.
- The company has to make a well structured evaluation form from the employees to assess their views regarding training program provided to them.
- At the individual level the employees could practice a relaxing holiday (where in quality time is spent with the family) every fortnight or month
- Realize excessive use of tea / coffee cigarette is not answer to stress
- Try to get 6-7 hrs of continuous sleep per day

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QUALITY OF WORK LIFE AMONG LIBRARY PROFESSIONALS IN HARYANA STATE

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ABSTRACT

The success of any organization is highly dependent on how it attracts recruits, motivates, and retains its workforce. Today's organizations need to be more flexible so that they are equipped to develop their workforce and enjoy their commitment. Therefore, organizations are required to adopt a strategy to improve the employees 'quality of work life' (QWL) to satisfy both the organizational objectives and employee needs. The data pertaining to the study have been collected from Library professionals working in private engineering colleges of Haryana to find the quality work life level. Here we also try to find out the quality work life among library professionals that can be fruitful in this respect. The study will focus on the significance of difference between mean Quality work life scores of library professionals and independent variables. The T-test is used for this purpose and data was collected from both primary and secondary sources. A structured questionnaire was constructed in the two parts: General Data Sheet and Quality of Work life to collect the data.

KEYWORDS

Quality Work Life, Library Professional, Private Engineering Colleges.

INTRODUCTION

The Quality of Work depends on the Quality of Work Life. The phrase "Quality of Work Life" (QWL) has come in use to evoke a broad range of working conditions and the related aspirations and expectations of the employees. The QWL can be described as the subjectively perceived satisfaction in one's different aspects of work life as reported by the individual. It is an index of what people find interesting and satisfying at their work. For this reason, one needs to be sensitive to the factors related to performance, recognition, work content, responsibility, promotion and pay, organizational policies, working conditions etc. Quality of Work Life is a concern not only to improve life at work, but also life outside work. Hence it encompasses a wide variety of programmes and techniques that have been developed to endeavor to reconcile the twin goals of an individual and the organization, i.e. Quality of Life and Organizational Growth. The Quality of Work Life has, therefore become key area of consideration now a days. The adverse effects of stress situation will impinge upon the running of an organization. Unnecessary tensions may be created, employer-employee relationships as well as staff-clientele relations may deteriorate, and inaccuracies may develop in work, and so on. More serious effects of Job Stress could include employee absenteeism and burnouts, which in turn could increase the load of fellow workers. The stress management has therefore got enough significance in improving the Quality of Work Life. As such it is felt that much exploration has to be ventured in the area of Quality of Work Life in connection with Job Stress. However, this sort of problems cannot be orally touched; it requires in-depth study, investigation and research for reaching palpable solutions.

QUALITY OF WORK LIFE

The term quality of work life refers to the favourable or unfavourable conditions of a total job environment for people. It means having good supervision, good working conditions, good packages and benefits and an interesting, challenging and rewarding job. High QWL is sought through an employee relations philosophy that encourages the use of QWL efforts, which are systematic attempts by an organization to give workers greater opportunities to affect their jobs and their contributions to the organization's overall effectiveness. That is, a proactive human resource department finds ways to empower employees so that they draw on their "brains and wits," usually by getting the employees more involved in the decision-making process. The Quality of Work Life is a vast, broader and diverging concept to be covered into a single or a few terms. It cannot be defined or connoted in a few terms or sentences as it is the convergence of various factors like nature of the job, nature of the individual employee and employer, work environment, social condition, job facilities, objectives and goals of the organization, qualification, experience and visions of the human elements involved etc.

FIGURE: 1 MODEL OF QWL**JOB SATISFACTION**

Whilst there has, for many years, been much research into job satisfaction, and, more recently, an interest has arisen into the broader concepts of stress and subjective well being, the precise nature of the relationship between these concepts has still been little explored. Stress at work is often considered in isolation, wherein it is assessed on the basis that attention to an individual's stress management skills or the sources of stress will prove to provide a good enough basis for effective intervention. Alternatively, job satisfaction may be assessed, so that action can be taken which will enhance an individual's performance.

WORKPLACE STRESS

However, more complex models of an individual's experience in the workplace often appear to be set aside in an endeavour to simplify the process of trying to measuring "stress" or some similarly apparently discrete entity. It may be, however, that the consideration of the bigger, more complex picture is essential, if

targeted, effective action is to be taken to address quality of working life or any of its sub-components in such a way as to produce real benefits, be they for the individual or the organization.

QUALITY OF LIFE

Quality of working life has been differentiated from the broader concept of quality of life. To some degree, this may be overly simplistic that quality of work performance is affected by quality of life as well as quality of working life. It will be discussed here that the specific attention to work-related aspects of quality of life is valid. Whilst quality of life has been more widely studied, quality of working life remains relatively unexplored and unexplained. The whole is greater than the sum of the parts as regards quality of working life, and, therefore, the failure to attend to the bigger picture may lead to the failure of interventions which tackle only one aspect. A clear understanding of the inter-relationship of the various facets of quality of working life offers the opportunity for improved analysis of cause and effect in the workplace. This consideration of quality of working life as the greater context for various factors in the workplace, such as job satisfaction and stress, may offer opportunity for more cost-effective interventions in the workplace. The effective targeting of stress reduction, for example, may otherwise prove a hopeless task for employers pressured to take action to meet governmental requirements.

MEASURES OF QUALITY OF WORKING LIFE

There are few recognized measures of quality of working life, and of those that exist few have evidence of validity and reliability. There is a very limited literature based on peer reviewed evaluations of available assessments. A statistical analysis of a new measure, the **Work-Related Quality of Life scale (WRQoL)**, indicates that this assessment device should prove to be a useful instrument, although further evaluation would be useful. The WRQoL measure uses six core factors to explain most of the variation in an individual’s quality of working life: Job and Career Satisfaction; Working Conditions; General Well-Being; Home-Work Interface; Stress at Work and Control at Work.

LITERATURE REVIEW

Rice (1985) emphasized the relationship between work satisfaction and Quality of people’s lives. He contended that work experiences and outcomes can affect person’s general Quality of life, both directly and indirectly through their effects on family interactions, leisure activities and levels of health and energy. The study conducted by Karris and Khurana (1996) found significant correlations of Quality of work life of managers from three sectors of industry viz., Public, Private and Cooperative, with some of the background variables (education qualification, native/migrant status, income level) and with all of the motivational variables like job satisfaction and job involvement. Bhatia and Valecha (1981) studied the absenteeism rates of textile factory and recommended that closer attention should be paid to improve the Quality of Work Life. Kavoussi (1978) compared the unauthorized absenteeism rates in two large textile factories and recommended that closer attention be paid for improving the Quality of Work Life. Raghvan (1978), the ExChairman of BHEL, a public sector organization, stressed the need for worker’s participation in management. According to him, “participation of workers in the management of undertakings, establishments, or other organizations engaged in any industry is underscored by Constitution of India”.

RESEARCH METHODOLOGY

Sample: A sample of 100 library professional working in private engineering & management colleges of Haryana was selected. The present data were collected with the help of a well design online questionnaire. The obtained data were processed for the computation of Mean, Std. Error of Mean, Median, Mode, Std. Deviation, Variance, Skewness, Std. Error of Skewness, Kurtosis, Std. Error of Kurtosis, Range, Minimum and Maximum. All the Statistical Analysis was performed with the help of SPSS. For this Gender, Marital Status, Supervisory status, Involvement in IT and Residential Area (Rural/Urban) independent variables are selected.

DATA ANALYSIS AND INTERPRETATION

Having gathered the data from primary and secondary sources, the next step is to draw conclusions by logical inference. The data, after collection, has to be processed and analyzed in accordance with the outline so laid for the purpose. This is essential to ensure that all the relevant data is used for making comparisons and analysis. Analysis thus refers to the computation of certain measures along with searching for patterns of relationships that exists among data groups. Thus it is refinement and manipulation of data that prepares them for application of logical inference. Interpretation is to cover raw data into information.

INTERPRETATION

In respondents 57% are male and 43% are female, 39% are married and 61% are unmarried. 63% respondents have supervisory designation and 37% have non supervisory designation. 91% library professionals are involved in IT but 9% are not involved. In respondents 71% library professionals belongs to Urban and 29% belong to Rural.

Statistical Constants for the distribution of QWL scores for the total sample (N = 100)

TABLE -1 STATISTICS

N Valid	100
Missing	0
Mean	166.6900
Std. Error of Mean	1.87529
Median	163.0000
Mode	153.00
Std. Deviation	18.75288
Variance	351.671
Skewness	1.144
Std. Error of Skewness	.241
Kurtosis	.938
Std. Error of Kurtosis	.478
Range	74.00
Minimum	142.00
Maximum	216.00
Minimum Possible	50
Maximum Possible	250

T-Test for the significance of difference between mean QWL scores of male and female Library Professionals

HYPOTHESES

H₀ There is no significance difference between Male and Female about Quality Work Life factors.

H₁ There is significance difference between Male and Female about Quality Work Life factors.

TABLE 2

Group Statistics					
	Sex	N	Mean	Std. Deviation	Std. Error Mean
QWL	Male	57	167.6316	19.80407	2.62311
	Female	43	165.4419	17.41278	2.65542

TABLE 3

Independent Samples Test										
	Levene's Test for Equality of Variances			t-test for Equality of Means			95% Confidence Interval of the Difference			
	F	Sig.		t	Df	Sig. (2-tailed)	Mean Diff	Std. Error Diff	Lower	Upper
Equal variances assumed	.957	.330		.576	98	.566	2.18972	3.80073	-5.35270	9.73214

INTERPRETATION

Since the calculated value is less than the critical value (.576 < 1.96). Accept the null hypotheses. There is no significance difference between about Male and Female about Quality Work Life factors.

T-Test for the significance of difference between mean QWL scores of marital status library professionals

HYPOTHESES

H₀: There is no significance difference according to marital status about Quality Work Life factors.

H₁: There is significance difference according to marital status about Quality Work Life factors.

TABLE 4

Group Statistics					
	Marital Status	N	Mean	Std. Deviation	Std. Error Mean
QWL	Single	39	167.7436	19.69867	3.15431
	Married	61	166.0164	18.25695	2.33756

TABLE 5

Independent Samples Test										
	Levene's Test for Equality of Variances			t-test for Equality of Means			95% Confidence Interval of the Difference			
	F	Sig.		t	Df	Sig. (2-tailed)	Mean Diff	Std. Error Difference	Lower	Upper
Equal variances assumed	.116	.734		.447	98	.656	1.72720	3.86040	-5.93364	9.38803

INTERPRETATION

Since the calculated value is less than the critical value (.447 < 1.96). Accept the null hypotheses. There is no significance difference according to marital status about Quality Work Life factors.

T-Test for the significance of difference between mean QWL scores of Nature of Job (Supervisory and Non-supervisory) of library professionals

HYPOTHESES

H₀: There is no significance difference according to Nature of Job (Supervisor/Non Supervisor) about Quality Work Life factors.

H₁: There is significance difference according to Nature of Job (Supervisor/Non Supervisor) about Quality Work Life factors.

TABLE 6

Group Statistics					
	Supervisory / Non Supervisory	N	Mean	Std. Deviation	Std. Error Mean
QWL	Supervisory	63	167.3175	19.01513	2.39568
	Non Supervisory	37	165.6216	18.50728	3.04258

TABLE 7

Independent Samples Test										
	Levene's Test for Equality of Variances			t-test for Equality of Means			95% Confidence Interval of the Difference			
	F	Sig.		T	Df	Sig. (2-tailed)	Mean Diff	Std. Error Difference	Lower	Upper
Equal variances assumed	.057	.811		.435	98	.665	1.69584	3.90016	-6.04391	9.43559

INTERPRETATION

Since the calculated value is less than the critical value (.435 < 1.96). Accept the null hypotheses. There is no significance difference according to Nature of Job (Supervisor/Non Supervisor) about Quality Work Life factors.

T-Test for the significance of difference between mean QWL scores of Involvement in IT or Not library professionals

HYPOTHESES

H₀: There is no significance difference according to Involvement in IT about Quality Work Life factors.

H₁: There is significance difference according to Involvement in IT about Quality Work Life factors.

TABLE 8

Group Statistics					
		N	Mean	Std. Deviation	Std. Error Mean
QWL	Involve	91	167.1648	19.36622	2.03013
	Not Involve	9	161.8889	10.20349	3.40116

TABLE 9

Independent Samples Test										
	Levene's Test for Equality of Variances			t-test for Equality of Means			95% Confidence Interval of the Difference			
	F	Sig.		t	Df	Sig. (2-tailed)	Mean Diff	Std. Error Difference	Lower	Upper
Equal variances assumed	2.228	.139		.804	98	.424	5.27595	6.56454	-7.75116	18.30306

INTERPRETATION

Since the calculated value is less than the critical value (.804 < 1.96). Accept the null hypotheses. There is no significance difference according to involvement in IT about Quality Work Life factors.

T-Test for the significance of difference between mean QWL scores of Urban and Rural library professionals

HYPOTHESES

H₀: There is no significance difference according to library professional (urban/rural) about Quality Work Life factors.

H₁: There is significance difference according to library professional (urban/rural) about Quality Work Life factors.

TABLE 10

Group Statistics					
		N	Mean	Std. Deviation	Std. Error Mean
QWL	Urban	71	167.1127	19.32618	2.29360
	Rural	29	165.6552	17.55252	3.25942

TABLE 11

Independent Samples Test									
	Levene's Test for Equality of Variances				t-test for Equality of Means				
	F	Sig.	T	Df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
								Lower	Upper
Equal variances assumed	.142	.707	.351	98	.726	1.45750	4.15118	-6.78038	9.69538

INTERPRETATION

Since the calculated value is less than the critical value (.351 < 1.96). Accept the null hypotheses. There is no significance difference according to library professional (urban/rural) about Quality Work Life factors.

FINDINGS SUGGESTIONS & RECOMMENDATIONS

The percentage of library professionals having high level of QWL is significantly high. The population value of the percentage lies between 145 and 175 at 95% confidence level. However librarians with highest level of QWL are only 5 to 11 percentage at 95% confidence level. Further, the magnitude of the mean value of QWL suggests that the QWL experienced by the librarians in Haryana are not very high. Group difference in mean QWL scores were investigated among relevant subgroups formed on the basis of select independent characteristics. The results of the comparisons are summarized as follows: No significant difference in mean QWL scores was noticed among the groups of librarians categorized on the basis of the following characteristics (taken in pairs): Gender, Marital Status, Supervisory status, Involvement in IT and Residential Area (Rural/Urban).

The main aim of the study was an in-depth examination of the relationship of Quality of Work Life of librarians with the independent variables. Based on the findings evolved from the investigation, the investigator made an attempt to put forth the following suggestions regarding the QWL of library professionals in Haryana State. To improve the Quality of Work Life of the librarians in Haryana State, Work can improve the performance as well as reduce the stress among employee. Assessment Committees may be constituted in the organisations, headed by a qualified professional. The Committee shall meet frequently and assess the performance and appreciate the sincere efforts made by the professionals. The librarians may be given due participation while framing policies in the organisation they serve, which will give them a feeling of being a part of the whole. This will help them to contribute to the achievement of the institution's goals. In the current scenario, the librarians do not identify their position in the organisation they serve and in the society they live. To solve the identity crisis, their present designations as Librarian, Catalogue Assistant, Reference Librarian, Archivist etc. may be changed to Scientist, Jr. Scientist, Sr. Scientist, and Information Scientist etc.

The findings of the present study are reasonably limited in its scope with regard to many aspects. The results can be made more elaborate if a number of future scientific enquiries are conducted in this area. Hence the following research areas are identified and suggested for further research on the Quality of Work Life of library professionals. The study can be extended to identify the pattern of relationship among different dimensions of Quality of Work Life of library professionals. A factor comparison of Quality of Work Life of librarians in Haryana with respect to select variables can be made. A study can be conducted to explore the Quality of Work Life and Occupational Stress of semi professionals in the libraries and to compare the results with that of professional librarians. Quality of Work Life and Occupational Stress of other professionals like teachers and scientists can be explored and compared with that of librarians.

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ABSTRACT

Green marketing refers to such a product and service that may be environmentally friendly or packaged or produced in an environmentally friendly way. Green marketing premise that "Greenness" is a beneficial attribute and affect consumer preferences and buying patterns. Basically 5 reasons constitute the pillars which drive the marketer/producer into green marketing. They are opportunities of a competitive edge, corporate social responsibility, competitive pressure, Government pressure and cost and profit issues. However consumer preferences and perceived benefit remains at the core of all green marketing decisions. Whether it is governmental regulation or company decision the heightened level of awareness of the consumer has a role to play. The study aims to see if a higher level of concern for environmental issues influences purchasing patterns; an empirical research was conducted on three hundred and twenty people in the city of Kolkata. The study provided valuable insights into the environmental conscious customers as well as emerging trends and suggested appropriate strategies to implement green practices.

KEYWORDS

Environmental concerns and influences, green consumers, green marketing.

INTRODUCTION

There is a going consciousness around the world in regard to environment and its protection. Globally environment has come up as a prime concern and people are changing their purchase and consumption habits to accommodate a more sustainable lifestyle which in turn causes lesser damage to the environment.

Basically green marketing professes use of cleaner technology, lesser emissions, lesser environmental impact and products which consumes or uses lesser amount of scarce resources. Over the years there has been evolved a relationship among consumer behaviour, marketing and the environment. Such attention has been manifested in many ways and, there has been an increase in public awareness about environmental aspects.

LITERATURE REVIEW

Business firms have also started engaging in activities that give publicity to such efforts with a view to generate bigger sales and revenues, and eventually higher profits for the organizations (Marsili, 2000). Initiatives taken by business firms to establish their green credentials range from repositioning of existing products without changing product composition (Davis, 1992), to modifying existing products to be less environmentally harmful.

(Ottman, 1992), creating profitable new or improved products and packages that balance consumers' needs with environmental considerations.

(Ottman, 1993), modifying the entire corporate culture to ensure that environmental issues are integrated into all operational aspects (McDaniel and Rylander, 1993); and setting up new business firms that target green consumers and exclusively produce green products (CHOICE, 1990).

Meffert and Kirchgeorg (1994, 1985) in this connection rightly observe that "various environmental management practices (such as implementing aggressive pollution-prevention programmes, initiating environment green products and process technologies) related performance measures and developing provide opportunities to the firms to strengthen their distinctive competence in terms of operational objectives such as the highest quality, lowest cost, best dependability and greatest flexibility".

Tikka et al. (2000, p. 16) found that 'knowledge of nature and the environment seemed to be dependent on gender' because the mean knowledge points scored by men were higher than those scored by women. In a recent study in Upper Egypt, Briggs et al. (2003) found that women's environmental knowledge are becoming more spatially restricted than those that many men possess. Environmental concern has been traditionally viewed as a unidimensional construct ranging from unconcerned about the environment at the low end to concerned at the high end, as measured by the new environmental paradigm (NEP) (Milfont and Duckitt, 2004). On the other hand, Schultz (2000) proposed that environmental concerns have three correlated factors: concern for the self (egoistic), other people (altruistic) and the biosphere (biospheric).

Kassarjian (1971) studied consumers' reaction towards a gasoline that reduced air pollution and found that attitude towards air pollution was the most important variable in determining consumers' behaviour towards the product. In a study conducted in Germany, Balderjahn (1988) found that a positive attitude towards ecologically conscious living resulted in ecologically responsible buying and using of products, including the use of automobiles. It also prompted consumers to publicly show environmental concern by signing ecologically relevant petitions and supporting or joining an anti-pollution organization.

PURPOSE OF RESEARCH

There is a growing interest among the consumers all over the world regarding protection of environment. Worldwide evidence indicates that people are concerned about the environment and are changing their behaviour. As a result of this, green marketing has emerged which speaks for growing market for sustainable and socially responsible products and services.

The main purpose of this study is to:

1. Weigh the environmental concerns and influences on consumers.

The other objectives of the study were to study the following:

1. The emerging dimensions of green consumers.
2. To know the information sources of green consumers
3. To suggest appropriate strategies to implement green practice.

METHODOLOGY**TYPE OF RESEARCH**

Exploratory

SAMPLING TECHNIQUES EMPLOYED

Convenient judgmental sampling

DESIGN

A survey was employed to examine the hypothesized relationships between environmental concern level and behavior in purchasing green products. The questionnaire was divided into four parts: section 1 was used to gather demographic information about the respondents, section 2 was used to determine the

respondents' relative level of environmental concern, sections 3 and 4 were used to determine the respondents' general purchasing behavior in terms of environmentally friendly products, and section 3 was used again to gauge respondents' willingness to pay more for a green product.

After section 1, survey respondents were asked to respond to five questions regarding their level of concern about environmental issues. Each question was given on a five-point Likert scale, with 1 being strongly disagree and 7 being strongly agree. The questions were designed so that a higher mean score indicated a higher level of concern.

Respondents were then asked questions regarding their general purchasing behavior in terms of green product attributes. A Likert scale was employed again, this time based on the frequency of the purchasing behavior in question. The questions were designed so that a higher score indicated a greater propensity towards purchasing green products. Reliability of questionnaire were checked with the help of Cronbach's alpha coefficient ($\alpha = 0.79$).

Validity checked by distributing questionnaire to field experts and resultantly four items were dropped.

PARTICIPANTS

Due to a lack of time and resources, a non-probability convenience sample was chosen to respond to the questionnaire. Participants included friends, associates, and colleagues of the researcher and general public. The research was confined to Kolkata city. A total of 400 questionnaires were distributed, of which 320 were completed and returned. The study was conducted between September 2011 and December 2011.

APPARATUS AND TOOLS USED FOR RESEARCH

The apparatus consisted of the questionnaire (see Appendix A), a computer, and software including Microsoft Excel and PHStat (a statistical analysis program). Tools used were Factor Analysis & One Way Analysis of Variance.

DATA COLLECTION PROCEDURE

Surveys were distributed to respondents on a convenience basis, as the time available for selecting a sample was very limited. The researcher utilized the resources that were readily available within the allowable timeframe, including his friends, associates, and colleagues. Surveys were distributed in paper form. It is likely that this sample is not truly representative of a meaningful measurement parameter; however, it may provide valuable insight that could help guide further research.

RESULTS

Exploratory factor analysis with Principal Component Analysis and Varimax rotation with Kaiser Normalization extracted three components. Environmentally influenced and Aware Consumers, Skeptic, but system believer Consumers; Progressive and Eco friendly Consumers. (See Table 1 in appendices).

These three emergent consumer dimensions showed no significant difference for gender, sources of information. These dimensions also not shown significant difference for who can be effective tool in implementing green practices (like Govt., Manufacturers / Service providers and consumer itself). However Age wise there were significant difference for the first dimension i.e. Environmentally influenced and Aware Consumers. With advancement in their age consumers grow more confident in believing that environment influence on green practices.

The study revealed that the consumer's source the information for environment influence on green practices mostly from newspaper and television whereas magazines, friends and relatives contribute very less. Most of the respondents believed that government and consumers can be a major role player in effective implementation of green practices, but a few respondents believed that manufacturers / serviceproviders should take responsibility.

The male consumers perceived that green packagings are rather to attract the buyers than contributing to the environmental friendly causes and they also think that competitive pressure compel the business organisations to take green initiatives. The male consumers are more consistent than female consumers in their rating on these issues.

With advancement in their age consumers become more consistent and certain about the environmental concerns and influences upon purchasing product, awareness about green idea, favourable response of eco-friendly attributes in product repositioning, usage of biodegradable products and recommendation of eco- friendly products for further use. Previous to this study Arcury (1990) suggested that an individual's gender may be a factor in the amount of environmental knowledge. The present study have entirely different result than what Gendall and Smith (1995) and Tikka et al. (2000) found that men tended to have higher levels of knowledge than women but for - Environmentally influenced and Aware Consumers, Skeptic but system believer Consumers and Progressive and Eco friendly Consumers no significant difference found for gender as a determinant for sources of information.

In our study Age wise there were significant difference found for the first dimension i.e. Environmentally influenced and Aware Consumers and it also confirmed the previous research findings (Roberts , 1996) (Samdahl and Robertson , 1989) but there was a significant and negative correlation found in other studies (Anderson, Henion , and Cox , 1974 ; Van Liere and Dunlap ,1981; Zimmer, Stafford and Stafford ,1994)

IMPLICATIONS

Environmental concerns and influences on Green consumers refer to the process of practicing-selling/using products and/or services based on their environmental benefits. The study points that such a product or service may be environmentally friendly in itself or produced and/or packaged in an environmentally friendly way can enhance the chances of a responsible, ethical and profitable business to grow in all areas with public, government and common man support.

The study raises the concerns for all business men that the greenness should represent the soul of business and profitability and it should be implemented in true sense rather than mere representation of being an environmentally concerned. The study reminds the government and consumers that they have to shoulder bigger responsibility and play a measure role rather than manufacturers / service provider to add value to healthy and prosperous human life.

CONCLUSION

Though this study was an attempt to look into the male and female perceptions, age, sources of information and role of Government, consumers and manufacturers/service providers on Environmental concerns and influences on Green consumers but future research can be on specific areas like green manufacturing process, green supply chain management and acceptance of more environmental concerned issues like packaging, nature and recycling standards.

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APPENDICES

TABLE 1: FACTOR ANALYSIS

PURCHASE	0.738	0.467	0.153
PRICE HIGH	0.388	0.28	-0.176
ADAWR	0.49	0.412	0.101
ACTION	0.593	0.151	3.04E-03
INFLUENCE	0.532	0.129	0.12
ISO14000	-5.10E-03	0.715	-1.25E-02
SOCIAL RESPONSIBILITY	6.31E-02	0.52	0.447
PDTREPSN	0.249	0.57	0.361
BAN POLYTHIN	0.775	0.238	-8.77E-02
RECYCLED	0.583	0.395	2.25E-02
OLD VEHICLE	0.449	2.19E-02	0.256
EURO NORMS	0.457	0.511	4.15E-02
KULHD	0.413	0.505	-0.191
BIODEGRADABLE	0.577	0.539	5.17E-02
FESTIVAL	0.582	0.442	-3.90E-02
POLLUTION CHECK	0.329	0.623	0.272
ECO MARK	6.54E-02	0.525	0.533
BLNCNEED	0.212	0.648	-0.124
GOVT	-9.29E-02	3.31E-02	0.829
COURT	0.145	0.255	0.655
AWARENESS	0.104	-0.312	0.758
ATTRACT	0.597	-6.51E-02	0.311
REALITY	0.711	5.22E-02	0.172
EXPENSIVE	0.69	0.121	-0.222
EXPERIENCE	0.674	0.313	7.21E-02
COMPETITION	0.406	3.49E-02	0.3

**TABLE 2: AGE WISE DESCRIPTIVE STUDY
DESCRIPTIVES**

	N	Mean	Std. Deviation
FAC1	126	5.5192	.7656
21-35	<21	137	5.4422
>35	7	6.1429	.3959
Total	270	5.4963	.7794
FAC2	126	4.2540	.8863
21-35	<21	137	4.4327
>35	7	4.6327	.9719
Total	270	4.3545	.9499
FAC3	126	5.5146	.8506
21-35	<21	137	5.7092
>35	7	6.4048	.5258
Total	270	5.6364	.8253

**TABLE 3: ANOVA AGE
ANOVA**

	Sum of Squares	df	Mean Square	F	Sig.	
FAC1	Between Groups	3.393	2	1.696	2.831	.061
	Within Groups	160.006	267	.599		
	Total	163.399	269			
FAC2	Between Groups	2.654	2	1.327	1.476	.230
	Within Groups	240.069	267	.899		
	Total	242.723	269			
FAC3	Between Groups	6.730	2	3.365	5.091	.007
	Within Groups	176.495	267	.661		
	Total	183.225	269			

**TABLE 4: GENDERWISE DESCRIPTIVE STUDY
DESCRIPTIVE**

	N	Mean	Std. Deviation
FAC1	male	155	5.3640
	female	115	5.6746
Total	270	5.4963	.7794
FAC2	male	155	4.3558
	female	115	4.3528
Total	270	4.3545	.9499
FAC3	male	155	5.5968
	female	115	5.6899
Total	270	5.6364	.8253

**TABLE 5: ANOVA GENDER
ANOVA**

	Sum of Squares	df	Mean Square	F	Sig.	
FAC1	Between Groups	6.371	1	6.371	10.874	.001
	Within Groups	157.028	268	.586		
	Total	163.399	269			
FAC2	Between Groups	5.805E-04	1	5.805E-04	.001	.980
	Within Groups	242.722	268	.906		
	Total	242.723	269			
FAC3	Between Groups	.572	1	.572	.839	.360
	Within Groups	182.653	268	.682		
	Total	183.225	269			

ABBREVIATIONS

FAC1 - Environmentally influenced and Aware Consumers,
 FAC2 - Skeptic but system believer Consumers;
 FAC3 - Progressive and Eco friendly Consumers

INVESTORS ATTITUDE TOWARDS INVESTMENT OPTION IN NELLORE REGION

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ABSTRACT

Investment culture among the people of a country is an essential prerequisite for capital formation and the faster growth of an economy. Investment culture refers to the attitudes, perceptions, and willingness of the individuals and institutions in placing their savings in various financial assets, more popularly known as securities. A study on the investors' perceptions and preferences, thus, assumes a greater significance in the formulation of policies for the development and regulation of security markets in general and protection and promotion of small and house-hold investors in particular. The structure of Indian Securities Market has transformed beyond recognition since 1990s. The profile of the investing public, investment vehicles available, the investment environment and the nature of problems encountered by the small and household investors are substantially different today from what they were a decade ago. The research work, thus attempts to study the socio-economic profile of the 200 investors in Nellore district region, Andhra Pradesh; their perceptions; and behavior in respect of various investment avenues. The study aims to study the needs, concerns, and problems of the small investors in the given socioeconomic backdrop. It also provides a foundation of facts relating investors' behavior towards various types of securities and assessment of investment risks. Most of the investors generally have limited information about the developments in the securities market. Information about the financial performance of the companies and data of share market available to investor is also limited.

KEYWORDS

Finance, Investment, Nellore Region.

INTRODUCTION

Investment culture among the people of a country is an essential prerequisite for capital formation and the faster growth of an economy. Investment culture refers to the attitudes, perceptions, and willingness of the individuals and institutions in placing their savings in various financial assets, more popularly known as securities. A study on the investors' perceptions and preferences, thus, assumes a greater significance in the formulation of policies for the development and regulation of security markets in general and protection and promotion of small and house-hold investors in particular. The Indian securities market has made substantial progress during the post-independence period. The structure as well as the functioning of Indian securities market has been transformed beyond recognition since 1990s. The profile of the investing public, investment vehicles available, the investment environment and the nature of problems encountered by the small and household investors are substantially different today from what they were a decade ago.

THE STUDY: NEED, OBJECTIVE, METHODOLOGY AND SAMPLE

Most of the studies covered the aspects at macro level, like the ownership patterns in the capital market, occupation-wise break up of paid up value of share holdings of individuals, ownership pattern of shares/ debentures, geographical distribution of share ownership in India. There are only a few studies covering the issue of investor perceptions and behaviour at micro/ regional level. Especially in the context of decline in the participation of small and household investors in the primary market operations, withdrawal of investors from the capital market, diversion of household savings into safer investment avenues like bank deposits, real estate, and unproductive assets like gold and silver, it becomes all the more important to study and analyze the investor awareness, perceptions and preferences of various investment avenues available to them in the securities markets. This may help the policy makers in evolving the suitable strategies to get small and household investors once again in large numbers into the capital market operations. Hence, the present investigation is an attempt in that direction. The issues investigated in the present study include awareness of investment avenues, investment pattern, the most preferred objectives of investors, and investment evaluation.

STATEMENT OF THE PROBLEM

As stated in the preceding paragraph, the small and household investors constitute a vital segment of the Indian securities market and greater understanding of the perceptions, preferences, and behaviour of these investors is very vital in the policy formulation on development and regulation of the securities market to ensure the promotion and protection of interests of small and household investors. The present research work, thus attempts to study the socio-economic profile of the investors in one of the backward regions of Andhra Pradesh; their perceptions; and behaviour in respect of various investment avenues. The study also aims to study the needs, concerns, and problems of the small investors in the given socioeconomic backdrop. The present research work also provides a foundation of facts relating investors' behaviour towards various types of securities and assessment of investment risks. Most of the investors generally have limited information about the developments in the securities market. Information about the financial performance of the companies and data of share market available to investor is also limited. The information available from newspapers, television, internet and media some times may not be sufficient for investment decision making. All these problems made them rely on share brokers, fund managers and experts to invest in securities. Investors desiring to invest in stocks require a lot of preparation and homework. It is very important for them to know their risk appetite and investment objectives for better decision-making. Hence, the present study is an attempt to know the investment pattern of investors. The study is made to examine investor's awareness of investment avenues, investment objectives of investors and the evaluation of investment by the investors.

OBJECTIVES OF THE STUDY

The basic objective of the present research work is to study the investment culture among the people and to evolve suitable programmes of investors' awareness and education. The specific objectives of the research work are as follows:

1. To study the socio-economic profile of investors vis-à-vis the profile of Nellore district Region, Andhra Pradesh with a view to assess their impact on the investment habits of the people;
2. To analysis the awareness, preferences, and experiences of small and household investors in respect of various investment avenues;
3. To study the investor's objectives, perceptions and the resultant behavior of investors.

RESEARCH METHODOLOGY

This research study is an analytical kind of research study. It is related to the analysis of the attitude of investors towards Investment Option. In order to conduct this study, 200 investors in Nellore district region have been surveyed and questionnaire is used for data collection.

SOURCES OF DATA

All the data required for the purpose has been obtained mainly from primary sources, but at times, secondary sources of data have also been referred.

DATA COLLECTION METHODS

The data collection method used to obtain the desired information from primary sources has been through direct interview, and questionnaire has been used as an instrument.

SAMPLING PLAN

Target Population	:	Investors in Nellore district region
Sampling Unit	:	An individual investor in Nellore district region
Sampling Size	:	200
Area of Survey	:	Various localities in Nellore district region.

PROFILE OF THE SAMPLE INVESTORS

An attempt is made to study the socio-economic profile of the sample-investors with a view to analyze the influence and impact of various socio-economic factors such as age, gender, education, family size, earning capacity, occupation, and income on investment habits and behavior of the investors.

AGE-WISE DISTRIBUTION

The age group of the investors plays an important role in the selection of investments. The investment objectives may tend to vary variations in the age of investors. For instance, investors in the age group of 50 years or more are generally do not like to take higher risks while making investments and instead they may prefer to invest in risk-less and safe investments like bank deposits, fixed income securities, Government bonds etc.

Thus, age is an important factor, which affects the investment preferences and choice of the investors. The data relating to age-wise distribution of the sample-respondents is furnished in Table I. For the purpose of the analysis, the sample respondents are classified into five different age groups to understand the differences in investment and risk preferences of the investors and to trace out the influence of age as an influencing factor.

TABLE I: AGE-WISE DISTRIBUTION

Age Group in Years	Number of Respondents	Percent
Below 30	24	12.0
31-40	33	16.5
41-50	55	27.5
51-60	56	28.0
60 and above	32	16.0
Total	200	100

Source: Field Survey

It may be noted from the information contained in above Table that majority of the sample respondents chosen for the study are in the age-groups of 41 to 50 years (27.5 percent of the 200 total respondents) and 51 to 60 years (28 percent of the 200 respondents). The remaining respondents are almost equally distributed into the other age groups. The percentage of respondents in these age groups varied between 12 and 16.5 percent of the total 200 respondents.

EDUCATION-WISE DISTRIBUTION

The education level of the investors is another important factor that determines the awareness and preferences of the investors. An investor with little education or no education is usually unaware of the investments available to him in the security markets. Moreover, these investors may not properly understand the information available on various investment alternatives. As a result, they are forced to confine or limit their investments to the assets traditionally known to them. Examples of such investments include agriculture lands, residential plots, gold, private chit funds, bank deposits etc. It is also true that the level of awareness will differ based on the level of education of investors, which will influence the investment decisions of investors, because educated investors consider many factors while making investments in corporate securities.

In India, people get into equity only after SENSEX has touched 4000-5000 points. They won't buy at 2800 points. All this is a function of awareness.

To study the impact of educational levels of investors on investor awareness and preferences, the sample respondents have been grouped into four categories based on their qualifications, namely, Post graduate, Graduate, Intermediate, and No formal education. This is presented in the Table.

TABLE II: EDUCATIONAL STATUS OF RESPONDENTS

Educational Qualification	Number of Respondents	Percent
Post Graduate	40	20.0
Graduate	80	40.0
Intermediate	60	30.0
No Formal Education	20	10.0
Total	200	100

Source: Field Survey

The data presented in the above Table shows that majority of the respondents are graduates (80), and the respondents with intermediate (60), and Post-Graduates (40) follow them. A very negligible number of respondents are with no formal education (20). In terms of percentage, graduates constitute almost 40 percent of sample, and respondents with intermediate or below level of education with 30 percent, post-graduates with 20 percent follow them. The respondents having no formal education constitute a low of 10 percent of the total sample. At this juncture, it is to be noted that the distribution of sample respondents based on their educational levels is very much suitable to a study of this sort, where educational level of the respondents assumes greater significance.

EARNING CAPACITY DISTRIBUTION

The earning capacity of the households is another factor to be considered while analyzing the influence of various economic factors on investor preferences and behaviour. The number of earning adults in that household can gauge the earning capacity of a household. Normally, it is found that most of the households may have one or two earning adults. It is rare to find the households having more than two earning adults. The data pertaining to the classification of sample-investors based on number of earning adults in a household is shown in Table.

TABLE III: NUMBER OF EARNING ADULTS

Number of Earning Adults	Number of Respondents	Percent
One	82	41.0
Two	98	49.0
Three	14	7.0
More than three	6	3.0
Total	200	100

Source: Field Survey

From the above Table, it can be noted that most of the households are having two earning adults, constituting 49 percent of the total sample and 41 percent of the sample respondents having one earning adult in the household. The rest of the respondents have more than 2 earning adults in the household.

OCCUPATION-WISE DISTRIBUTION

The occupation of an investor is also another determinant of his investment preferences and behaviour as it directly affects his income, savings, and choice of investments. For the purpose of analyzing the impact of occupation on investor preferences and behaviour, the sample investors have been classified into three categories based on their occupation, namely, self-employed persons consisting of professionals like doctors, lawyers and business men, full-time salaried persons, and retired persons. Occupation wise classification of sample investors is shown in Table.

TABLE IV: OCCUPATIONAL DISTRIBUTION OF RESPONDENTS

Occupation	Number of Respondents	Percent
Self Employed Persons	102	51
Full-time salaried persons	86	43
Retired persons	12	06
Total	200	100

Source: Field Survey

It is clear from the above Table that self-employed persons constituted the larger percentage of the total respondents, i.e., around 51 percent. The fulltime salaried persons constitute 43 percent of the total and the rest of them are retired persons.

INCOME –WISE DISTRIBUTION

Income of an investor plays an important role in his preferences and choice of investments. Investors with larger incomes can only think of investing in corporate securities and they can only take higher risks while making investments. Thus, income constitutes the most important factor influencing the investor preferences and behaviour. The sample-investors are classified into six income groups based on their monthly income, namely, up to Rs.5000; Rs.5001-10000;Rs.10001-15000;Rs.15001-20000;RS.20001- 25000; and above Rs.25000. The income wise distribution of the sample

TABLE V: INCOME-WISE DISTRIBUTION OF RESPONDENTS

Income per Month	Number of Respondents	Percent
Up to Rs.5000	62	31
Rs.5001-10000	66	33
Rs.10001-15000	40	20
Rs.15001-20000	18	09
Rs.20001-25000	08	04
Above Rs.25000	06	03
Total	200	100

Source: Field Survey

The above Table throws light on the income-wise distribution of sample investors. 31 percent of the investors belong to the income group of up to Rs.5000; 33.1 percent are in the income group of Rs.5001-10000; 20 percent are in Rs.10001-15000; 9 percent are in Rs.15001-20000; and 3 to 4 percent each in the income groups of Rs.20001-25000 and above Rs.25000. Income of the family is one of the factors, which play a vital role in influencing the investment pattern, investment behaviour and investment decisions of investors.

INVESTOR AWARENESS

The concept of "investor awareness" refers to the stage wherein a prospective investor is conscious of and is having the knowledge of the existence of an investment product or avenue for his consideration to place the savings.

Awareness is a continuing process by which investors come to learn about the investment particulars. In certain cases they try to know about the modes clearly and eventually adopt it or reject it. Awareness is commonly described as the first step in the process of investment.

The investors are aware of the existence of numerous investment modes; their inquisitiveness stimulates them to seek more information. After becoming well versed of investment modes, the investor turns to evaluate each channel by making comparison with each other. At last, the investor decides to make investment in an advantageous mode or modes. Thus awareness creates attitude in investor towards investment channels. This 'awareness' of investors towards investment is created, modified and shaped by various external sources of information such as dailies, weeklies, electronic media, friends and relatives, broker's advice etc. awareness is an abstract concept and, hence, it is not possible to measure precisely and directly in quantitative terms, but can be measured and indirectly.

AWARENESS OF INVESTMENT AVENUES

To study the awareness of investment avenues among the investors, investment products are identified and placed before the sample- respondents to ascertain their level of awareness in four levels, namely, -Know very well', 'know well', 'know some what', and 'do not know'. The responses of the sample-respondents are tabulated and presented in Table below.

TABLE VI: AWARENESS OF INVESTMENT AVENUES

Investment Avenues	Know Very well	Know well	Know some what	Don't know	Total
Bank Deposits	84 (42)	74 (37)	29 (14.5)	13 (6.5)	200 100
Company Deposits	24 (12)	46 (23)	50 (25)	80 (40)	200 100
Small Saving Scheme	70 (35)	82 (41)	38 (19)	10 (5)	200 100
Mutual Funds	20 (10)	34 (17)	58 (29)	88 (44)	200 100
Real Estate	24 (12)	134 (67)	32 (16)	10 (5)	200 100
Corporate Securities-Bonds	30 (15)	30 (15)	62 (31)	78 (39)	200 100
Equity Shares	22 (11)	30 (15)	54 (27)	94 (47)	200 100

Note: Figures mentioned in parenthesis are percentages

Source: Field Survey

An examination of the above Table unveils the following facts:

i. Most of the respondents stated that they are highly aware (know very well) of investment avenues like bank deposits (42 percent), life insurance policies (39percent), and small saving schemes (35 percent);
 ii. Many of the respondents also expressed that they are well aware (know well) of investment opportunities such as real estate (67 percent); small saving schemes (41 percent); bank deposits (37 percent); and life insurance policies (36 percent); and
 iii. Majority of the sample investors' expressed their unawareness (do not know) of investment avenues, which included equity shares (47 percent); mutual funds (44 percent) corporate debt securities (39 percent); and company deposits (40 percent).
 From the above facts, it can be summarized that a majority of the investors in Chittoor district region are quite unaware of corporate investment avenues like equity, preference shares, mutual funds, corporate debt securities and deposits. At the same time, they are highly aware of traditional investment avenues like real estate, bullion, bank deposits, life insurance schemes and small savings schemes.

INVESTORS BEHAVIOUR

An understanding of the small investor's behaviour constitutes the focal point for evolving suitable and effective strategies for development of securities markets in any country. The investor behavior needs to be studied and analyzed from the dimensions like - What motivates a small investor to make an investment? How frequently he prefers to make investment? In whose name the investor would like to hold the investment? In this context, an attempt is made to study and analyze the behavior of investors in terms of motives of investments, periodicity of investments, factors influencing the investment decisions, and methods of evaluation of the investments. For this purpose, the sample-investors are asked, a number of questions relating to the various aspects stated above, and their responses to such questions are tabulated and analyzed. The results of this exercise are likely to depict the investment behavior of small and individual investors of a backward region of the country.

MOTIVES OF INVESTMENT

To identify the major motives of investment among the sample investors, five major motives such as - earning interest/ dividend income, tax savings, capital gains, speculative profits, and other motives consisting of education and marriage of children, are placed before them and asked to indicate their preference in the descending order. An analysis of the responses of the sample investors towards principal motives of investment revealed the following

INCOME – THE DOMINANT MOTIVE

The primary motive of investment among the small and individual investors is to earn a regular income either in the form of interest or dividend on the investments made. Information furnished in the below Table proves this fact. It may be observed from Table that 100 out of a total of 200 sample respondents, constituting 50 percent of the total sample, stated that their principal motive of investment is to earn interest/ dividend income.

TABLE VII: PRIMARY (FIRST PREFERENCE) MOTIVES OF INVESTMENT

Motive of investment	Number of respondents	Percentage to total
Earning Interest/Dividend income	100	50
Tax Savings	26	13
Capital Gains	16	8
Speculative Gains Others- Education and marriage of children	8	4
50	25	
Total	200	100

Source: Field Survey

Besides income, a significant number of sample respondents, i.e., 50 out of a total of 200 respondents (nearly 25 percent of the total) expressed that meeting the commitments of education and marriage of children is the next dominant motive of the investment among the investors. It is also significant to note from the information provided in Table that the investors did not attach much importance to the motives like capital gains and speculative profits instead they considered tax savings can be one of the motives of investment. The other motives like capital gains, tax benefits, and speculative profits are stated to be the secondary motives of investment.

PERIODICITY OF INVESTMENT

To ascertain the periodicity of the investment, the sample investors are asked to indicate their savings habits in terms of time - monthly, quarterly, half-yearly, and yearly and the responses obtained from them are tabulated and presented in the below Table.

TABLE VIII: PERIODICITY OF SAVINGS

Periodicity	Number of respondents	Percentage of Respondents
Monthly	86	43
Quarterly	18	9
Half Yearly	44	22
Yearly	52	26
Total	200	100

Source: Field Survey

It may be noted from the data presented in the above Table that majority of the sample investors preferred to adopt and follow monthly investment plans rather than the investment plans of other periodic intervals. It may be seen that 43 percent of the sample investors expressed that they preferred monthly investment plans, and yearly plans (26 percent), and half-yearly plans (22 percent) follow this. An attempt is also made here to identify the factors responsible for the popularity of monthly investment plans by cross tabulating these results vis-à-vis the monthly incomes and the employment category of the sample respondents.

Table IX furnishes the data relating to periodicity of investment vis-à-vis the monthly incomes of the sample investors. It may be clearly noted that the investors of all income groups have shown greater preference for monthly investments as compared to the investment plans of other periodicity. This indicates that without regard to the levels of monthly income, the investors preferred to channel their savings in to the investments on monthly basis. A part from monthly investment plans, the investors have chosen either annual or half-yearly investment plans in large number in every income group. It can also be noted that quarterly investment plans are the least preferred choice of the investors.

TABLE IX: PERIODICITY OF SAVINGS AND MONTHLY INCOME

Income Per Month	Monthly	Quarterly	Half-yearly	Yearly	Total
Up to Rs 5000	26 (42%)	4 (6%)	18 (29%)	14 (33%)	62 (100%)
Rs 5001 - Rs 10000	26 (39)%	6 (9%)	17 (26%)	17 (26%)	66(100%)
Rs 10001 - Rs 15000	18 (45%)	6 (15%)	5 (12.5%)	11 (27.5%)	40 (100%)
Rs 15001 - Rs 20000	7 (39%)	2 (11%)	5 (28%)	4 (22%)	18 (100%)
Rs 20001 - Rs 25000	5 (83%)	0 (0%)	0 (0%)	1 (17%)	6 (100%)
Above Rs 25000	5 (62.5%)	0 (0%)	0 (0%)	3 (37.5%)	8 (100%)
Total	87 (43.5%)	47 (23.5%)	45 (22.5%)	50 (25%)	200 (100%)

Table X presents information regarding the periodicity of the investment and the employment category of the respondents. It is noted that nearly 53 percent of the full-time salaried persons have shown greater inclination to make monthly investments as compared to 43 percent of the retired and 34 percent of the self-

employed persons. It may also be noted that yearly investments are somewhat popular among the self-employed persons as compared to others. This is evident from the fact that nearly 32 percent of self-employed persons have shown preference for yearly investments as compared to 19 percent of the full time salaried and 36 percent of the retired persons. These observations may lead authors to conclude that the employment category of the investor is an important determinant of the periodicity of the investments among the small and individual investors.

HOLDER OF THE INVESTMENT

More often than not, it is very much necessary to identify the holder of the investment as it speaks about the ultimate beneficiary of the investment. With a view to identify the ultimate beneficiaries or for whose benefit the investments are actually made, the sample investors are asked to indicate in whose name (s) the investments are actually made. The responses given by the investors are tabulated and presented in Table XI.

TABLE X: PERIODICITY OF SAVING AND EMPLOYMENT CATEGORY

Employment Category	Monthly	Quarterly	Half-yearly	Yearly	Total
Self Employed Persons	34 (34%)	9 (9%)	25 (25%)	32 (32%)	100 (100%)
Full-time Salaried Persons	46 (53%)	7 (8%)	17 (20%)	16 (19%)	86 (100%)
Retired Persons	6 (43%)	2 (14%)	1 (7%)	5 (36%)	14 (100%)
Total	86 (43%)	18 (9%)	43 (21.5%)	53 (26.5%)	200 (100%)

TABLE XI: HOLDERS OF THE INVESTMENT

Sl.No.	Holders Name	No. of Respondents	Percentage to Total
1	Own Name	66	33
2	Spouse	6	3
3	Children	20	10
4	Joint	108	54
5	Total	200	100

It is found that a majority of the investors, i.e., 108 out of a total of 200 investors, that works out to 54 percent of the total, preferred to hold the investments in the joint names either with spouse or children or even both. Nearly 33 percent of the sample investors stated that they have made investments in their own names. It is also interesting to note that only a small number of the investors held their investments in the name of either spouse or children alone. From these observations, one may surmise that the individual investors while making the investments normally take the interests of their family members into consideration and in the process they make them as partners to the investment.

FINDINGS

- It was observed that majority of the respondents selected for the purpose of the study are male investors and they constituted 69 percent of the total respondents of 200. Whereas the female investors constituted 31 percent of the total respondents and this may be because of the fact that generally the economic independence among females is rather very low and they participate in investment decisions in lower proportions.
- The analysis of the data showed that majority of the respondents are graduates, and the respondents with intermediate or below level of education follow them. A very negligible number of respondents are with no formal education. In terms of percentage, graduates constitute almost 40 percent of sample, and respondents with intermediate or below level of education with 30 percent, post-graduates with 20 percent follow them. The respondents having no formal education constitute a low of 10 percent of the total sample.
- The earning capacity of the households is another factor to be considered while analyzing the influence of various economic factors on investor preferences and behaviour. The number of earning adults in that household can gauge the earning capacity of a household. Normally, it is found that most of the households may have one or two earning adults. It is rare to find the households having more than two earning adults.
- It is found that a majority of the investors in Chittoor district Region are quite unaware of corporate investment avenues like equity and preference shares, mutual funds, corporate debt securities and deposits. At the same time, they are highly aware of traditional investment avenues like real estate, bullion, bank deposits, life insurance schemes, and small savings schemes.

CONCLUSION

In the olden days, investing funds was confined to rich and business people. But, now a day it has become a household word and is very popular with people from all walks of life. The objective of motivating the public to invest their savings in the stock market will be achieved only if the regulatory authorities succeed in providing a manipulation free stock market. With the rate of interest offered by banks on deposits being very unattractive, more people could think of investing in the stock market. This could happen only if the stock market is transparent and free from scams because those who invest in bank deposits are basically averse to risk.

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