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WORKERS' FELT-BELONGINGNESS AND COMMITMENT: A RELATIONSHIP-BASED DISCOURSE

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ABSTRACT

The thrust of this perceptual-based study was to investigate the perception and relationship between workers' felt-belongingness and commitment among profit and non-profit oriented organizations in Kigali. A purposive sample of 40 organizations¹ was used to examine the theoretical assumption of possible relationship. All responses obtained were analyzed through SPSS version 21. The statistical results from both descriptive and correlations indicate strong evidences of high rating for elements of felt-belongingness and commitment and positive statistical significant relationship between felt-belongingness and commitment was discovered. Findings thus indicate that felt-belongingness is a strong springboard for workers' commitment among the surveyed organizations.

KEYWORDS

workers' felt-belongingness and commitment.

INTRODUCTION

In a world of geo-political, social, and economic complexity and uncertainty, the public narratives on how to foster workplace commitment through workers' felt-belongingness is less investigated in literature and the underpinning nexus is academically limited in Kigali. The research gap exists despite the old roundly theoretical notion of belongingness credited to Maslow (1954) as construct of social identity and acceptance among humans. The simple unanswered question is how workers' workplace-based social identity or constructive sense of identity influence workers' commitment? A recent study in Rwanda mirrored on turnover² and commitment engendering factors but the degree of workers' felt-belongingness contributions to commitment or turnover-intention was comprehensively isolated. However, workers' intra-organizational belongingness is fundamental to understanding how workers ascribe meaning to social exchange (Jones, 2009), identity, and work-life that characterized workplace lives³ and the overlapping commitment to the workplace.

A cursory observation of workers' practices sees felt-belongingness from economic, social identity⁴, and inclusion⁵ as driving-construct into organization's membership being prioritized as automatic upon employment process completion. In a similar perspective, workers' commitment is associated with workers' adjustment/adaptation to appropriate given conditions (Bryson and White, 2008) and loyalty, while neglecting the myriad person-specifics and endogenous processes leading to felt-belongingness. This shortsightedness could have resulted from the inherent rigidities in deciphering workers' felt-belongingness/commitment, which conveys the realities of managing knowledge workers vis-à-vis mechanical controlled jobs. This indicates that humans are not mechanistic and workplace is diverse, complex, and dynamic.

In most business organizations, workers' psychodynamics⁶ is least espoused and encouraged as productivity seems to preoccupy and override the sense of felt-belongingness. In addition, the over-emphasis on result-based approach to human engineering has orchestrated insufficient attention to workers' emotional element with assumed mood switching thinking. This devalued and triggered workplace felt-exclusion (Ryan and Deci, 2000), poor quality of work-life, and apathy among workers. In light of this, felt-belongingness or workplace intimacy is derogated at the expense of workers' utilization and productivity oriented thinking.

The incongruence between low felt-belongingness and high productivity illuminates and stimulates negativity in attitudinal and behavioural characteristics of employees. It further defies attachment theory⁷, self-esteem reflective capacities⁸, and workers' development of idiosyncratic coping or defense mechanisms of being within a specific family context (Fonagy and Target, 2007). This tendency has its danger. The danger is conventionally evident in workers' turnover and absenteeism (Powell and Meyer, 2004), discomfort and disconnect in workers, and workers' less loyalty and insecurity. Within this discourse, Gardner, Pickett, Jefferis, and Knowles (2005) identify the various effects a lack of sense of belonging creates, such as greater risk to physical wellbeing, distrust (Chughtai and Buckley, 2008), inability to synchronize with others, weak performance (Barkhuizen and Rothmann, 2006), and poor quality of work-life.

The terms commitment and felt-belongingness are closely related concepts but differs in usage along morally dedicated and emotional acceptance by others. While felt-belongingness⁹ and commitment have received divergent theoretical, conceptual, and contextual discourse, their meaning and influence seemed inherently individualized (Blum, 2004) and psychologically bottled-up and/or determined by external factors or behaviours. Some scholastic approaches are prominent in Holland's (1959) concept of fit, side-bets of Becker (1960), Bowen's (1966) concept of togetherness, Bowlby's (1969 & 1973) attachment theory, Kegan's (1982) concept of inclusion, Guisinger and Blatt's (1994) concept of relatedness, as well as terms such as adjustment, association, bonding, engagement, connectedness, security, and even commitment.

Nevertheless, scholars have seen commitment through conceptualizations such as behavioral and attitudinal approaches embedded in technical exchange processes or psychological identity at strategic, HR policy, and workplace levels. Similarly, Pierce, Kostova, and Dirks (2001), theorized that psychological ownership is linked with felt-belongingness which can be differentiated from other construct based on possessiveness¹⁰, motivation, and organizational-bases self-esteem¹¹. The fundamental argument of these scholars (Blum, 2006; Coates, 2004; Ryan and Deci, 2001 and Pierce, *et al.*, 2001) was anchored on three basic human needs: sense of home (Pierce, 2001), efficacy and affective, and self-identity (Gardner, 2005).

¹ The author acknowledged and appreciate the background work of Ms. Niyigena, Monique and Ms. Ishimwe, Chantal who are current MBA students at AUCA, Kigali Rwanda

² Republic of Rwanda Public Service Commission Technical Call for Consultancy on Turnover, June 2013.

³ Leblelici, D. (2012). Impact of workplace quality on employee's productivity: Case study of a bank in Turkey. *Journal of Business, Economics and Finance*, 1(1), 739-762.

⁴ Akerlof, G. A. and Kranton, R. E. (2000). Economics and Identity, *Quarterly Journal of Economics*, 105 (2), 255-83

⁵ Akerlof, G. A. and Kranton, R. E. (2005). Identity and Economics of Organization, *Journal of Economics Perspectives*, 19 (1), 9-32

⁶ Shook, N. J and Clay, R. (2012). Inter-racial roommate relationships: A mechanism for promoting sense of belonging at university and academic performance. *Journal of Experimental Social Psychology*, 48: 1168-1172.

⁷ Blum, H. (2004). Separation-individuation Theory and Attachment Theory. *Journal of the American Psychoanalytical Association*, 52, 535-553

⁸ Coates, S. W. (2004). John Bowlby and Margaret S. Mahler: Their lives and theories. *Journal of the American Psychoanalytic Association*, 52, 571-601.

⁹ McGregor, D. and Cutcher-Gershenfeld, J. (2006). *The Human Side of Enterprise*, annotated edition. New York: McGraw Hill.

¹⁰ Linn, V. D. and Pierce, J. I. (2004). Psychological Ownership and feeling of possession: three field studies predicting employee attitudes and organizational citizenship behavior. *Journal of Organizational Behavior*, 25, 439-459

¹¹ Ragins, B. R., Cotton, J. L., and Miller, J. S. (2000). Marginal mentoring: The effects of type of mentor, quality of relationship, and program design on work and career attitudes. *Academy of Management Journal*, 43, 1177-1194

However, workers' felt-belongingness (inclusion, engagement, and involvement) and commitment has not been addressed in most literature in Rwanda. In light of the above mentioned research gap, this article examines (a) the perceptions of employees on felt belongingness, (b) respondents' perceptions on commitment, and (c) the relationships between employees' felt belongingness and employees' commitment. The work is divided into the foregoing introduction, literature review, methodology, data presentation, conclusion and recommendation.

REVIEW OF RELATED LITERATURE

Human civilization provides eclectic robust evidences of an inherent desire to belong and to feel secured or important¹² in and among any culture, race, society and organization as part of something greater than oneself. The aforementioned are positive reinforcing psychological identity (Pierce, 2001) synchronizing with optimal functioning and human strength in work engagement according to Chughtai and Buckley (2008). This implies a meaningful inter-persons relationship that is greater than simple acquaintance or familiarity to inseparable intimacy (Blum, 2004) which is fundamental to mental and physical resilience (Bakker and Demerouti, 2008). Further, workers' belongingness resonates social capital (Jaitli and Hua, 2012), symbiotic network, attachment, and the need to give and receive affection from others (social interdependence) (Powell and Meyer, 2004). The interdependence prevents detachment¹³, distrust, and transactional cost (Dyer and Chu, 2003) that are pivotal to human resilience, performance (Barkhuizen and Rothmann, 2006), motivation, and commitment in any organization.

In addition, previous evidences indicate that workers are likely to increase performance¹⁴ (outcomes), normative commitment, and satisfaction (Chughtai and Buckley, 2008) when they develop a high organizational trust (Tan and Lim, 2009). This human desire (felt-belongingness and trust) are universal and evident across all cultures and different people¹⁵. However, it is often overlooked in workplace, although Vischer (2008) had demonstrated that workforce with strong emotional bound and trust are more participatory, committed, and pursue organizational objectives (Corey, 2001) of the organization. The interface between workers' felt-belongingness enhances the intent to connect their identity with the organization intrinsic (values) identity (Jones, 2009), mission¹⁶ and psychological comfort (Vischer, 2008). The sense of oneness provides a reciprocal mechanism for the expression and demonstration of care, ownership or buy-in, and relevancy (Jaitli and Hua, 2013) to the organization they belong.

The need for belonging as theorized by Abraham Maslow¹⁷ further provides robust explanation for human behaviours, intellectual, emotion and motivational processes. The organization's affectional experiences impact emotional and physical well-being during workers' professional or career progression. This was investigated by Sable (2008) with the result indicating that worker and organizational attachment occurs, when a relationship of affectionate bond exists. The position was previously established by Keller and Cacioppe, (2001) that maintaining lasting affectional bonds evokes organizational attachment. The fundamental dimensions of attachment and motivation theories are to: (a) produce effects readily under all but adverse conditions, (b) have affective consequences, (c) direct cognitive processing, (d) lead to ill effects (such as on health or adjustment) when thwarted, (e) elicit goal-oriented behavior designed to satisfy it (subject to motivational patterns such as object substitutability and satiation), (f) be universal in the sense of applying to all people, (g) not be derivative of other motives, (h) affect a broad variety of behaviors, and (i) have implications that go beyond immediate psychological functioning. Hence, Corey (2001) substantiates Maslow's perspective by stating that felt-belonging is instrumental to a person's courage to act, handling life problems, and was further augmented by Cartwright and Cooper (2009) that it leads to organizational well-being.

The foremost economic and moral duty of any business organization is to care for its employees, which Armstrong (2013) qualifies as germane to human social needs. In addition, Becker (1960) side-bets theory, and Maxfield (2008) sees these as indispensable. The care provided to workers gives emotional stability (Sable, 2008), acceptance, and resilience (Chughtai and Buckley, 2009) trust (Keller and Cacioppe, 2001) and commitment (Bryson and White, 2008) of workers. Literature (Maslow, 1954; Sable, 2008; Maxfield, 2008; Yalom, 2008, and Becker, 1998) have supported the assertion that self-acceptance is greatly instrumental and contingent upon received acceptance from others. With these, workers' self-esteem is possible under workplace connectedness and relationships with others (Ryan and Deci, 2000) in the network. Yalom (2008) simply synthesized his scholarly discourse on this through the term *people need people* – for initial and continued survival, socialization, and in the pursuit of satisfaction.

Scholars (Ronen and Mikulincer, 2012; Richard and Schat, 2011; Yalom, 2008) have offered strong empirical insights on worker's felt-belongingness, identity, support and emotional attachment, in providing solid platform for worker's performance. Wu, Parker, and de Jong, (2014) associated it with support and emotional attachment that drives workers' behaviours in the organization which, Buchanan (1974) alludes to as a psychological bond where employees identify with organization's people, goals, and beliefs. A similar perspective to the aforementioned assertion is Becker's (1960) side-bet theory. He argued that employees make side-bets into their employing organization and through these investments, follow a consistent course of action of identification with the organization. In light of the side-bets philosophy, investment like emotion, time and skills (Ryan and Deci, 2000) play significant role in normative, continuous and effective commitment.

Shochet (2010) however, re-examined human needs in Maslow's hierarchy of needs with reference to physiological needs, safety, self-esteem, and to self-actualization. This arrangement is hierarchical and satisfaction order-based according to Ryan and Deci, (2000). The physiological and safety needs reiterate individual inter-personal orientation for progression into higher needs¹⁸ or public self-consciousness¹⁹: if the first two needs attainment is impossible, then an individual's complete love for someone else is precluded. Hence, workers' immediate focus is felt-belongingness (Powell and Meyer, 2004): a derivative of physiological and safety need realization. In sustaining this perspective, Baumeister and Leary (2009) asserts the relative interdependence of human beings need for safety as determinant of social interactions. Inability to meet this need results in loneliness, mental distress, (Meyer and Herscovitch, 2001) and a strong intrinsic desire to form new relationships. This proposition reaffirms other philosophical orientations towards the nature of humans and about theoretical insights into human disposition.

The need to belong and form attachments is universal and cultural²⁰ among humans. Its universality and cross-cultural dimensions imply that humans, irrespective of their race, education and position, seeks affection²¹, social identity²² and sense of community in attaining self-actualization. Scholars (Becker, 1960; Ryan and Deci, 2000; Bandura, 2004; Powell and Meyer, 2004; Baumeister and Leary, 2009, Maslow, 1954, and Shochet, 2010) have provided theoretical individual differences in people's motivation to belong. Workers who demonstrate strong motivation to belong are less satisfied with their relationships (Pierce, *et al.*, 2001) and tend to be relatively lonely. Hence, seek social attachment (Blum, 2004) and inter-personal orientation with reference to power, intimacy, approval, achievement and affiliation (Maslow, 1954), triggered by the need to belong.

¹² Bible: New International Version. Genesis Chapter 2:18.

¹³ Bakker, A. B. and Demerouti, E. (2008). Towards a Model of Work Engagement. *Career Development International*, 13 (3), 209-223.

¹⁴ Chughtai, A. A. and Buckley, F. (2009). Linking Trust in the Principal to School Outcomes: The Mediating Role of Organizational Identification and Work Engagement. *International Journal of Educational Management*, 23(7), 574-589

¹⁵ Tan, H. H. and Lim, K. H. A. (2009). Trust in Coworkers and Trust in Organization. *Journal of Psychology*, 143(1), 45-66.

¹⁶ Maxfield, S. (2008). Reconciling Corporate Citizenship and Competitive Strategy: Insight from Economic Theory. *Journal of Business Ethics*, 80(2), 367-377.

¹⁷ Maslow, A. H. (1954). *Motivation and Personality*. New York: Harper

¹⁸ Bandura, A. (2004). Cultivate Self-Efficacy for personal and organizational effectiveness. In E. A. Lockes (ed.). *Handbook of Principles of Organizational Behavior* (pp.120-136). Malden, MA: Blackwell.

¹⁹ Deci, E. and Gagnes, M. (2005). Self-determination and Work Motivation. *Journal of Organizational Behavior*, 26(4), 337-362.

²⁰ Maslow, A. (1954). *Motivation and Personality*. New York, NY: Harper

²¹ Tay, L and Diener, E. (2011). Needs and subjective well-being around the World. *Journal of Personality and Social Psychology*, 28(5), 759-775.

²² Cianci, R and Gambrel, P. A. (2003). Maslow's Hierarchy of Needs: Does it apply in a Collectivist Culture. *Journal of Applied Management and Entrepreneurship*, 8(2), 143-161.

The foregoing literature did assert that felt-belongingness contributes towards sustaining a healthy, happy (Harter, 2000) and productive workforce. In addition, there is evidence to suggest that felt-belongingness through workers engagement²³, social identity, and sense of a community has many benefits for individuals, organization and wider society. The works of Macey and Schneider (2008) demonstrates that it fosters increased productivity and performance while Little and Little (2006) made reference to innovation and full utilization of workers' skills for organizational benefits. However, this article looks at information sharing, participation and involvement, and success sharing as variables to encourage and promote felt-belongingness.

Information sharing undeniably contributes to person-work environment fit²⁴. Scholars from the field of organizational learning and learning organizations (Jones, 2009 Madlock and Booth-Butterfield, 2008) have re-emphasized the relevancy of information sharing in contributing to talent, knowledge, skills and collective insights in the organization. In addition, exchange of information and ideas appears to reinforce and open workers' mind and broaden their thinking about how they can do more to succeed. Information sharing, thus mediates the relationship between felt-belongingness, performance (Harter, *et al.*, 2002) and person work-environment fit (Harter, 2000). From this perspective, employees' cognitive and emotional involvement are derivative of felt-belongingness and strong desire to remain (Corey, 2001) in the workplace.

A sense of felt-belonging to a community that is greater than self is an important element of employee engagement, involvement, participation, commitment and a basic human need as demonstrated by Baueister and Leary (2009). Workplace decision that affect employees requests that their opinions are harvested and their involvement in decision-making influence their interest, broaden their scope of thinking and acting (Yalom, 2008 and Sable, 2008) as members of an organization. Friendship and cordial work environment appear vital (Harter, 2000) and as key differentiators between successful work execution²⁵ and less successful work group. This enables manager to create opportunities for people to know one another towards fostering organizational egalitarianism.

Creating an environment in which employees have opportunities to discuss their progress, success and growth leads to positive affective emotions that can build intellectual resources at work. What is instrumental in building the intellectual resources depend on social exchange (Jones, 2009), learning opportunities and progress discussions, which invariably depends on positive emotion, trust (Powell and Meyer, 2004) and social benefits that results from feeling of contributions and felt-belonging. When positive emotions are part of organizational ecology (Becker, 2007), they filter through employees' learning and progress discussion and enable them to focus and commit to organization's functioning with reference to learning, improvement, and outcomes²⁶. Felt belonging is facilitated by acceptance (Yalom, 2008) within organization that support clear outcomes (Jaitli and Hua, 2012) expectancies, hedonic well-being and encourage individual contribution and fulfillment through participation, involvement, information sharing and success or progress discussions. How these elements lead to commitment constitutes the focus on the next phase of literature review.

EMPLOYEE COMMITMENT

In knowledge-driven economies and organizations, commitment remains indispensable in work performance, quality of work-life and productivity. This perspective was illuminated by the work of Luchak and Gellatly (2007) that workers' performance is a derivative of affective commitment. Although loyalty is often advocated, it remains insufficient and produces exacerbating-effect without workplace relations, social benefits (Bennet, 2000), and acceptance. Hence, employee commitment is relatively akin to felt-belongingness (Shook and Clay, 2012). Employees' commitment thus seems relative with reference to its multi-dimensional nature (endogenous and exogenous) as workers maintain congruence and membership (Hartman and Bambacas, 2000) with organizations. In light of the foregoing, commitment and felt-belonging constitute hidden forces that bind employees to organization's purpose (Meyer and Herscovitch, 2001), existence and experience. However, the attachment display by workers differs in an organization. The differences is anchored on divergent conceptualization and multifaceted abstraction (Hartman and Bambacas, 2000) of an organization with reference to its purpose and values. These diverse approaches to an organization: co-workers, top management, and the relevant constituency (Rowden, 2003) (i.e. prominent groups both inside and outside the organization that help define its effectiveness) have close linkages to employees' behaviour, attachment (Sable, 2008), and commitment. The works of Madlock and Booth-Butterfield (2008) associated commitment to communication with others and relationship which improves productivity (Tubbs and Moss, 2008) and decrease conflict (Miller, 2009).

The nexus between communication, commitment and felt-belonging (relationship) was examined by scholars (Brown, 2003; Miller, 2009; Madlock and Booth-Butterfield, 2008), which conclusively indicated that organizational communication (information sharing) builds workplace relationship, emotion, and felt-relevancy. Brown (2003) thus found that relations-oriented behavior is the strongest predictor of affective commitment and less for continuance and normative commitment. The results obviously emphasized the complexity involved in workers' communication, attitude and behavior towards employing organization. This accordingly outlined the distinction between attitudinal commitment (Brown, 2003): a mindset in which individuals consider the congruency of their goals and values with those of their employing organizations. The complementarity of attitudinal and behavioral commitment was integral in Meyer and Allen's (2005) conceptualization of a multidimensional model of organizational commitment.

AFFECTIVE COMMITMENT

Affective commitment consists of employee's positive emotional attachment (Sable, 2008) to the organization which Meyer and Allen (2005) pegged as the "desire" component of organizational commitment. An employee affective commitment emerges from felt identification (Jaitle and Hua, 2012) with self-alignment to the goals and organizational ecology (Becker, 2007). This perspective was previously examined by Meyer and Allen (2005) which described as desire or wants to with the organization as person-specific²⁷. As such, Meyer and Allen (1997) identified demographic characteristics such as age, tenure, sex, and education to influence commitment. The problem with these characteristics is that while they can be seen, they cannot be clearly defined. Meyer and Allen gave this example that positive relationships between tenure and commitment maybe due to tenure-related differences in job status and quality²⁸.

Felt-belonging could trigger continuance commitment (Kegan, 1982): the component of gains verses losses of working in an organization. The side bets (Becker, 1960) or investments, are the gains and losses that may occur should an individual stay or leave an organization (Becker, 2007). An individual commitment becomes a progenitor of perceived cost of losing organizational membership (Becker, 1960 and 2007) and attachment (Kegan, 1982). Economic costs (Akerlof and Kranton, 2000; 2005, and Jaitli and Hua, 2012) and social costs (Yalom, 2008) would be costs of losing organizational membership without availability of alternatives. This disrupt personal relationships (Becker, 2007 and Coates, 2004) and other side bets (Kegan, 1982) that would be incurred from leaving their organization. The problem with this is that these side bets do not occur at once but that they accumulate with age and length of staying with an organization according to Meyer and Allen (1991).

NORMATIVE COMMITMENT

The relative interdependence within an organizational ecology might generate workers' feelings of obligation to the work community, social identity²⁹, and social attachment (Blum, 2004) to the co-workers. The normative commitment becomes a moral duty that originates from a person's self-acknowledgement membership to a social network for emotional dependency (Baumeister and Leary, 2009) and valuable significance of protect it. The group membership invokes collective sense of "us" and self-identification (Becker, 2007) within the organization to which departure constitutes a moral act. The social identity (Hogg, 2006) thus influence social outcome such as cohesion, altruism, and positive evaluation, loyalty and pride in the organization. In addition, Becker (1960) addressed this from invested

²³ Harter, J. K., Schmidt, F. L., and Haynes, T. L. (2002). Business unit-level relationship between employee satisfaction, employee engagement, and business outcomes: A meta-analysis. *Journal of Applied Psychology*, 87(2), 268-279.

²⁴ Wright, T. A. and Cropanzano, R. (2000). Psychological well-being and job satisfaction as predictors of job performance. *Journal of Occupational Health Psychology*, 5, 89-94.

²⁵ Harter, J. K. (2002). The linkage of employee perception to outcomes in a retail environment: Cause and effect? *The Gallup Research Journal-Special Issues on Linkage Analysis*, 3(1), 25-38.

²⁶ Becker, F. (2007). Organizational Ecology and Knowledge networks. *California Management Review*, 49. 2. 9

²⁷ Meyer, J. P. and Allen, N. J. (1997). *Commitment in the Workplace: Theory, Research and Application*. Thousand Oaks, CA: Sage Publication

²⁸ Meyer, J. P. and Allen, N. J. (1991). A three component conceptualization of organization commitment. *Human Resources Management Review*, 1(1),61-89

²⁹ Hogg, M. A. (2006). Social Identity Theory. In P. J. Burke (ed.), *Contemporary Social Psychological Theories*. (pp.111-136). Stanford, CA: Stanford University Press.

resources in training an employee who then feels a moral duty to work and stay with the organization³⁰ to repay the psychological debt. This could be attributed to internalized norm or culture (Lam, *et al.*, 2010), developed before joining the organization through family or other socialization processes, that a person should be loyal (Blum, 2004) to one's community or organization. In light of the aforementioned literature, the theoretical evidences are anchored on the principles that people work to achieve and maintain social identity that is instrumental in workers' decision to stay with an organization.

METHODOLOGICAL APPROACH

The methodological foundation for this work was anchored on quantitative data harvested or collected from forty organizations (profit and non-profit oriented organizations) located in Kigali City, Rwanda. The core objective of the work was to examine relationship between work-oriented commitment and social-emotional-oriented belongingness among staff of different distinctive organizations. These organizations were uniquely heterogeneous: diverse characteristics which make them comparable even though they belong to different industries, ownership structures, and social-political or strategic orientations.

The work was designed to employ correlation and descriptive statistical tools. The quantitative method of data collection was adopted to explore and obtain principal variables' data as regards to employee's felt-belonging and its instrumental role in workers' commitment. The utilization of descriptive statistical analysis provides insightful scholarly knowledge on respondents' perception on the categorical variables of commitment and felt-belongingness. In a similar perspective, the relationships between these variables were determined through correlational statistical tool so as to decipher the strength and direction of relationships between and among variables.

The respondent firms were purposively selected from different industries and organizations but the eligibility criteria specified certain set of characteristics: firm existed for more than ten (10) years, located in Kigali, and employing more than twenty (20) employees. From the aforementioned, a worker was judged fit to participate in the research provided she/he have worked with the organization for more than six (6) months. The minimum six months' threshold becomes the basis of purposive selection among the workers. The rationale for the six months' threshold was anchored on the proposition that organization's psychological and social dynamics/social-network determine absorption/assimilation (belonging) of newly recruits and could influence exit decision. Thus, workers' perceived alienation/social exclusion and felt-belongingness could trigger turnover or stay-put within a short period.

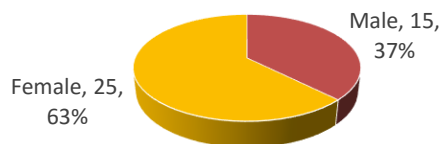
The selection of the respondent firms and individuals was purposive-driven. The sampled firms were forty (40) with each organization accounting for one (1) respondent. This sampling was purposive: firms and individual were technically judged fit to provide robust information for statistical analysis. The questionnaire for the article was adopted from existing literature (Becker, 2007; Hogg, 2006; Blum, 2004; Sable, 2008) and adjusted to suit Rwanda context before use. The questionnaire's construct, face, and content validity was established before administered to the selected respondents. The Cronbach's alpha reliability test for the questionnaire was (0.81) which translated into 81%. The questionnaire used a Likert four-point scale: strongly agree to strongly disagree (1 = strongly disagree, 2 = Disagree, 3 = Agree, 4 = strongly agree). Ethical issues with reference to principles guiding good human conduct within research: getting reliable information, consent, openness, personality, privacy, and crediting scholars were respected. The data was collected over a period of two weeks and processed for statistical results.

DATA ANALYSIS AND RESULTS

The statistical results are presented in three dimensions: demographical characteristics of respondents, perceptions of respondents on the principal elements of felt-belongingness and commitment, and the relationships between variables of commitment and felt-belongingness. With reference to the respondents' demographics, the gender element of the respondents' statistical results demonstrates that the female (63%) dominated vis-à-vis the male (37%) component.

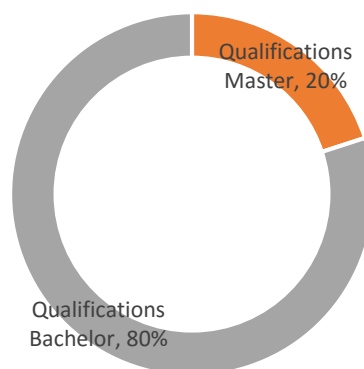
FIGURE 1: GENDER OF THE RESPONDENTS

Respondents by Sex



The gender numerical differential is not a reflection of female sex group domination in the workforce in Kigali, rather the total number of respondents that participated in the survey. However, this indicates more females occupying managerial or administrative positions among the surveyed. This was followed-up with the analysis of respondents' educational attainment with all the respondents possessing post-secondary level education: bachelor 80% and master 20%. The findings thus show that although the respondents are educated, the level of educational attainment differs and most of the respondents held a bachelor degree.

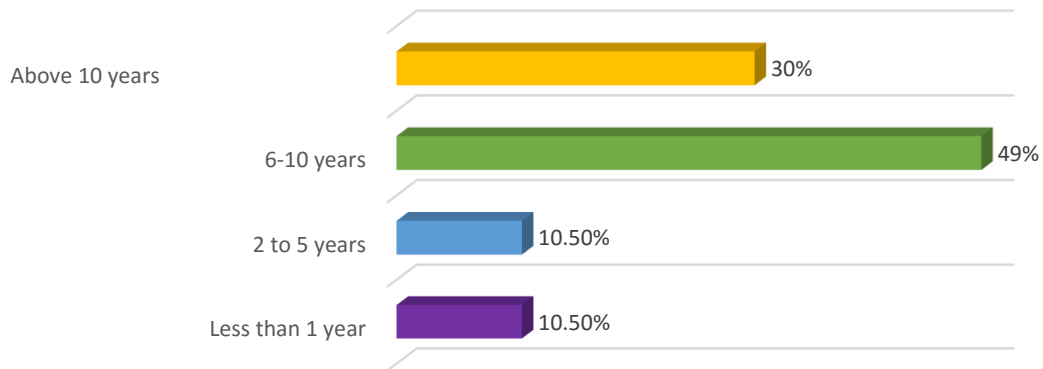
FIGURE 2: LEVEL OF EDUCATION



³⁰ Lam, S. K., Ahearne, M., Hu, Y., and Schillewaert, N. (2010). Resistance to Brand Switching when a radically new brands is introduced: A social identity theory perspective. *Journal of Marketing*, 74, 128-146.

The next unit of analysis was the length of stay with current organization without a categorical assessment of the workers' work-experience. Based on economic wealth maximization criteria, turnover should always be subordinate to commitment decision, provided workplace constitutes a means of returning economic and social surplus to the worker. Thus, length of staying becomes a miniature measurement or appraisal of opportunity cost and economic/social cost of commitment.

FIGURE 3: LENGTH OF STAY AT THE ORGANIZATION



The results indicate that 49% of the respondents have worked for more than five (5) years, 30% more than ten (10) years and 21% has worked between 1-5 years. From the aforementioned results, it becomes explicit that a majority 79% has worked within a particular organization for more than 5 years. It could tacitly imply that continuous and or affective commitment orchestrated this lengthy period of working within the different organization.

WORKERS' PERCEPTION ON INFORMATION SHARING, PARTICIPATION/INVOLVEMENT, & SUCCESS SHARING

The self-perception of the respondents' on information sharing, participation/involvement, and success sharing constitute the bedrock for organization's synergy, potential development and sense of togetherness. These were analyzed along respondents' perceptions. This further deepen insight on respondents as active designers of their work environment or as powerless victim of their fate. Although there are some other predictors of belonging behaviours, such as situational factors, educational & gender background, race/geo-political demarcations, and social/economic structural stratifications, this analysis is focused on information sharing, participation and success sharing.

The connectivity is empirically tested with results presented in Table 1 indicating that *team spirit* ($M = 3.15$), *dialogue through meetings* ($M = 3.07$), and *sense of community* ($M = 3.02$) were considered paramount and imperative for information sharing. The results demonstrate that cross-functional synergy through information sharing can trigger positive feelings, perceived social status, and eliminate sense of social isolation/exclusion among workers. However, the challenge faced by the respondents is acknowledging reception of sufficient and important information.

TABLE 1: RESPONDENTS' PERCEPTIONS ON INFORMATION SHARING, INVOLVEMENT AND SUCCESS SHARING

Information Sharing	Mean	St.D
<i>I am usually not told about important things in this organization</i>	2.97	0.82
<i>Team spirit is high in this organization</i>	3.15	0.78
<i>Meetings are held to discuss work problems between my co-workers & me</i>	3.07	0.89
<i>I receive sufficient information about things in the organization</i>	2.94	0.83
<i>I feel a sense of community in my organization and department</i>	3.02	0.74
Participation/Involvement		
<i>Employees are encouraged to take initiative with less supervision</i>	3.12	0.77
<i>I owe a great deal to my organization</i>	3.21	0.57
<i>I feel a sense of belonging/attachment to my organization</i>	3.21	0.52
<i>I am willing to exert considerable effort on behalf of the organization</i>	2.92	0.87
<i>This organization deserves my loyalty</i>	3.28	0.60
Success Sharing		
<i>Financial success are shared at all levels</i>	3.00	0.82
<i>Ongoing results are provided to employees to recognize performance</i>	3.05	0.76
<i>Organization solicit ideas from employees to improve work process</i>	2.95	0.72
<i>Firm's employees are ready to discuss financial and non-financial success</i>	2.79	0.77

In a deconstructive analysis of participation/involvement in organizations' activities, participants reported high levels of participation with reference to *taking initiative* ($M = 3.12$), sense of *indebtedness* ($M = 3.21$), *attachment* ($M = 3.21$), and *loyalty* ($M = 3.28$). From the Mean scores, sense of less supervision, indebtedness, attachment, and loyalty were rated high, which were associated with psychological wellbeing, social relationship, and work environment domains. It could be deduced from the ratings that perceived strong peer relationship, attachment, and loyalty are associated with greater self-esteem and social adjustment to work environment. The Mean scores for the statements of success sharing indicate that shared financial success and recognition of performance were socially valued with Mean scores as ($M = 3.00$) for *financial success sharing* and ($M = 3.05$) *recognized performance* with profound perceived rates on felt-belongingness. It was therefore inferred that financial success sharing and recognized performance are crucial for positive reinforcement of felt-belongingness.

Respondents' perceptions on commitment along the categorical variables: continuance, affective and normative show some potential explanation to account for the implication of staying attached to a particular organization. The element of continuance with economic connotation vis-à-vis quit option indicated Mean scores between 2.59 - 2.96; a potential indication that *economic benefit* ($M = 2.96$) constitute and influenced these workers' decision to stay. However, moderating this economic benefit could trigger exit with reference to *necessity/desire* ($M = 2.87$) and *no-fear of quitting* ($M = 2.89$). The results imply that economic bond and proximity of people with financial stability could have engineered their continuous commitment. However, privation could orchestrate workers' fear that quitting current job translates into economic backwardness.

TABLE 2: CONTINUANCE, AFFECTIVE AND NORMATIVE COMMITMENT PERCEPTION

Continuance Commitment	Mean
<i>The major reason for my continuous working in this organization is that leaving requires considerable sacrifices other organizations cannot offer</i>	2.96
<i>The consequences of leaving my organization is scarcity of alternative</i>	2.59
<i>I am not afraid of what might happen if I quit my job for another</i>	2.89
<i>At this point, leaving my organization is a necessity as much as desire</i>	2.87
Affective Commitment	
<i>I will be happy to spend my career at current organization</i>	2.85
<i>I enjoy discussing my organization with outsiders</i>	2.84
<i>I do feel like "part of the family" at my organization</i>	2.79
<i>I do feel a sense of belonging to my organization</i>	2.87
<i>I do feel emotionally attached to my organization</i>	2.89
Normative Commitment	
<i>The major reason I keep working for this organization is that loyalty is important and a moral obligation to remain</i>	3.94
<i>If I get another offer somewhere, I don't feel that its right to leave here</i>	2.51
<i>I do believe that a person must be loyal to his/her organization</i>	2.95
<i>Things were better in the old days when workers stayed with one organization in their career</i>	2.76

The sub statements under affective commitment show that employees are socially attached and bonded into relationship with reference to staying-stick to organization, sense of belongingness, and sharing information about their organization with others. From the perception ratings, emotionally and securely bonded workers are more likely to exhibit signs of loyalty and commitment to their organization. The score on moral obligation ($M = 3.94$) and loyalty ($M = 2.95$) are bridging social and economic commitment into normative commitment. The wider community of workers' moral duty and loyalty to co-workers' social welfare made it imperative to stay committed to the organization. In light of these scores, the research looks into the statistical relationships that exist between the elements of felt-belongingness and commitment.

CORRELATION BETWEEN WORKERS' FELT-BELONGINGNESS AND COMMITMENT

Table 3 presents evidences and statistics concerning the major assumption with reference to determining the nature of relationship that exist between workers' felt-belongingness and commitment. In light of this, the bivariate correlation between elements of felt-belongingness (information sharing, involvement/participation and success sharing) were correlated with elements of commitment (continuance, affective, and normative). The statistical scores indicated that there were positive significant relationships between *team spirit* and *difficulty in leaving* (Pearson Correlation = 0.553**), and was significant at 1%, *Information sharing* with *difficulty of leaving* (Pearson Correlation = 0.372*) significant at 5%, and with *considerable sacrifices* (Pearson Correlation 0.531**), significant at 1%. A constructive analysis of the significant relationship indicates that information sharing was positively statistically correlated with elements of continuance commitment at different significant levels.

Further, on the scores of information sharing and affective commitment, information sharing had positive significant relationships with *spending entire career at current organization* (Pearson Correlation = 0.366*) significant at 5%, *feeling part of a family* (Pearson Correlation 0.444**) at 1%, and a *sense of belonging/attachment* (Pearson Correlation = 0.382*) at 5%. Thus, information sharing within an organization was found to be positively statistically significant with categorical elements of affective commitment. However, evaluation of the strength or levels of significance showed that only feeling being a part of a family was stronger than spending entire career and attachment. The correlation analysis of information sharing and normative commitment recorded a positive significant relation (Pearson Correlation = 0.335*), and was significant at 5%.

TABLE 3: CORRELATIONAL SCORES BETWEEN THE ELEMENTS FELT-BELONGINGNESS AND COMMITMENT

Information Sharing	Correlations
Continuance Commitment <i>Team spirit is high in this organization</i> <i>It would be very difficult for me to leave my organization right now even if I wanted to</i>	0.553**
I receive sufficient information about things in the organization <i>It would be very difficult for me to leave my organization right now even if I wanted to</i> <i>The major reason for my continuous work in this organization is that leaving requires considerable sacrifices other organizations cannot offer</i>	0.372* 0.531**
Affective Commitment <i>I receive sufficient information about things in the organization</i> <i>I will be happy to spend my career at my current organization</i> <i>I do feel like "part of the family" at my organization</i> <i>I feel a sense of belonging/attachment to my organization</i>	0.366* 0.444** 0.382*
Normative Commitment <i>Meetings are held to discuss work problems between my co-workers & me</i> <i>I do believe that a person must be loyal to his/her organization</i>	0.335*
Financial Success Sharing	
Affective Commitment <i>Organization solicit ideas from employees to improve work process</i> <i>I will be happy to spend my career at current organization</i>	0.374*
Normative Commitment <i>Ongoing results are provided to employees to recognize performance</i> <i>I do believe that a person must be loyal to his/her organization</i>	0.317*
Participation and Involvement	
Affective Commitment <i>This organization deserves my loyalty</i> <i>I will be happy to spend my career at current organization</i>	0.500**

With reference to financial success sharing, there is a significant relationship between affective commitment (Pearson Correlation = 0.374*), and was significant at 5% and normative commitment at 5% with a Pearson correlation of 0.317. When the same correlational analysis was conducted for participation/involvement, affective commitment was only found to be positively correlated (Pearson Correlation = 0.500**) and significant at 1%. From the statistical scores on the measurement of workers' felt-belongingness relationship with commitment, the investigation discovered that felt-belongingness is a human need, and it constitutes a springboard for workers' commitment. This is a strong evidence for organization to engage in information and success sharing and further involve workers as a sign of social inclusion to enhance commitment.

While felt-belongingness obviously precede workers' commitment, what ultimately concerns organizations is not profitability only, rather social relationship, emotional bond and proximity to each other. Hence, securely attached workers are more likely to be committed and further show signs of loyalty and community-hold. Literature from different academic fields make robust argument that felt-belonging is extremely important in various dimensions of people lives. To these scholars, this study explores in greater aspect by linking it to commitment and the evidences strongly support and validate the connectivity between felt-belongingness and commitment. This constitutes an additional valuable discourse to current literature in the fields that workers' felt-belongingness is instrumental in

workers' commitment. In this regard, the study recommends that managers and human resources practitioners should institute and operationalize activities that simulate belongingness within their organizations irrespective of operational orientation.

CONCLUSION

The statistical results from both descriptive and correlations indicate strong evidences of high rating for elements of felt-belongingness and commitment and positive statistical significant relationship between felt-belongingness and commitment was discovered. Findings thus indicate that felt-belongingness is a strong springboard for workers' commitment among the surveyed organizations.

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NON MONETARY REWARDS: A SOURCE OF SATISFYING THE SELF-ACTUALIZATION NEED**DR. P. K. JAIN****PRINCIPAL****PIONEER INSTITUTE OF PROFESSIONAL STUDIES****INDORE****RASHMI BADJATYA****ASST. PROFESSOR****PIONEER INSTITUTE OF PROFESSIONAL STUDIES****INDORE****ABSTRACT**

Most of us work for money, as it is the prime source of living. Money is a kind of reward that we receive in compensation for the work we do. But money is only capable of satisfying the basic needs of employee, because it can only buy food, house, clothes etc. But it cannot buy self-esteem, confidence, relationships, love, commitment, etc. After a certain level, an employee needs to be looked after for his higher level needs, called the self-esteem and self-actualization needs. Fulfilling these needs can make an employee work with more commitment and motivation in the organization. Monetary rewards can only motivate employees to a particular level, thereafter they need more than monetary rewards to stay motivated. Non-Monetary rewards such as Advancement & Growth, Benefits & Facilities, Recognition, Flexibility supervisor support etc. can give the employees a sense of achievement and satisfaction that their efforts are being recognized, thus leading to a satisfied alter ego.

KEYWORDS

non-monetary rewards, recognition, rewards, self-actualisation.

1. INTRODUCTION

People don't automatically come to work, continue to work, or work hard for an organization. They need to be motivated to take a job with a company, to come to work each day, to continue to work there, to learn, to perform efficiently, and to accept change. The most widely accepted explanation for why people are motivated to work, perform, learn and change is rooted in what psychologists call expectancy theory. That is where organizations have to strike. People work, because they expect something from the employer. The employer only has to find out that what is that the employee expects. The first and the foremost thing is a reward, in compensation of the work they are doing.

1.1. REWARDS

Rewards can be defined as return or recompense for service or merit or requital (payment) for good or evil. Alternatively, a reward is an appetitive stimulus given to a human to alter his behavior. Rewards typically serve as reinforcer. A reinforcer is something that, when presented after a behavior, causes the probability of that behavior's occurrence to increase. Rewards are generally considered more desirable than punishment in modifying behavior. It is very obvious for human beings to work for rewards, and we all are working for some or the other kind of reward. It is not only at office that we work for rewards, but generally speaking we do everything for getting some reward, whether it is related with our personal lives or our professional. We eat (work) to get energy (reward), we exercise (work) to remain fit (reward), we buy clothes (work) to look good (reward) and so on. On the contrary if these rewards are not present, we lose interest in work. It is a fact that all human beings work to earn money and hence do their regular routine job to earn money. But, a bigger fact is that an employee will leave the job instantly, if he is offered a higher salary by other employer. In such cases, the existing employer may or may not be able to retain him back by offering him the similar salary. (Mendonsa, 1998).

1.2. SELF-ACTUALIZATION NEED

The self-actualisation need is the fifth and the highest need in the hierarchy of Maslow's explanation on motivation in 'Hierarchy of Needs'. It expresses that all when the needs in the lower level viz. safety, security, social needs have been satisfied, then only an individual greed's for the higher level needs i.e. the self-esteem and self-actualisation needs. One's originality, quest for spiritual enlightenment, pursuit of knowledge, and the desire to give to society are examples of self-actualization.

2. LITERATURE REVIEW

Money or monetary rewards seems to be the most important factor in motivating and retaining employees, but at some point of time money loses its charm as Anderson (2012), writes that although considered an important need for survival, money and other material things cannot fully satisfy one's being. Everyone has their own psychological needs to fulfill and this is a good target for employee rewards. Aside from bonuses and other materialistic prize, employees will be happy to receive the non-monetary rewards. He also suggests that rewards do not necessarily have to be expensive to show sincere appreciation. Hardworking people are sometimes satisfied with just the thought that someone recognizes their efforts. Non-monetary employee rewards can be in any form as long as the sincerity is present. Similarly, Ashby & Pell (2001), classified money as a satisfier, means that it is necessary but insufficient factor in employee retention. Gratton (2004), adds that while motivation is determined by both monetary and non-monetary factors, money has come to play an overly important role in our thinking about the causes of behavior. In most companies very limited time and effort are spent on considering non-monetary sources of motivation. Although traditional benefits such as vacation and health are still important, today's workers are also looking for more non-traditional benefits. Benefits such as flexible work hours, availability of childcare, tuition assistance programs and discounts on services now top the list of desired benefits (Denton, 1992). United States Department of Agriculture (fsa.usda.gov) agrees that Non-monetary recognition is a symbolic means to communicate to employees that their contributions are valued and appreciated. These Initiatives can go a long way in creating employee loyalty and respect. A report by Income Data Services (incomesdata.co.uk, 2002), says the recognition given under this scheme is less expensive, and have results which even the costliest of gifts cannot give, as the monetary value of the award is less important than the act of recognition itself. Another benefit of non-financial recognition schemes, Silverman (2004), says is the immediacy of their application. This clearly reinforces the desired behaviors on a more regular basis. Keep in mind that employee compensation constitutes only one piece of the puzzle. If all the other pieces – the environmental, relationship, support and growth strategies – don't fit together into one interlocking whole, you won't be able to pay people enough to work for you.

3. OBJECTIVE

The objective of this study is to find out the role of Non-Monetary rewards in satisfying the self-actualisation need of the employees.

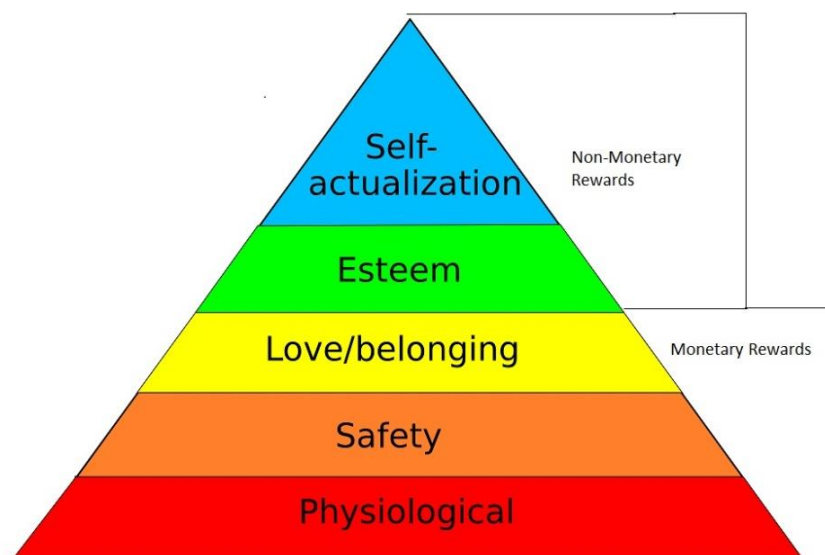
4. MONEY AS A REWARD

Money is known to be the most important factor in motivating employees. Salary, Incentives, monetary rewards all have the capability to motivate employees, because money only can satisfy the basic necessities or first three levels of need in Maslow's hierarchy of needs. In fact, the role of Money as a motivator has been a battleground for many years. In truth organizations seldom think about what sort of things employees really need to feel motivated. All too line management and top management persist in relying predominantly the financial rewards (the so called extrinsic factors) assuming that they will coincide with whatever it is that motivated their staff. They are neglecting the intrinsic factors, the more powerful levers for motivating and retaining employees. Take for example job security, job satisfaction, intellectual stimulation and career development. And recognition and opportunities for achievement are essential albeit, underused motivational techniques. (Thompson, 2004) It is a fact that all human beings work to earn money and hence do their regular routine job to earn money. But, a bigger fact is that an employee will leave the job instantly, if he is offered a higher salary by other employer. In such cases, the existing employer may or may not be able to retain him back by offering him the similar salary. So what are those things which will motivate an employee to be retained in the organization? Probably the non-monetary rewards, if not the monetary ones.

5. NON-MONETARY REWARDS

Non-monetary or non-cash incentives do not involve direct payment of cash and they can be tangible or intangible. Some examples of this kind of incentives are; encouraging the employees by providing them with autonomy in their job and participation in decision making, assigning challenging duties, improving working conditions, recognizing good work through small gifts, letters of appreciation, plaques, tickets to restaurant etc., providing some services for the employees, organizing social activities in the work place, etc. (Kovach, 1999) Extrinsic rewards—usually financial—are the tangible rewards given employees by managers, such as pay raises, bonuses, and benefits. They are called “extrinsic” because they are external to the work itself and other people control their size and whether or not they are granted. In contrast, intrinsic rewards are psychological rewards that employees get from doing meaningful work and performing it well.

FIG. 1: REPRESENTATION OF REWARDS IN MASLOW'S NEED HIERARCHY (SELF DESIGNED)



Extrinsic rewards played a dominant role in earlier eras, when work was generally more routine and bureaucratic, and when complying with rules and procedures was paramount. This work offered workers few intrinsic rewards, so that extrinsic rewards were often the only motivational tools available to organizations. Moreover, monetary rewards are only useful up till a certain satisfaction level. (Physiological, Safety and Social needs) After which only the Non-monetary rewards can satisfy the Self-Esteem & Self-actualisation needs. (Fig 1)

5.1. IMPORTANCE AND ADVANTAGES OF NON MONETARY REWARDS

Employees not only want good pay and benefits, they also want to be valued and appreciated for their work, treated fairly, do work that is important, have advancement opportunities, and opportunities to be involved in the organization. Recognition and rewards play an important role in work to attract and retain their employees. It is the day-to-day interactions that make employees feel that their contributions are appreciated and that they are recognized for their own unique qualities. In any organization or group, there is always the need for rewards to keep members motivated. Studies have been made about the effect of positive reinforcement especially in the workplace. When talking about rewards, most of us think about material or financial incentives. However, rewards can be in other forms which your employees may highly appreciate. (Thomas, 2009). Non-Monetary Rewards and recognition is a means of providing immediate, non-cash rewards to employees for contributions to the Organization. We've all heard the statistics on how staff members like to be recognized and rewarded for doing a good job. That a pat on the back or a “thank you” can mean more to a person than any amount of money. But actually putting a system into place can be easier said than done. Employee Reward covers how people are rewarded in accordance with their value to an organization. It is about both financial and non-financial rewards and embraces the strategies, policies, structures and processes used to develop and maintain reward systems. The ways in which people are valued can make a considerable impact on the effectiveness of the organization, and is at the heart of the employment relationship. The aim of employee reward policies and practices, if any the organization is to help attract, retain and motivate high-quality people. Getting it wrong can have a significant negative effect on the motivation, commitment and morale of employees. Recognition is the most cost-effective motivator there is. While the high cost of other rewards forces us to give them sparingly, recognition can be given any time, at very little cost. Recognition is a leadership tool that sends a message to employees about what is important to the leaders and the behaviors that are valued. Managers can use this tool to help employees understand how their jobs contribute to the agency's overall goals and how their performance affects the achievement of those goals. Often people have come to accept the notion that an employee is paid to do their job. So why should they be praised for doing what they're paid to do? Praise of an employee reinforces, recognizes and motivates behaviors that you, as the manager, want to see.

Reward is devoid of financial implication or that is not in money form has gained popularity in today's organization for more than one reason. Employees who are financially well rewarded look for some kind of recognition that fulfills their self-esteem and self-actualisation needs. Employees who may not be financially very well rewarded, get stimulated for better performance through recognition oriented rewards. This is a great opportunity got organizations to leverage on this recognition need in order to capture best performance.

5.2. TYPES OF NON-MONETARY REWARDS**5.2.1. ADVANCEMENT & GROWTH**

It is a well-known fact that companies grow when the people inside them grow first. Good employees want to develop themselves about new knowledge and skills in order to improve their value in the marketplace and enhance their own self-esteem. If employees feel they aren't learning and growing, they feel they are not remaining competitive with their industry peers for promotion opportunities and career advancement. Once top employees feel they are no longer growing, they begin to look externally for new job opportunities. (Kyndt, Dochy, & Michielsen, 2009). Hytter (2007) demonstrated that workplace factors such as rewards, leadership style, career opportunities, the training and development of skills, physical working conditions, and the balance between professional and personal life have an indirect influence on retention. Items which were related to growth, learning, training, promotions and advancement of employees were put in this category.

5.2.2. BENEFITS AND FACILITIES

This category included all those items which are equally available to all the employees irrespective of their performance. These are called entitlements. Medical Insurance, Phones, Laptops, Crèche facility etc. are some examples of this category. Though these benefits do not reinforce any behavior, but they definitely act as hygiene factors as explained in Herzberg's two factor theory. Their presence will not motivate employees but their absence will surely de-motivate them.

5.2.3. RECOGNITION

Employees not only want good pay and benefits, they also want to be valued and appreciated for their work, treated fairly, do work that is important, have advancement opportunities, and opportunities to be involved in the organization. Recognition is a leadership tool that sends a message to employees about what is important to the leaders and the behaviors that are valued. Managers can use this tool to help employees understand how their jobs contribute to the company's overall goals and how their performance affects the achievement of those goals. Often people have come to accept the notion that an employee is paid to do their job. So why should they be praised for doing what they're paid to do? Praise of an employee reinforces, recognizes and motivates behaviors that you, as the manager, want to see. (Employee Recognition Program Handbook, 2000)

5.2.4. FLEXIBILITY

Flexibility is about an employee and an employer making changes to when, where and how a person will work to better meet individual and business needs. Flexibility enables both individual and business needs to be met through making changes to the time (when), location (where) and manner (how) in which an employee works. Flexibility should be mutually beneficial to both the employer and employee and result in superior outcomes. (ukessay.com, 2013). Flexibility here is in terms of workplace flexibility. It refers to the freedom an employee enjoys while at work or while he comes to work. Like the days of work, time of work, place of work etc. It has been observed that the increase in flexibility to employee improves their work life balance, which directly affects the work satisfaction and ultimately retention. Research shows that flexible work arrangements may reduce stress because employees working flexibly are more satisfied with their jobs, more satisfied with their lives, and experience better work-family balance. (Casey & Chase, 2004).

5.2.5. SUPERVISOR SUPPORT

Supervisor support is defined as the extent to which leaders value their employees' contributions and care about their well-being. Supportive supervisors care about employees' career goals, give credit for work well done, and help employees develop job-relevant skills and competencies. A supervisor like this can make all the difference in employees' everyday work experiences. (Rucha Bhate, 2013) Strong supervisor support improves the quality of employment and is associated with increased job satisfaction, perceptions of a better fit between the employee and the organization, and reduced turnover. (Eisenberger et al., 2002). Evidence suggests that supervisor support can mitigate the degree of work/family conflict that employees experience and the consequences of such conflict. Research has shown that employees who have highly demanding jobs and family responsibilities and who also have supportive supervisors tend to experience greater job satisfaction, stronger job commitment, more loyalty to the organization, and a better balance between work and family life. Supervisors act as effective mediators as well as 'primary implementers of work and family policies initiated by various organizations'. Given the prominence of work/family issues among employees today, having a supportive supervisor is a characteristic of effective family-friendly workplaces. (www.changemanagement.com, 2013). Supervisor is the factor which controls the above four factors. Even when the management supports these policies and if the manager/supervisor does not implement it, the entire exercise gets futile. The role of managers and supervisors are so vital because of the relationship they have with the employees in the organization.

6. CONCLUSION

The greatest challenge out of many in today's business world is to keep a tempo with technological and business growth. Companies spend millions to stay on the cutting edge. As companies move ahead in their business, they are facing an increased shortage of skilled employees. Although considered an important need for survival, money and other material things cannot fully satisfy one's being. Everyone has their own psychological needs to fulfill and this is a good target for employee rewards. People do work for money, but they even for meaning in their lives. In fact, they work to have fun. Companies that ignore this fact are essentially bribing their employees and will pay the price in a lack of loyalty and commitment. (Pfeffer, 1998). Non-Monetary rewards on the contrary involves understanding of one's socio-psychological needs and behaviours and thus caters as a source satisfying the self-actualization need. The meaning and satisfaction can be provided only by Intrinsic or non-monetary rewards as discussed above.

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IMPLEMENTATION OF GREEN SUPPLY CHAIN MANAGEMENT: A REVIEW AND RESEARCH DIRECTION**DR. S. SARAVANAN****HEAD****DEPARTMENT OF MANAGEMENT STUDIES****ANNA UNIVERSITY (BIT CAMPUS)****TIRUCHIRAPPALLI****A. MADHUMITHA RANI****STUDENT****DEPARTMENT OF MANAGEMENT STUDIES****ANNA UNIVERSITY (BIT CAMPUS)****TIRUCHIRAPPALLI****ABSTRACT**

Green supply chain management is becoming increasingly important for Indian manufacturers to improve both environmental and economic performance simultaneously throughout the supply chain process. The purpose of this paper is to briefly review the recent literatures of green supply chain management implementation discussing the GSCM practices, pressures and performance of various manufacturing and service industries in most of the developing and certain developed countries.

KEYWORDS

green supply chain management, environment.

INTRODUCTION

The major problem which mankind faces every day is environmental pollution, the excess emission of toxic gases released from the manufacturing industries. In order to overcome this problem and to reduce environmental pollution, the manufacturing industries must concentrate on the implementation of Green supply chain management practices. Samir K. Srivastava (2007) defined the green supply chain management as "Integrating environmental thinking into supply chain management, including product design, material sourcing and selection, manufacturing processes, delivery of the final product to the consumers and end-of-life management of the product after its useful life". According to India Brand Equity Foundation report India stood in second place in the global manufacturing competitiveness survey conducted in the year 2010 and stood ahead of several developed countries. It is a newly emerging concept gaining popular among manufacturers. Hence, Green management is employed in industries to achieve a pollution and hazard-free environment.

The purpose of this paper is to discuss an overview of the implementation practices of GSCM literature in developing countries such as China, India, Thailand, Malaysia and developed countries such as Korea, Germany. The study also is performed to determine the new research area in analysing the scope of adoption of GSCM in small manufacturing industries at Tiruchirappalli.

RESEARCH BACKGROUND

An environmentally conscious supply chain called as green supply chain is a new concept appearing in recent literatures. Environmentally-responsible production and consumption is considered as an essential part in improving environmental quality.

GREEN SUPPLY CHAIN MANAGEMENT IN INDIAN INDUSTRIES

Ninlawan *et al.* studied 'The implementation of Green supply chain management practices in Electronics industry including GSCM practices, performance and pressures.

Goshen Stephen, E. Ravi Kumar, (2015) aimed to survey current green activities in automobile parts' manufacturers in India about green procurement, green manufacturing, green distribution and reverse logistics. Finally, they suggested to maintain a better collaboration among important stakeholders to obtain efficient and effective green supply chain practice.

Balaji M, V. Velmurugan, Manikanda Prasath K, (2014) identified the common barriers in implementing green practices in typical Indian foundries with concentrated interests in creating green supply chains for future.

Sarbjit Singh, Arvind Bhardwaj, (2013) Studied the various activities involved in the supply chain processes of the various Indian manufacturing industries and finds how much eco-friendly they are in their logistics as well as supply chain activities by taking into account from the procurement of the raw material to the transportation of the end product.

B. L. Lakshmi Meera, Dr. P. Chitramani, (2014) studied Environmental Sustainability through green supply chain management practices among Indian Manufacturing firms with special reference to Tamilnadu and projected the relationship between green supply chain management practices and environmental performance of manufacturing industries.

Sazzad Parwez, (2014) studied Food supply chain Management in Indian agriculture: Issues, opportunities and further research which focused the most important aspects of agriculture supply chain issues and also gave suggestions to improve efficiency at different levels in the agriculture supply chain.

Pandya Amit R. & Mavani Pratik M., (2012) study investigated the green supply chain management practices adopted by the pharmaceutical industry in Ankleshwar. The relationship between green supply chain management practices with environmental performance, operational performance and financial performance is studied.

GREEN SUPPLY CHAIN MANAGEMENT IN INDUSTRIES OF OTHER COUNTRIES

Yan Li, (2011) The paper aimed to examine the adoption levels of green supply chain practices in China. Green supply chain management is emerging to be an important approach for Chinese enterprises to improve performance, possibly on both economic and environmental dimensions. Based upon a database of over 128 manufacturing facilities in China, this paper explored performance measurement for GSCM. The results showed that GSCM was strongly complementary to other advanced management practices, and contributed to improving environmental performance. Manufacturers in our samples have initiated three GSCM practices, Top management support, Product testing report, Green purchasing. The analytical results demonstrate that top management support is the most important item for the successful implementation of GSCM practice in China. The results of this investigation show that practicing green purchasing can ensure product environmental quality.

Quinghua Zhu, Joseph Sarkis, Yong Geng, (2005) aimed to evaluate and describe GSCM drivers, practices and performance among various Chinese manufacturing organizations. An exploratory factor analysis was conducted to derives groupings of GSCM pressures, practices and performance. Chinese enterprises highlights their exporting philosophies by pursuing such international organizational standard as ISO9000 serial and ISO14001 certification.

Fengfei Zhou, (2009) studied the core contents that textile and apparel enterprises implemented green supply chain management. Verena Hauschildt and Birgit Schulze-Ehlers, (2014) analyzed the relationship between sustainability views, drivers and barriers and concrete procurement practices for sustainability in the German food service industry.

Michael Kariuki Nderitu, Dr.Karanja Ngugi, (2014) established the contribution of green procurement concepts to performance of the East African Breweries Limited (EABL). The study recommended that organizations should have competent professional workforce, extensive investment in Information and Communication Technology (ICT) infrastructure, systems of supplier management and strategic investment approach to Green Procurement in order to realize the positive effects of green procurement.

TABLE 1: PREVIOUS STUDIES ON GSCM IN INDIAN INDUSTRIES

JOURNAL NAME	TITLE/AUTHOR	DISCUSSIONS	VARIABLES
International Journal of Research in Engineering and Technology	Barriers In Green Supply Chain Management: An Indian Foundry Perspective Balaji V.Velmurugan Manikanda PrasathK	Identified the common barriers in implementing green practices in typical Indian foundries. The barriers stated are drawn through literature reviews. With the help of Interpretive Structural Modeling(ISM) technique, the barriers are classified and prioritized	Lack of government regulation and legislation,lack of knowledge and experience, cost of implementation, lack of acceptance of advancement in new technology, lack of top level management commitment, lack of understanding among supply chain stakeholders, lack of management initiatives for transport, market competition and uncertainty and logistics, financial implications and lack of training in GSCM
International Journal of Innovative Research in Science, Engineering and Technology	The Implementation of Green Supply Chain Management Practices in Automobile Industry Goshen Stephen, E. Ravi Kumar	Aimed to survey current green activities in automobile parts' manufacturers in India. Few manufacturers are case studied who provided in-depth interview about green activities. Finally they suggested to maintain a better collaboration among important stakeholders to obtain efficient and effective green supply chain practice	<u>Green procurement</u> Supplier selection Reduce, Reuse, Recycle <u>Green manufacturing</u> Hazardous substance control, Energy-efficient technology Waste minimization <u>Green Distribution</u> Green logistics Green packaging <u>Reverse logistics</u> Final treatment Disassembly Waste collectors
International Journal of Engineering, Business and Enterprise Applications	Current Status of Green Supply Chain Practices and Initiatives in the Indian SMEs: An Exploratory Study Sarabjit Singh, Arvind Bhardwaj	Studied the various activities involved in the supply chain processes of the various Indian manufacturing industries and finds how much eco-friendly in logistics and supply chain activities. Their performance are analyzed with the help of crucial performance indicators and their sub-indicators.	Focused on Green procurement initiatives, Green manufacturing initiatives, Green warehousing and distribution initiatives and Green transportation initiatives
International Journal of Advanced Engineering Research and Studies	Implementation of Green Supply Chain Management in Steel Industries in Chhattisgarh Rajesh Kumar, Shiena Shekhar	Studied the level of implementation of green supplychain management and suggest the mode of action for a green environment and also for increasing profitability. It has been observed that that the implementation of GSCM in the steel industries in the state of Chhattisgarh is still in primitive stage except for a few manufacturers.	The study concentrated on Green sourcing and procurement, Green productions and manufacturing, Green warehousing and distribution, Green transportation focused initiatives
International Journal of Computational Engineering & Management	Study of Green Supply Chain Management in the Indian Manufacturing Industries: A Literature Review cum an Analytical Approach for the measurement of performance Ashish Kumar Bhateja, Rajesh Babbar, Sarbjit Singh, Anish Sachdeva	Aimed to study the various activities of the supply chain processes of the various Indian manufacturing industries including both Small Manufacturing Enterprises and Large Scale Industries and finds the percentage of green factor involved in their supply chain activities from the procurement of raw material to the transportation of the final product	The major six supply chain activities include 1.Green sourcing and procurement, 2.Green manufacturing, 3.Green warehousing, 4.Green distribution, 5.Green packaging, 6.Green transportation
International Journal of Engineering and Advanced Technology	Overview of Green Supply Chain Management: Operation and Environmental Impact at Different Stages of the Supply Chain Rajesh Kumar, Rituraj Chandrakar	The paper emphasizes the application of supply chain management and added the green component so as to insist the need of environment friendly systems. Also provided reasons for GSCM to be important measures towards conservation of environment.	The factors discussed are GSCM practices, External GSCM relationship factors, Eco-design, Investment recovery, Organizational learning, Management support and commitment,
Journal of Industrial Engineering and Management	Barriers to implement green supply chain management in automobile industry using interpretive structural modeling technique-An Indian perspective Sunil Luthra, Vinod Kumar, Sanjay Kumar, Abid Haleem	Green supply Chain Management has been identified as an approach for improving performance of the processes and products according to the requirements of environmental regulations. Interpretive Structural Modeling (ISM) has been used for finding contextual relationships among various barriers to implement GSCM in automobile industry.	Lack of IT implementation, Resistance to technology advancement adoption, Lack of organizational encouragement, Poor quality of human resources, Market competition and uncertainty, Lack of government support system, Lack of implementing green practices, Lack of top management commitment, Cost implications, Supplier reluctance to change towards GSCM, Unawareness of customers

International Journal of Conceptions on Management and Social Sciences	Green supply chain management and environmental sustainability – a comparative study on global and Indian perspective Karthik Kudroli	Developed a generic integration approach for implementing green supply chain practices and generate important insights and findings. The paper synthesizes the past and current research efforts to develop green supply chain strategy and scope of research	The green supply chain activities taken into account are <ul style="list-style-type: none"> • Green product Design • Green material management • Green manufacturing process • Green marketing and distribution • Reverse logistics
International Conference on Industrial Engineering and Operations Management	Green Supply Chain Management; Critical Research and Practices L. K. Toke, R. C. Gupta, Milind Dandekar	The study is a brief discussion concerning the definition of green supply chains, the discussion and presentation of issues of the four defined areas. Some practices, research, and evolving issues are discussed	<ul style="list-style-type: none"> • Purchasing and In-bound logistics • Production • Distribution and Outbound logistics • Reverse logistics
International Scientific Journal Environmental Science	Current Scenario of Green Supply Chain and logistics Management practices in the Indian Industries: A survey study Prof. Sarbjit Singh	Aimed to study the various activities of the Supply Chain processes of the various Indian Manufacturing Industries i.e. both SME's & Large Scale Industries & finds how much eco-friendly they are for the purpose of metering the performance of the manufacturing sectors	Green Sourcing & Procurement, Green Manufacturing, Green Warehousing, Green Distribution, Green Packaging, Green Transportation
International Journal of Research in IT, Management and Engineering	Food Retail And Retail Supply Chain In India – Literature Review Panneerselvam S.	The food retail in India is largely unorganized and the size of organized retail is merely 5% It helps the researchers, academicians and other enthusiasts in furthering the research in food retail and food retail supply chain.	
International Journal of Marketing, Financial Services & Management Research	Supply Chain Management Practices In Retailing: A Consumer Perception Study In Varanasi Region Mr. Rajeev Kumar	Studied consumer perception on adopted SCM practices in retailing and studied consumer perception on adopted SCM benefits in organized retailing and in pet (local) retail outlets. It is concluded that there is lack of awareness about SCM among the consumers	Availability of wider range product, Choice of more brands, Choice of more variants, Better product quality, Fresh / New stock, Certainty for availability, Best price availability, Better customer service, Closer to house, Proximity to the place of work, Easy to access, Variety of payment modes
International Journal of Scientific and Research Publications	Environmental Sustainability through Green Supply chain management practices among Indian Manufacturing Firms with special reference to Tamilnadu B. L. Lakshmi Meera, Dr. P. Chitramani	The study projects the relationship between Green supply chain management practices and Environmental performance of manufacturing industries	<u>GSCM Drivers</u> Customer, Government regulations, Stakeholders, Competitors, Industry groups, Export, Market <u>GSCM Practices</u> Management support, Inbound practices, Outbound practices, Design and production, Reverse logistics
International Journal of Managing Value and Supply Chains	Supply Chain Management In Indian Automotive Industry: Complexities, Challenges And Way Ahead Souresh Bhattacharya, Dr. D. Mukhopadhyay and Dr. Sunil Giri	The paper discussed the present status, complexities and challenges faced by the Indian automobile sector. It examines trends such as visibility and innovation, collaboration and supply networks and evolving leadership roles impacting supply chain effectiveness. Strategies for overcoming challenges are also presented. A framework has been developed for further study	Major issues discussed are <ul style="list-style-type: none"> • Integration • Supply chain challenges • OEM- Supplier synergy • Leveraging technology and visibility • Performance measurement and quality
Universal Journal of Mechanical Engineering	Validating Green Manufacturing (GM) Framework for Sustainable Development in an Indian Steel Industry Minhaj Ahemad. A. Rehman, R. R Shrivastava, Rakesh. L Shrivastava	Presented the details of a case study. It highlighted the road map of the company for achieving performance improvement through GM implementation and its impact on organizational performance. It also pointed out strengths and weaknesses of GM implementation practices and overall performance using developed research instrument.	<ul style="list-style-type: none"> • Financial manpower performance • Operational performance • Competitive advantage • Continuous improvements • Stakeholders enrichment • Green supply chain performance
African Journal of Business Management	Food supply Chain Management in Indian Agriculture: Issues, opportunities and further research Sazzad Parwez	The study focused the supply chain mechanism in agriculture. Most important aspects of agriculture supply chain such as identification of issues at different levels in the supply chain, transformation in the agriculture due to various supply chain interventions and the role of ICTs in supply chain management are covered. Also gave suggestions to improve efficiency at different levels in the agricultural supply chain	Some of the issues stated here are <ul style="list-style-type: none"> • Supplier's performance • Post-harvest handling • Physical infrastructure • Lack of warehousing and cold storage facility • Lack of transportation facility • Lack of technological developments in packaging and promoting

International Journal of Applied Sciences and Engineering Research	An empirical study of green supply chain management in Indian perspective L.K.Toke, R.C.Gupta, Milind Dandekar	The study aimed to prioritize critical success factors (CSF) of the green supply chain management in Indian manufacturing sector with the help of analytic hierarchy process.	Critical Success factors are: Top management commitment, Societal concern for protection of natural environment, Government policies and regulations, Eco-literacy amongst SCM partners, Customer satisfaction, Environment Management System, Proper workplace management, Green product development, Green procurement practices, Availability of clean technology, Lean manufacturing practices, Economic interests, Eco-labeling of products, Reverse logistics practices and Competitiveness
International Journal of Engineering and Management Sciences	An Empirical Study of Green Supply Chain Management Drivers, Practices and Performances: With Reference to The Pharmaceutical Industry of Ankleshwar (Gujarat) Pandya Amit R & Mavani Pratik M	The study investigated the GSCM practices adopted by the pharmaceutical industry. The relationship between GSCM practices with environmental, operational and financial performance is studied.	Green supply chain practices, Economic performance, Operational performance, Environmental performance, Environmental regulations, Market pressure, Cooperation with customers, Cooperation with suppliers, Organization's internal drivers, Internal management, Investment recovery, Eco-design and reverse logistics
International Journal of Innovative Research in Science, Engineering and Technology	Green Manufacturing Practices In Brick Industries: A Case Study Using AHP Abhishek Kumar Singh, Shubhanshu Shekhar Shukla, Sanjay Kumar Jha	The study was conducted on brick industries located near Ranchi, that dealt with the green manufacturing issues. Commercial sector of real estate business is surveyed because of its advancement in recovery and disposal methods. AHP is used to obtain composite rank score of Seven brick industries.	Factors taken into consideration are: Quality/Technology, Recycle/Reuse (water, solid waste), Reduce Energy Use, Reduce Emissions, Reduce Solid Waste, Train employees in sustainability, Encouraging suppliers to use sustainable process
Journal of Supply Chain and Operations Management	Green Purchasing Practices: A study of E-Procurement in B2B Buying in Indian Small and Medium Enterprises R.P Sabari, M.J Xavier and D. Israel	The paper attempted to bring out the impact of important factors like Perception, Size of the company and Buying situation on adopting E-Procurement in Indian manufacturing SMEs.	Quality, Delivery, Price, Technology, Employee strength, Annual Turnover, Straight rebuy, Modified rebuy, New task
International Journal of Innovative Research in Science, Engineering and Technology	Strategy for Implementation of Green Management System to Achieve Sustainable Improvement for Eco friendly Environment, Globally Siddhant Umesh Sawant, Rithwick Mosalikanti, Rahul Jacobi, Sai Prasad Chinthala, B Siddarth	The study discussed various approaches to green management implementation stages Also discussed the benefits of implementation of green management and examined how green management system is adopted in corporate sector.	
International Journal of Soft Computing and Engineering	Green Supply Chain Management: A Case Study from Indian Electrical and Electronics Industry Sanjeev Kumar, Somnath Chattopadhyaya, Vinay Sharma	The study investigated the green supply chain management practices adopted by the manufacturing industry of electrical and electronics products in India.	Eco procurement, Eco accounting, Eco logistics design, Eco product design, Eco manufacturing, Marketing and Communication, Economic performance, Environmental performance, Customer cooperation, Human and technological resources, Internal environmental management, Operational performance, Stakeholders, Vendor management

TABLE 2: PREVIOUS STUDIES ON GSCM IN INDUSTRIES OF OTHER DEVELOPED AND DEVELOPING COUNTRIES

JOURNAL NAME	TITLE/AUTHOR	DISCUSSIONS	VARIABLES
Journal of Sustainable Development China 2011	Research on the Performance Measurement of Green Supply Chain Management in China Yan Li	The paper explored the performance measurement of GSCM based upon a database of over 128 manufacturing facilities in China, various critical factors are discussed under the listed dimensions	Eco-design level, Green purchasing level, Green manufacturing capacity, Green marketing and consumption, Recycling products and processing ability, Level of information technology and Comprehensive level
International Journal of Operations & Production Management China 2015	Green supply chain management in China: pressures, practices and performance Qinghua Zhu, Joseph Sarkis, Yong Geng	The study aimed to evaluate and describe GSCM drivers, practices and performance among various Chinese manufacturing organizations.	<u>Drivers</u> Supply chain pressure Cost related pressure Marketing Regulation <u>Practices</u> Internal environmental management External GSCM Eco-design Investment recovery <u>Performance</u> Operational Environmental Economic

European Journal of Business Management Kenya 2014	Effects Of Green Procurement Practices On An Organization Performance In Manufacturing Industry: Case Study Of East African Breweries Limited Michael Kariuki Nderitu, Dr. Karanja Ngugi	The study established the contribution of green procurement concepts to performance of the East African Breweries Limited (EABL). The study recommended that the positive effects of green procurement could be achieved by effective use of listed variables	Staff competence ICT infrastructure Supplier participation Capital expenditure
Journal of Business Management and Economics China 2012	Research on factors of green purchasing practices of Chinese Weifeng Yang and Yuelei Zhang	Based on the survey of 144 companies, five principal components of green purchasing practices were measured and it drawn a conclusion that leaders support will boost the green purchasing practices and cost of environmental management will hinder the green purchasing practices of Chinese enterprises.	Waste separation activities, Environmental management costs, Pressure of suppliers and consumers, Support and commitment of the leadership, Awareness of laws and regulations
International Journal of Economics and Management	Pressures, Green Supply Chain Management Practices and Performance of ISO 14001 Certified Manufacturers in Malaysia Azmawani Abd Rahman, Jo Ann Ho and Khairul Anuar Rusli	The paper investigated green supply chain management among 112 ISO14001 certified manufacturers in Malaysia. Examined the influence of various pressures on the level of green practices, and the interrelationships between drivers, practices, and performance.	<u>Pressures/Drivers</u> Regulations Customers Competitions Management commitment Cost related factors <u>Practices</u> Green purchasing Investment recovery Eco-design Reverse logistics Cooperation with customer Internal environmental practices <u>Performance</u> Environmental Firm's (market, financial, customer satisfaction)
International Journal of Control and Automation Korea 2013	A Study on Determinants of Green Supply Chain Management Practice Byeong-Yun Chang, Yermek Kenzhehanuly and Byungjoo Park	Studied the determinants of green supply chain management practices in the Korean companies. The research is to find whether the determinants or drivers have any impact on implementation of GSCM in the Korean companies. The relation between these determinants and the green supply chain practices are studied. The findings resulted that the determinants do not have influence to implement the GSCM practices.	<u>External pressures</u> Government and organizational regulations and Consumer's demand <u>Internal pressures</u> Support from the top managers and Organization's learning capacity <u>GSCM practices</u> Supplier selection Cooperation with suppliers Using eco-friendly raw materials Using cleaner technology Environmental improvement of packaging
Journal of Economics, Business and Management Malaysia 2015	A Study of Success Factors in Green Supply Chain Management in Manufacturing Industries in Malaysia Norlinda Mohd Rozar, Wan Hasrulnizam Wan Mahmood, Abdullah Ibrahim, and Muhammad Ashlyzan Razik	The study has carried out survey in 241 of 522 ISO 14001 certified in Malaysia. The authors discussed about 11 critical factors that are listed. Results of the study concluded that GSCM is now gaining momentum in Malaysia.	Customer focus Handling of customer complaints Efficiency in production procedures Minimize non-compliance problems Update documentation Top management commitment Training employees Non-conformities Employee commitment Ensure training need Ascertain the identity of provider of choice and supply of information system Benchmarking
World Applied Sciences Journal	Manufacturing Performance in Green Supply Chain Management Wan Hasrulnizam Wan Mahmood, Mohd Nizam Ab Rahman, Baba Md Deros, Kamaruzaman Jusoff, Adi Saptari, Zuhriah Ebrahim, Al Amin Mohamed Sultan, Mohd Hadzley Abu Bakar, Sivarao Subramonian and Zanariah Jano	Examine the influence of manufacturing performance on green supply chain management amongst Malaysian companies. Results indicate that improving manufacturing performance leads to an integrated green supply chain, which ultimately leads to an enhancement of environmental compliance as well as an optimization of the operational resources and product recycling activities.	Product Recycling Environmental compliance Optimization Performance of manufacturing systems
Journal of Sustainable Development China 2009	Study on the Implementation of Green Supply Chain Management in Textile Enterprises Fengfei Zhou	This article mainly studied the core contents that the Chinese textile and apparel enterprises green supply chain management implementation.	Establishing the strategic assets view Developing a flow system Designing an organization of performance Establishing the strategic cooperation mode Establishing a performance evaluation and management system

International Journal of Innovation, Management and Technology Malaysia 2013	An Integrated Framework of Green Supply Chain Management Implementation M. Ghobakhloo, S. H. Tang, N. Zulkifli, and M. K. A. Ariffin	The paper presented and integrated the framework of green supply chain management implementation which is based on the available literature.	Green product design, Green material management, Green manufacturing process, Green distribution and marketing and Reverse logistics
International Journal of Managing Value and Supply Chains Malaysia 2012	Green Supply Chain Management: A Review and Research Direction Noor Aslinda Abu Seman, Norhayati Zakuan, Ahmad Jusoh and Mohd Shoki Md Arif	The authors briefly reviewed the recent literatures of GSCM and also determine the new direction area in this emerging field. It focused on the development of GSCM in developed and developing countries. Also proposed a research direction on GSCM adoption in Malaysian manufacturing industries.	
International Journal Of Business Studies 2010	A Proposed Methodology To Promote Adoption Of Green Production By Small Firms Elizabeth A Walker, Janice Redmond and Margaret Giles	The paper developed a proposed methodology to engage small firm owner managers in green production, in particular adoption of energy saving and waste recycling practices.	Problems of small firm owner-manager's lack of engagement due to Negative attitudes towards behavior Lack of resources reduce perception of control Lack of business case
International Food and Agribusiness Management Review Germany 2014	An Empirical Investigation into the Adoption of Green Procurement Practices in the German Food Service Industry Verena Hauschildt <i>et al.</i>	Analyzed the relationship between sustainability views, drivers and barriers and concrete procurement practices for sustainability in the German food service industry (FSI)	
Environmental Economics South Africa 2014	Environmental management practices for sustainable development: agenda for harmonization Gibson Nyirenda, Collins C. Ngwakwe	Explored the role of environmental management practices on sustainable development. Concluded by recommending that these environmental management practices be harmonized across the different sectors of society which will result in improved sustainable development and promote green economic development.	Various environmental management practices concentrated are <ul style="list-style-type: none"> • Engineering • Education • Law • Health
Journal of Management and Sustainability Jordan 2015	The Impact of Green Supply Chain Management Practices on Organizational Performance: A Study of Jordanian Food Industries Salah M.Diab <i>et al</i>	Studied the GSCM practices and its elements on organizational performance in food industries and found that there is no significant impact of GSCM practices on organizational performance.	<u>GSCM practices</u> Internal environmental management Collaboration with customers Green purchasing Eco-design and packaging Warehousing and green building <u>Organizational performance</u> Environmental Financial Operational

DISCUSSION

The main purpose of this paper to highlight the development of green supply chain management in India. The increased awareness of environmental thinking in Indian industries tempted to conduct further research on the adoption of GSCM in SMEs at Tiruchirappalli. The scope of GSCM practices carried out at both internal and external level environment management systems could be studied and to determine whether these management systems have impact on the output on the organizational performance and give suggestions for future development.

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MEASUREMENT OF CUSTOMER SATISFACTION IN BANKING SECTOR: WITH SPECIAL REFERENCE TO BANKS IN SIVAGANGAI DISTRICT

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ABSTRACT

Service offering channels in the banking system has emerged on the scene with variety of forms such as ATM, internet banking, telephone banking and others. Fierce competition, more demanding customers and the changing climate have presented an unparalleled set of challenges for banks in the country. Therefore, customer satisfaction is the key for many banks to survive in competition. This study has used the model of service quality with five dimensions to evaluate its effect on service quality, more the customer's satisfaction and to identify the factors affecting customer's satisfaction in banks and analyze their effects on the level of satisfaction.

KEYWORDS

customer satisfaction, service quality, SERVQUAL method, modern banking services.

INTRODUCTION

In the competitive environment of the post liberalization era in which, financial sector reforms have significantly deregulated the markets, it has become imperative to harness the best customer oriented practices and perception and to internalize them for providing added value to the respondents through the employees. In banking, the quality of customer services holds primary significance, particularly the context of sustained business growth unlike the other industries engaged in the production of tangible goods. Banks are unique in the sense that they produce and deliver the service instantaneously at the service delivery points. This has an overwhelming impact on customer's behavior, which makes respondents hypersensitive to the quality of service.

Excellent service quality is not an optimal competitive strategy which may, or may not be adopted to differentiate one bank from another: today it is essential to corporate profitability and survival. The link between service quality and customer satisfaction has been submitted to intense scrutiny by leading service quality researchers as well as the links between quality, customer satisfaction, customer retention and profitability (Storbacka et al., 1994). Therefore, the success of the bank depends upon the satisfaction of customers but it reached through the way of quality of the services given to the customers.

REVIEW OF THE PREVIOUS STUDIES

Quality in service is very important especially for the growth and development of service sector business enterprises (Powell, 1955). It works, as an antecedent of customer satisfaction (Ruyter and Bloemer, 1995). In the past quality was measured only for the tangible products because of less dominance of service sector in the economy. Due to the increasing importance of service sector in the economy, the measurement of service quality became important. Banking is essentially a high contact service industry and there is close interaction between service provider and the customers in the traditional banking scenario.

Service quality is by nature a subjective concept, which means that understanding how the customer thinks about service quality is essential to effective management. Cronin and Taylor (1992) and Oliver (1993) identified three related concepts to the understanding of service quality as customer perception service quality and customer value. An understanding of the concepts of perception, quality and value is necessary for making service quality effectively.

The marketing of financial service explains the way in which the banks are rendering their services to their customers (Selvam, 2005). It includes the variety of products (Subbaih and Jayakumar, 2009), services (Rowsan, 2007), service qualities (kavitha and Jayanthi, 2010) and services marketing mixes offered to their customers (Rao and Mathe dhari, 2004). The ultimate aim of any banks is the satisfaction of their customers (Omhati et.al, 2010) and creation of the customer's loyalty (Stikha 2010).

RESEARCH METHODOLOGY

The service quality of banks represents the quality of services offered by the commercial banks. The service quality concept was originated by Parasuraman, Zeithmal and Berry. It is common in all service sectors. The banking sector is not an exceptional case. Now a day customer satisfaction and customer retention are the most important challenges faced by most of the banking. Hence for this study following objectives have been formed:

1. To know the various service quality dimension in banking industry
2. To know the level of satisfaction of bank customers in each service dimension.

For the data collection, sample of 398 customers who have their bank account with different banks having operations in Sivagangai district are selected on convenience basis. The distribution of sampled customers is based on the stratified proportionate procedure.

A systematic approach has been adopted for the present study. First, the objectives were framed out on the basis of group discussion and exhaustive literature review. Based on literature review, items were identified to access the satisfaction level of bank customers. SERVQUAL model was followed to identify the satisfaction factors of the customers. Finally, all the items put on a five-point scale ranging from very high to very low.

ANALYSIS AND FINDINGS

The demographic details of respondents on the various parameters like gender, Age, Education, Occupation and Income was described in Table 1 as follows:

TABLE 1: DEMOGRAPHIC ANALYSIS

Parameters	No. of Customers	Percentages (%)
Gender		
Male	326	81.90
Female	72	18.10
Total	398	100
Age		
Below 20	8	2.02
20-30	45	11.30
31-40	156	39.20
41-50	96	24.12
51-60	75	18.84
Above 60	18	4.52
Total	398	100
Qualification		
Up to school level	37	9.30
Higher Secondary Level	70	17.59
Degree/ Diploma	144	36.18
Post-Graduation	93	23.37
Professional	54	13.56
Total	398	100
Occupation		
Students	4	1
Government Employees	29	7.20
Industrialists	27	6.78
House wives	22	5.50
Private Employees	146	37.00
Businessmen	66	16.50
Professionals	54	13.50
Agriculturists	48	12.00
Others	2	0.50
Total	398	100
Monthly Income		
Up to Rs. 20	36	9.08
Rs. 20	71	17.83
Rs. 30	87	21.85
Rs. 40	65	16.33
Rs. 50	79	19.84
Above 60	60	15.07
Total	398	100

SERVICE QUALITY IN BANKS

The service quality of the commercial banks has been measured by different authors in different dimensions. Basically, it starts from five dimensions namely reliability, responsiveness, assurance, tangible and empathy. The included variables to measures the service quality are twenty. Due to increase in globalization, modernization and liberalization, the services and facilities offered by the banks are increasing at a faster rate. Hence, apart from the core services, value added services; electronic services are extended to retain their respondents in a competitive environment. In the present study, the included variables to measure the service quality in the commercial banks are listed in Table 2.

TABLE 2 VARIABLES IN SERVICE QUALITY OF COMMERCIAL BANKS

Sl.No.	Variables in SQ	Sl.No.	Variables in SQ
1.	Accurate ATM and electronic banking	27.	Service charges
2.	Value added services	28.	Provision of services as promised
3.	Provision of free interest neither paid or taken	29.	Ease of contact with employees
4.	Accuracy of online information	30.	Individual attention
5.	Customers informed about service performance	31.	Availability of Zakat facilities
6.	Number of ATM established by banks	32.	Understand the needs of customer
7.	Employees are trust worthy	33.	High quality of facilities
8.	Ease of contact with officers	34.	Providing prompt service to customer
9.	Parking facilities	35.	Sincere in solving the problems
10.	Ease of usage of online information	36.	Willing to help respondents
11.	Customers feel comfortable in interacting with employees	37.	Easy and convenient banking
12.	All services under one roof	38.	Variety of services
13.	Customers feedback services	39.	Attending the phone call
14.	Assured services	40.	Performing service right in first time
15.	Adequate space in facilities	41.	Good comfort
16.	Employee has the best interest at heart	42.	Case of contact with managers
17.	Provision of profit sharing investment product	43.	Reliable services
18.	Telephone and internet banking	44.	Security and privacy of online information
19.	Convenient location	45.	Provision of free interest loan
20.	Good layout	46.	Convenient business hours
21.	Timeliness of online information	47.	Nice interior design
22.	Employees readiness to respondent's request	48.	Knowledgeable employees
23.	Special services to elders/disabled persons	49.	Content of online information
24.	Assures the words promised	50.	Competitive service quality
25.	Maintaining error-free records	51.	Personal care on services
26.	Aesthetics of online information	52.	High quality amenities

Based on the discussion with the clients in the pilot study and in-depth literature review, an exhaustive list of 52 items was identified. The above said 52 variables are rated by the respondents at five-point scale on two dimensions namely the level of perception. The assigned scores on these scales are from 5 to 1 respectively. Initially, the scores on perception of the core service quality variables among the respondents have been included for the narration analysis. The Exploratory Factor Analysis (EFA) has been executed. Initially, the test of validity of data for EFA has been conducted with the help of Kaiser-Meyer-Ohlin measures of sampling adequacy and Bartlett's test of sphericity. The minimum threshold of the KMO measure is 0.50 whereas the level of significance of Chi-square value is not greater than 5.00 percent level (Rao and Saikia, 2006; Vanniarajan and Stephen, 2009). In the present study, the KMO measure of sampling adequacy is 0.8137 which is greater than the minimum threshold of 0.5. The level of significance of Chi-square is at zero percent level. Both these two tests satisfy the validity of data for EFA. The variables which have higher factor loading in more than one factor have been eliminated from EFA (Vanniarajan and Manimaran, 2009). In the present study, the EFA has eliminated the variables namely parking facilities, assuring the words promised, attending the phone EFA result in ten important service quality factors (SQFs). The number of service quality factor, its reliability, eigen value and the percent of variance explained by each factor are summarized in Table 3.

TABLE 3: SERVICE QUALITY FACTORS (SQFS) IN COMMERCIAL BANKS

Sl. No.	SQFs	Number of Variables in	Eigen Value	Percent of variance explained	Cumulative percent of variance explained
1.	Modern Banking service	6	5.1708	11.00	11.00
2.	Communication	6	4.5344	9.65	20.65
3.	Tangibility	6	4.1082	8.74	29.39
4.	Competitiveness	5	3.7664	8.01	37.40
5.	Accessibility	5	3.3081	7.04	44.44
6.	Compliance	4	2.9165	6.21	50.65
7.	Reliability	4	2.5046	5.33	55.98
8.	Responsiveness	4	2.0841	4.33	60.31
9.	Assurance	4	1.7649	3.76	64.07
10.	Empathy	3	1.6447	3.49	67.56
KMO measure of sampling adequacy: 0.7884			Bartlett's test of Sphericity: Chi-square value: 90.93*		

*Significant at Zero percent level.

The most important service quality factor (SQF) in commercial banks is modern banking service since its Eigen value and the percent of variance explained are 5.1708 and 11.00 percent respectively. It is followed by the SQFs namely communication and tangibility since its Eigen values are 4.5344 and 4.1082 respectively. The percent of variance explained by these SQFs are 9.65 and 8.74 percent respectively. The fourth SQF is competitiveness which consists of 5 variables with the eigen value and the percent of variation of 3.7664 and 8.01 percent respectively.

The fifth and Sixth important SQFs identified by the EFA are accessibility and compliance since its Eigen values are 3.3081 and 2.9165 respectively. The other SQFs identified by the EFA is reliability, responsiveness, assurance and empathy since its eigen values are 2.5046, 2.0841, 1.7649 and 1.6447 respectively.

CONCLUDING REMARKS

Service qualities of private banks were measured by using SERQUAL method. The result of this study provides evidence that the SERQUAL dimensions are useful tool to predict overall service performance of banks. In this paper we have found that a customer gives highest importance to modern banking services dimensions. Within that services dimension they give more focus on new innovative services to capturing the customers of their banks. So, banks whether they are private sector banks they importance of customer's satisfaction.

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E-BUYING BEHAVIOUR OF AUTOMOBILES: A CONCEPTUAL FRAMEWORK ON DETERMINANTS

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ABSTRACT

Online/e-buying has unmistakably become a pervasive mode of buying irrespective of product nature, needless to point towards automotive market, especially pre-owned car market. Since there is a fast boom in the internet and technology, customers are gradually turning towards e-commerce day-by-day. The market is predominantly now a consumer driver. The focus is shifting for product based to need based marketing. So it is important that we study the consumers' perceptions and behaviour towards online portals and the marketing strategies work. The research was concentrated on the Manchester of south India – Coimbatore – Tamilnadu. Which paved the way to get a light on the purchasing behaviour of the people mainly who are in the I.T sector, Medical Practitioners and mostly the youngster. The study throws in rapid response that various features in the online pre-owned car portals should concentrate on to attract the prospective buyers. The study concludes that the consumer behaviour and perception plays a vital role in the online automobile marketing portals and there is an extensive scope in this area.

KEYWORDS

online buying, automobile, consumer behaviour, conceptual model.

INTRODUCTION

India, being the second most populated nation in the world and the growth rate of Indian economy is ever increasing as compared to other developed countries, indeed commands a huge demand in the Automobile Car Industry. India has become the emerging market for worldwide auto giants. Ironically has lowest passenger vehicle penetration.

For most of the people in India, purchasing a car is the second most important and expensive decision, perhaps next to purchase of a house; For the automotive manufacturers, first time car buyers give them the opportunity to create a positive Brand Image which could definitely be reflected in the next forth coming years because customers could make repeated car purchasing.

As, the Indian automobile market is booming up, there is also a very speedy growth occurring in the Pre-Owned car market. Traditionally, purchasing a car was considered tedious with numerous visits to the show room, doing comparisons, sorting out all the hurdles and finally owning a car, but as the New age of car buying has gained prominence in the Online area, the Pre-Owned car market has also started gaining momentum in the Online mode of car trading. The Information Technology has empowered consumers to access information relevant to purchase easily. There is a wide gamut of information available on the automobile industry online, ranging from car model specification, pricing, comparisons, Financing options etc.

The study is incisive, inclusive and opens a window of today's digitally connected and empowered consumer and outlines future trends. This study aims to provide a theoretically and empirically grounded initial reference position, against which later research can explore and interpret the effects of changes the variables representing consumer preferences towards websites and shifts in the preferences of the success or failure of Online B2C e-commerce of Pre-Owned car trading via the internet.

REVIEW OF LITERATURE

The online search behaviour of consumers mirrors the offline world. In a recent survey on online consumers, query volumes on Google search see a 38% increase over first half of the year as Indian consumers tend to make auto purchase during the festive season (2009-2010). Indians are also more research oriented when it comes to auto related purchases. With 65% of the Indians use the Internet as their first place to do their research before deciding on the vehicle of their choices. "Customer Satisfaction provides a leading indicator of consumer purchase intention and Loyalty." Farris (2010); In the American Marketing Association Customer Satisfaction is the most frequently used term. A work done by Parasuraman and et.al between 1985 and 1988 provides the basis of testing the measurement of Customer Satisfaction.

Venkestesan (1996) has proven that people tend to get under societal influence when they opt to make a purchase decision of a high value, high involvement product. Since automobiles used to physically move around and to be noticed, it is important to know the factors influence the people.

Prasanna Mohan Raj (2013) studied the factors influencing the customers brand preference of the economy segment SUV's and MUV's. The preference of a product can be studied namely Product Reliability, Monetary Factors, Trendy Appeal, Frequency of Non-Price promotions offered, Trustworthiness and Customer Feeling towards the Brand.

K. Vidyavathi (2012) has thrown a light towards the various aspects that the manufacturers should concentrate on to attract the prospective buyers. The demand for the small car is increasing daily as of ne nuclear families are coming up in a fast pace. Hence the manufacturers should find out the needs, wants, tastes, preferences of the consumers.

Balakrishnan and Jagathy (2012) has provided with the study that due to price increase in Gasoline and Diesel, about one third car owners prefer Diesel cars. Foreign car brands also been a much more getting prominence.

The study of consumer behaviour elaborates as how people construct their buying preferences to utilize their resources like time, money, effort on consumption-related things (Schiffman and Kanuk, 1997). Consumer behaviour is a study of the process concerned when people choose, purchase, use or eliminate products, services, ideas or experiences to satisfy wants and needs.

The study made by Clement and Venkatapathy (2009) established the significance of peer group in the purchase behaviour of car pertaining to Coimbatore Dist. It also revealed the impact of friends which is bigger for the purchase of cars.

NEED/IMPORTANCE OF THE STUDY

E-commerce is growing in all the areas of business, to make the customers life even more easy, efficient and effective and above all hassle free. Today, the automobile industry is growing in a very fast pace. New cars are keep on coming into the market and the old cars are getting piled up in the used car market, now

though to make the pre-owned car even better the online buying and selling paradigm has taken its action into the used car market area and started taking as online pre-owned car portals. So a close analysis of these portals in the minds of customers is what the study is about

INDUSTRY BACKGROUND

During early days, most of the Indian car auto manufacturers banked upon foreign technologies. But the scenario has totally changed over the years and currently, the Indian auto manufacturers are using their own technology. Due to the growth of Indian automobile market, a number of car manufacturers including the global leaders have locked their horns in the Indian auto market.

After the recent setback due to the global recession, the Indian automobile market has again started to grow up. Though the auto sales except commercial vehicles started creeping up since the beginning of this financial year, it's only the month of September 2014 when the market saw buoyant sales. It fuelled optimism in the industry. The retail trade also started soaring up. The auto sales saw a 9.6% rise in the month of September with a sale of 1,092,262 units. The passenger vehicle sales also grew by 20.32%. The two wheeler market was also augmented by 7.67% during the same period with a total sale of 838,150 units. The same trade is applicable for the three-wheeler market, which saw a growth of 13.51% (with sale of 41,137 units) during the same period.

TABLE 1: LIST OF TOP 10 AUTOMOBILE COMPANIES IN INDIA (Figures in Crores)

ET 500 Rank	Company	Turnover	PAT	MCRP CR	Assets
7	Tata Motors Ltd.	123222.91	9273.62	56499.77	52209.48
21	Mahindra & Mahindra Ltd.	37026.37	3079.73	49945.17	36926.19
19	Maruti Suzuki India Ltd.	38140.69	2382.37	31475.63	14762.9
41	Hero MotoCorp Ltd.	19669.29	1927.9	40398.63	4447.22
46	Bajaj Auto Ltd.	17008.05	3454.89	46885.69	5154.96
67	Ashok Leyland Ltd.	11133.04	631.3	6653.15	6621.16
101	Sundaram Clayton Ltd.	7419.41	64.63	529.23	2428.87
110	TVS Motor Company Ltd.	6569.99	127.94	2985	1745.06
148	Eicher Motors Ltd.	5138.64	243.12	4448.27	474.14
396	Force Motors Ltd.	1574.05	58.62	730.05	583

Source: CRISIL Research

Now as a recent and fast development is fast approaching in the Indian pre-owned car segment, a variety of online pre-owned car portals has come up and among those are 'carwale', 'cartrade', 'team-bhp', 'carazoo', 'carsalesindia', 'gaadi.com', 'quikrcars' etc. In contrast there are above 50 online portals like fore mentioned names which are all striving from their best to be on the best Customer Satisfactory pre-owned car portals.

As all these portals provide their best of the best service quality, there are always some situations for some of these portals, were they cannot completely provide the customers what they want, like, Car Assurance, Car Guarantee, Car Certificates, Car Inspection, Speedy Finance providence etc.

Since the private online portals has catching up the fast pace in the pre-owned car segment. Car manufactures themselves has started the same facility as the same as other portals, like, 'Marutiruevalue', 'Mercedespreowned', 'Hyundaicare', 'Fordassured' etc. Now both the segment of online pre-owned car portals is heading with each other to capture the market.

THEORETICAL BACKGROUND

Companies are using the Internet to express and communicate the information and actually to present their goods as well as taking feedback of their performance and get better their turnover and also customers satisfaction. Some companies in the world have begun to use the Internet to decrease marketing costs and consequently reducing the prices of their goods and service to keep a competitive market in the future. The study has been assumed that people with the objective of Internet shopping used new version as individuals in all areas more interest in using the internet have to buy. On the other hand, the rate of innovation moderating relationship quality that people uses the online buying and internet.

As a result, website content services are provided on the website that should be the customer's needs and interests intended to create facilities and even provide private sectors. Although more and more firms are realising the importance of leveraging on the Internet to conduct their businesses, corporate leaders are finding it difficult to keep up with fast moving markets and the customer conditions that are the hallmark of the Internet.

The growth of Internet Technology in India has enormous potential as it reduces the costs of product and service delivery and extents geographical boundaries in bringing buyers and sellers together. The advent and development of Internet has created new opportunities for making professional to create better present marketing practices. It also transcends geographic boundaries, allowing companies to reach prospective customers previously unreachable.

According to Dr. Patil D.Y, 2015 "Buying behaviour of Luxury owners in Western Maharashtra" Younger age groups give more importance to Auto magazines as compared to all the other age and also Brochures of Auto sellers. Value for Money is given importance for selecting the car. Major drivers of Luxury cars are of Economic Status. Consumers of Luxury cars consider brand, latest technology and safety features as more important than Economic consideration and Fuel Efficiency. Majority has bought cars for Exclusivity, need for My status, Status associated with brand. So customers give huge importance to Status and Safety and Technology.

After the report, it is clearly identified that Auto marketers cannot bypass the consumer journey and expect to attract and retain customers (A report from CARS.com and C+R Research).

There was an examine of interrelated factors shown significant relationship. From 10 variables, 5 are independent variables and 5 are dependent variables. 5 Independent: External Environment Demographics, Personal Characteristics, Vendor/Service/Product characteristic and Web Quality and the other 5 Dependent are: Attitude towards online shop, Intention to shop online, Decision Making, Online Purchase and Consumer Satisfaction (Na Li & Ping Zhang, 2002)

As a result, they can enable to choose the lowest available price with required amenities. Regarding to studies, online purchasing has been came out quite recently as a border for transactions between consumers and firms. Internet shopping is changing the methods that customers purchase goods, services and quickly developed into a global fact and phenomenon.

OBJECTIVES

1. To identify the moderating factors to Online buying of today's auto consumers.
2. To determine the level of Influence of Formal and Informal Reference Group

RESEARCH METHODOLOGY

The mode of Research design that has been done was entirely done in relevant to the qualitative study that was been done in purposive sampling technique. In this study, I was able to make a detailed interview on different occupation of people namely, Medical PR actioners, Youngsters and I.T Professionals of about 30 respondents from each categorized occupation, who were able to give me a true outlook of the Indian Automobile Industry. As the aforementioned people are mostly being involved in Online most of their day to day routine life and majority own a car, in the Manchester of India, Coimbatore - Tamilnadu. It clearly gave a path to come up with a better conceptual model of how these category people respond to their buying behaviour of automobiles, mainly in the area of online pre-

owned car portal. As the online pre-owned car portal is rapidly catching up with traditional method of car purchase and the other online sectors, it was clear that people are more interested in doing purchases via online, in fact it gave a big relief to the people who would like to buy or sell their existing car and from this, people already started buying and selling of vehicles via these online pre-owned car portals and is been moving in a very strong steep direction.

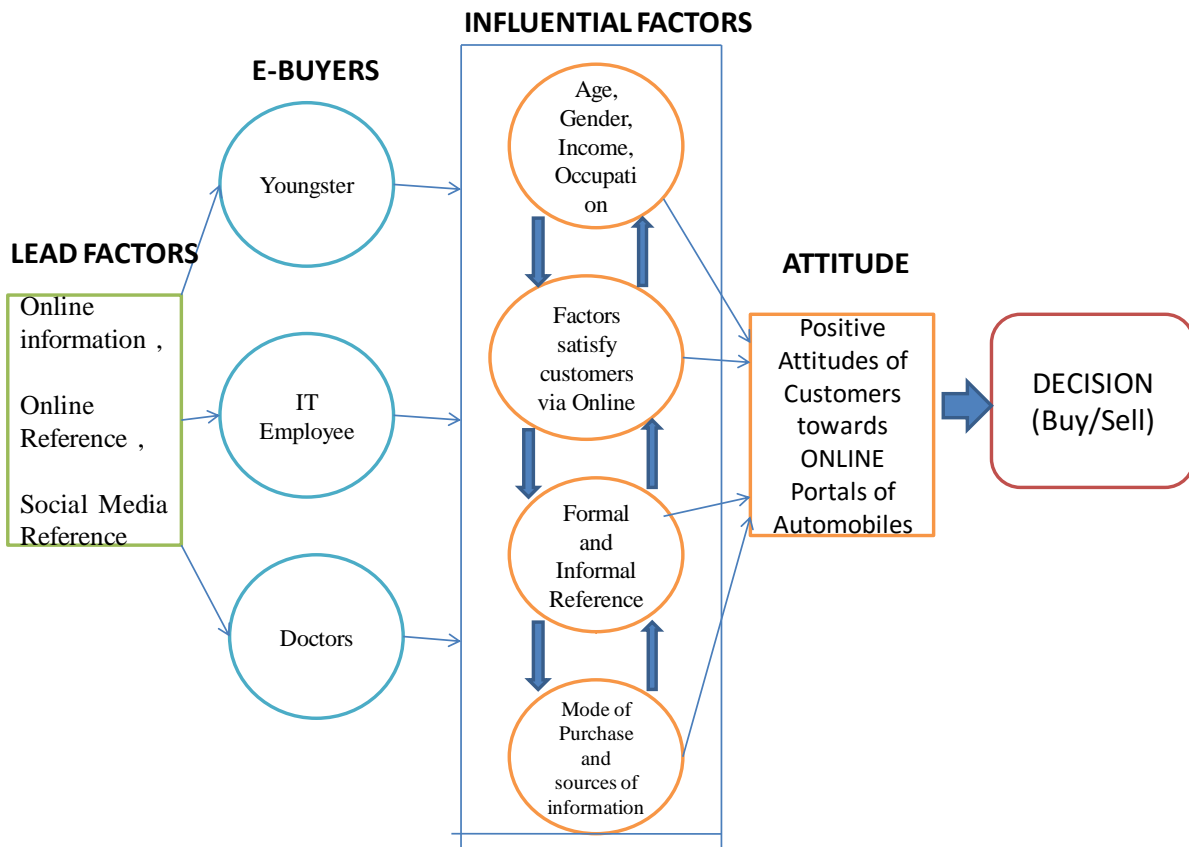
RESULT AND DISCUSSIONS

The discussion part of this study is to create a conceptual model that would help to understand how the e-buying behaviour in the areas of the aforementioned area people sums up together in their purchasing decision.

CONCEPTUAL FRAMEWORK

The conceptual model here helps to describe the way the three different occupational peoples (Youngsters, IT personnels and Doctors) as they are been in the Online era and has been dealing within online field, they are been turned as Electronic Buyers and what are all their influential factors that makes them to have a look at the online used car portals, which in turn can give them the best and effective way to purchase a pre-owned car and also which leads them to buy or sell a car via the portal.

FIG. 1



From the above concept model it clearly shows how the present top most important audience in the society is looking ahead for the upcoming online pre-owned car portals.

FINDINGS

From the above study regarding the pre-owned car portals it gives a strong recommendation to the auto portal companies that, in spite of all the new technology that the company makes up for the betterment and satisfaction for the people, they have to keep in their mind that Customer is the King, whom companies cannot fully satisfy. Decision making on the purchase of online portals are different from the traditional purchase as of with the influential factors.

CONCLUSIONS

The study clearly indicates that online consumer behaviour is evolving and that Online auto portals companies need to anticipate this evolution or even influence the changes in buying behaviour. The companies need to put cutting edge technology to maintain the Quality of content for user-friendly & ease of navigation. The study reveals that most respondent consider Style and Design as being the most important, Fuel Efficiency is taken second. However, it was evident that young executives did not see family needs as a priority when it came to an automobile purchase decision. Products superior Quality is the main reason for buying luxury brand. Consumers have great Gratification and Satisfaction by purchasing luxury pre-owned brands, Luxury brands have good looks and aesthetics which make people to buy.

LIMITATION

The main limitation regarding this research is that the study conducted is actually a conceptual framework of the e-buying behaviour of three different category of people. How the decision towards automobile purchase moves ahead? Another limitation is that the study was conducted in a particular regions of places. And was not able to bring can bring in quantitative model

FURTHER RESEARCH

For the future of the study, all the limitations mentioned can be all turned into work able study and apart from that the researchers can focus on women buyer and also other segment of buyers like, Young professional, self-employed can also be taken into consideration, Researchers can focus on other geographical areas where internet connectivity is available. Can focus on more variables like Customer Trust, Commitment and Involvement All these when empirically tested and quantitatively proven could provide a much better insight into the issues researched.

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STUDY OF REWARDS AND MOTIVATION ON JOB SATISFACTION IN BANKING SECTOR WITH REFERENCE TO PUNE REGION

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PUNE

ABSTRACT

Banking industry viewed from personnel angle has its peculiarities. It is a labour intensive industry and efficiency of employees has got a bearing on the quality of services offered. Increasingly, organizations are realizing that they have to establish an equitable balance between the employee's contribution to the organization and the organization's contribution to the employee. Establishing this balance is one of the main reasons to reward employees. Organizations that follow a strategic approach to creating this balance focus on the three main components of a reward system, which includes, compensation, benefits and recognition. Studies that have been conducted on the topic indicates that the most common problem in organizations today is that they miss the important component of Reward, which is the low-cost, high-return ingredient to a well-balanced reward system. A key focus of recognition is to make employees feel appreciated and valued. Research has proven that employees who get recognized tend to have higher self-esteem, more confidence, more willingness to take on new challenges and more eagerness to be innovative. The aim of this study is to investigate whether rewards and recognition has an impact on employee motivation and test the relationship between rewards, motivation and job satisfaction. Results indicate that (a) rewards have positive significance on motivation, (b) motivation is positively related to the job satisfaction (c) rewards have a positive significant effect on job satisfaction. The results are inconsistent with previous studies conducted to analyze the relationship of rewards, motivation and job satisfaction in different contexts.

KEYWORDS

rewards, motivation, job satisfaction, banking sector, Pune.

INTRODUCTION

Reward system is an important tool that management can use to channel employee motivation in desired ways. In other words, reward systems seek to attract people to join the organization to keep them coming to work, and motivate them to perform to high levels. The reward system consists of all organization components – including people processes rules and decision making activities involved in the allocate of compensation and benefits to employees in exchange for their contribution to the organization. In order for an organization to meet its obligations to Shareholders, employees and society, its top management must develop a relationship between the organization and employees that will fulfill the continually changing needs of both parties. At a minimum the organization expects employees to perform reliably the tasks assigned to them and at the standards set for them, and to follow the rules that have been established to govern the workplace. Management often expects more: that employees take initiative, supervise themselves, continue to learn new skills, and be responsive to business needs. At a minimum, Employees expect their organization to provide fair pay, safe working conditions, and fair treatment. Like management, employees often expect more, depending on the strength of their needs for security, status, involvement, challenge, power, and responsibility. Just how ambitious the expectations of each party are, vary from organization to organization. For organizations to address these expectations an understanding of employee motivation is required (Beer, Spector, Lawrence, Mills, & Walton, 1984). Baron (1983) defines motivation as “a set of processes concerned with the force that energizes behavior and directs it towards attaining some goal.” Kreitner and Kinicki (1992) Tul a that motivation represents “those psychological processes that cause the arousal, direction and persistence of voluntary actions that are goal directed.” If it is the role of managers to successfully guide employees toward accomplishing organizational objectives, it is imperative that they understand these psychological processes. Schermer horn, Hunt and Osborn (1991) conceptualizes motivation as based on content and process approaches. The content theories of motivation emphasize the reasons for motivated behavior and/or what causes it. These theories specify the correlates of motivated behavior that is states, feelings or attitudes associated with motivated behavior, and help to represent physiological or psychological deficiencies that an individual feels some compulsion to eliminate. Establishing this balance and meeting this need is one of the first reasons, according to Deep rose to reward and recognize employees. Formal reward programme which denote financial rewards such as salary, fringe benefits, bonuses, promotions or share options play a significant role, but employees accept these as intrinsic factors to the job.

LITERATURE REVIEW

REWARDS

The Word rewards state the benefits that workers receive from their jobs (Kalleberg 1977, Mottaz 1988), and significant elements of employee job attitudes such as organizational commitment, motivation and job satisfaction (Steers and Porter 1991). In any organization, rewards play an important role in building and sustaining the commitment among employees that ensures a high standard of performance and workforce constancy (Wang 2004). According to the individual-organization exchange theme, individuals enter organizations with specific set of skills, desires and goals, and expect in return a decent working environment where they can use their skills, satisfy desires, and attain their goals (Mottaz 1988). Mostly organizations have increased the substantial improvement by entirely complying with the organizational strategy by a well-balanced reward and recognition programs for employee. Reward refers to all categories of financial benefits, tangible services and benefits that an employee receives as part of employment relationship with the organization (Bratton and Gold 1994). Lawler (2003) described that there are two aspects that decide how much a reward is attractive, the quantity of reward which is provided and the weightage an employee gives to a specific reward. Employees are certainly closer to their organizations and perform better job, while they receive healthier reward and recognition in their organizations. Rewards increase the level of efficiency and performance of the employees on their jobs and in the result thereof increase the success of the organization. Generally, employees' job description and job specification determines rewards to maintain fairness among employees within an organization and competitive in the marketplace (Zaini et al. 2009). Organizational rewards mean all the benefits i.e. financial and non-financial that an employee receives through their employment relationship with an organization (Bratton and Gold 1994, Malhotra et al. 2007). According to the literature the rewards distinguishes into three main types that individuals seek from their organization i.e. extrinsic, intrinsic and social rewards (Williamson et al. 2009). Extrinsic rewards are the physical benefits provided by the organization such as pay, bonus, fringe benefits and career development opportunities. Intrinsic rewards refer to the rewards that come from the content of the job itself, and encompass motivational characteristics of the job such as autonomy, role clarity and training (Hackman and Oldham 1976). Social rewards arise from the interaction with other people on the job and may include having supportive relationships with supervisor and coworkers.

MOTIVATION

Motivation stems from the Latin word movere, which means to move or to carry. Motivation is the force that constantly induces to move and perform things. The most practical definition proposed by social scientist that, motivation is a psychological process that origin the stimulation, direction, and persistence of behaviour (Luthans 2005). Many authors add a voluntary component or goal directed emphasis to that definition (Hellriegel and Slocum 1976). Thus motivation becomes those psychological procedures that cause the arousal, direction, and persistence of voluntary actions that are goal directed. The features such as incentives and rewards are the most favoured factors for employee motivation programs. However, the performance of employee job satisfaction is an imperative motivator and an arrangement of psychological and environment circumstances (Spector 1985, Milne 2007). Motivation programs are the key component of incentives, rewards

and recognition as different organizations correlate success factor with employee performance. Employees are completely motivated when they achieved their needs.

Kiviniemi et al. (2002) described that job satisfaction of the employees' increase by the rewards they receive from the organizations. Pay and promotion dependents on performance and provide strong motivation for employees to work harder in order to be promoted (Lepak and Snell 1999). In any organization, the exceptional performance is possible with great committed employees that can merely achieved by employee motivation. Chiu et al. (2002) highlighted that organization implements merit pay system to reward employees for meeting specific goals, which can affect employee motivation levels. However most of the organizations gained the immense progress by fully complying with their business strategy through a well-balanced reward and motivation programs for the employee. In the existing vibrant environment, the extremely motivated employees provide their services as a synergy for achievement of organizational goals, business strategies, high proficiency, growth and performance. Motivation is similarly compulsory when the employee of an organization has not a good relationship pattern.

JOB SATISFACTION

According to Balzar et al. (1997) job satisfaction is a sensation that employees have about their work environment and their expectations towards work. Thus, job satisfaction can be recognized as what one wants or values from a job (Brief and Weiss 2002). Different kinds of satisfaction lead to diverse objectives and behaviours that ascend from different types of motivation in getting different types of rewards (Luthans et al. 2005). Rewards with their aftermath relationship were expected to establish on satisfaction of the employee with their organization (Milne 2007). Amabile et al. (1994) concluded that employee who reveals high job satisfaction is motivated by rewards, and rewards supported work engagement (Vandenberghe and Trembley 2008). According to Zaini's (2009) satisfaction of rewards in public and private sector employee has been established certainly associated with job satisfaction. Furthermore, Zaini et al. (2009) and Chew (2005) preceding research found that job satisfaction is associated with the monetary compensation (pay, promotion, and bonus) and non-monetary compensation is one of the most important explanatory variables in both sectors (A. Furham et al. 2009).

Organizations like banking sector have determined a balance between the performance of the employees and their commitment to the work which in result of job satisfaction. Reward and motivation are the two main factors that have an effect on the job satisfaction and motivation of employees. In reference to statistics, there is a significant relationship between reward and recognition, and between motivation and job satisfaction (Ali and Ahmed, 2009).

Providing the financial benefit to employees without any prominent expression also loses its importance. Rewards have a direct link with the motivation and job satisfaction of the employees. Variations in rewards and recognition can bring a positive change in work motivation and job satisfaction of the employee (Ali and Ahmed, 2009). Smith et al. (1969) defined the job satisfaction as the level to which an individual has a positive attitude towards his job, either in general or towards a specific dimension. The attitudinal type of job satisfaction suggests that an individual would attempt to stay with a satisfying job and quit a dissatisfying job (Spector 1985). Different studies treated job satisfaction as a predictor of significant behavioural outcomes, such as determined to leave, turnover, and absenteeism (Elangovan 2001). The considering role of job satisfaction has also been inspected by several researchers (Lok and Crawford 2001). It has been an utmost researched topic and thousands of studies have been conducted on this single topic to measure the job satisfaction of industrial workers, teachers, bank officers, administrators, and managers in a variety of undertakings the world over (Sweeney, Hohenshil and Fortune 2002).

HYPOTHESIS

According to Edwards et al. (2006) there is an association between rewards and Job satisfaction; and rewards and motivation. Job satisfaction is inclined by rewards and motivation of employees (Spector1985). Amabile et al. (1994) also described that motivation is effected by reward which is correlated with job satisfaction. Milkovich and Gerhart (2011) claimed that theories of motivation comprise individual needs, exchange and behaviour of employees. These fundamentals influenced by rewards which later stimulate the job satisfaction. The level of job satisfaction in private and public organizations is depending on the concerning to employees' level of motivation and rewards provided by the organizations. So, the following hypothesis has been developed:

H1: There is a relationship between employees' rewards and job satisfaction

H2: There is a relationship between employees' rewards and motivation

H3: There is a relationship between employees' motivation and job satisfaction

METHODOLOGY

Present research emphases on the Private and Public banks of Pune region. A newly established questionnaire was used for this study which was retested for better results. For the study simple random population of 92 employees were selected out of which 74 respondents completed the survey questionnaire with response rate of 52%. The sample included 58% male and 16% female. 43% were aged between 25 to 40 years; however, only 40% had upper secondary school qualification because most of the respondents were performing non-managerial roles. 28% has been working for 4 to 5 years.

RESULT AND DATA ANALYSIS

The results demonstrate that employees of private and public sectors in different banks are moderately rewarded, motivated and gratified in their organisations. It was revealed that rewards are positively related with job satisfaction therefore hypothesis 1 is accepted. Hypothesis 2 proposed the relationship between rewards and motivation of employees which is supported by our results This positive significant relationship of rewards and motivation confirmed our hypothesis 2. Spector (1985) suggested that job satisfaction is an important motivator for employee's performance and lead to miscellaneous behaviours that arise from motivation. Luthans and Sommers (2005) directed that high motivation influenced by high rewards, presented to employees in organizations. Eisenberger and Cameron (1996) likewise recommended that reward contingent on attaining a particular standard of performance increases perceived independence. Furthermore, the result shows that 47% of variance in job satisfaction was described by rewards for banks.

CONCLUSION

Our analysis concluded that the degree of rewards, motivation and job satisfaction of employees has a strong relationship in the banking sector of pune region. From different research, it has been found that employees in banking sector give more importance to economic or financial rewards (Karl and Sutton 1998, Houston 2000). According to Lin (2007) argued that organizations with emphasis on autonomy and co-worker's strong relationship were practiced high job satisfaction. Autonomy received extrinsic rewards offered to employees (Kiviniemi et al 2002). However, according to Malhotra et al (2007) autonomy indicates the ability of the employees to determine the direction in which they carry out their job. Hence, rewards must best rategically readjusted to attain the organizational goals, boost employee's motivation to perform their job better and enhance satisfaction with their jobs.

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A STUDY OF CHILD WELFARE SERVICES PROVIDED BY NON-GOVERNMENTAL ORGANIZATIONS IN THE JAIPUR DISTRICT OF RAJASTHAN

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ABSTRACT

The study finds out that Children are the budding flowers of the society. They are the future of any nation. Hence, their nurturing in all sense is very important for the overall development. United Nations explored that overall development is something which has got combination and balanced development of social, psychological, emotional and physical. It is also explored that each aspects of development are interrelated. Hence, variation in one of the aspect can bring variation in another. Therefore, each and every aspect of development is equally important in attaining overall development of the children.

KEYWORDS

child welfare, NGO, Jaipur.

INTRODUCTION

India is the fifth largest economy in the world, after China, Germany, Japan, and the USA. As with many Western economies, healthy growth of an economy over a long term depends largely on the relevance of scientific and technological research to the needs and demands of that economy. Economic liberalization has intensified competition in all sectors, including research organizations and NGOs (non-governmental organizations). The bureaucracy riddled Government Agencies have been forced to make way for NGOs. When funds and resources are scarce, using them efficiently becomes a real challenge, requiring special skills and experience. Administrative services, which include such sections as personnel, accounts, purchase, training, and fleet management, therefore, play an important role in research organizations and NGOs. Efficient use of funds, pooling of material and human resources, and a proactive approach to administration are a few key features of an ideal administrative system within such organizations. It is therefore essential for personnel in administrative services to learn the techniques of managing resources effectively. The study of Child Welfare Services provided by the NGOs has something to do with the organization effectiveness of the organizations involved in such services.

In the olden civilized societies, the weaker sections, marginalized, resource poor, and power less in general and children in particular have had a good condition due to existence of two mechanisms. The traditional welfare institutions and associations such as, joint family, caste groups, panchayat system, religion, etc., were very strong in meeting the needs of the children. Besides, the socio-cultural values such as, impersonal thinking, group living, communal harmony also made the life of the children comfortable. During their unable conditions, these institutions, associations and values protected and never made any problem as a significant problem.

The processes of modernization, urbanization, industrialization have had a negative impact on the traditional welfare institutions and higher socio-cultural values. Further, the increasing processes of globalization, economic liberalization also have had a negative impact on the both traditional safe guards. As a result of it, the Government either state or central not able to manage to deal with social welfare needs of the society in general and children in particular. Therefore, NGOs are given a chance to act towards delivering welfare services to the children on behalf of the state machinery.

If we look at the present social conditions, nature, number and depth of the problems of the children are increasing. The severities of the problems are also increasing. As a result of it the Non-Governmental Organizations got a wide scope to deal with the children in delivering welfare services.

Since India's independence, the State machinery is making an effort to help the children. Over the period of time many departments have started for decentralization of works. Each and every department is rendering services mostly with the help of NGOs as they lack time, money and human resources. Until now so many programmes have been implemented for the children. Some of them are completed and some other on going. If we look at the change and development, it is difficult to make any mark authentically. In other words, by spending lot of resources of the state, and efforts made by government and NGOs were not able to produce or give considerable quality outcome. The programmes are only programmes. How they meaningfully met the needs of children is hardly answerable. On paper everything has been recorded. In practical terms, the situation is totally different.

It is to be noted that most of the NGOs lack professionals and systematic approach. They also lack in humanistic and holistic approach which are must for successful working of any organization. Without having committed professionals how systematic approach or appropriate management is expected? If there is no proper treatment don't it effect on the quality of services delivered? When the quality of service is affected, the total programme would get non-significant.

Our State lacks in resources. Whatever resources we have, it should meet the children who are in badly need of it. The programmes are devised to meet the vulnerable children. If the programmes are not implemented meaningfully it will be a waste attempt by both Governmental as well as Non-Governmental Organizations. Keeping in view this, the paper makes an attempt to understand the child welfare services rendered by NGOs in Jaipur district of Rajasthan with following objectives.

1. To understand profile of the non-governmental organizations providing child welfare services;
2. To understand about personnel, management, services and problems and difficulties of the non-governmental organizations providing child welfare services;
3. To understand personal background of the inmates and their opinion on services rendered by the non-government organizations in the area of child welfare; and
4. To understand personal background of the functionaries and their functioning in the non-governmental organizations rendering child welfare services.

HYPOTHESIS

A detailed review literature enabled to draw some logical assumptions with reference to the child welfare services provided in Jaipur district.

1. The profile of the non-governmental organizations providing child welfare services have no association with the quality of service they are rendering;
2. The background of personnel, type of management, quality of services and problems and difficulties of the non-governmental organizations providing child welfare services have no association with the upliftment and development of children in Jaipur district;
3. The personal background of the inmates and their opinion on services have no association with the quality of services rendered by the non-government organizations in the area of child welfare; and
4. The personal background of the functionaries and their functioning have no association with the quality of services of the non-governmental organizations rendering child welfare services.

METHODOLOGY

To satisfy and meet objectives of the study qualitative as well as quantitative methodologies are used. The study is exploratory in nature. A sample of 20 organisations providing child welfare services in Jaipur district are studied. The primary data were collected over face to face to interviews with the inmates, functionaries and the management itself of the non-governmental organizations providing services of child welfare in Jaipur district. A semi-structured interview schedule was

used with all the respondents. Further, participant and non-participant observation method was also used to triangulate the facts. The secondary data were collected from scientific journals, books, magazines, newspapers, dissertation abstracts, encyclopedias, internet websites publish by national and international organizations on voluntary organizations, and CD Rom on the research topic.

PROFILE OF THE NGOS

Most of the Non-Governmental Organizations providing child welfare services in Jaipur district are located in urban areas surrounding Jaipur and the adjoining Shekhavati regions. Among the studied organizations many established between 1976 and 2013. They registered under Societies Registration Act 1960 and did not register under Foreign Contribution and Regulation Act and 80 G of Income Tax exemption. With reference to geographical area covered by them is limited to Jaipur district. The organizations have the aim to provide education to orphan, destitute and deprived children. They did not receive any award as recognition of their work. Have no projects of the local government, state government and international agencies and have executive members of 5 to 7 on an average.

PERSONNEL DETAILS

The Non-Governmental Organizations providing child welfare services in Jaipur district have personnel between 11 to 15 members. It is to be noted that many organizations do not have professional social workers. However, it is mentioned that they have sufficient number of staff to work. They have a capacity building training to the staff for the human resource development.

MANAGEMENT

Most of the Non-Governmental Organizations providing child welfare services in Jaipur district's pioneers have background of social work. However, they are educated up to graduation. For their contribution in the field of child welfare services, did not receive any award so far. They are hardly able to write project proposals and also unable to maintain documentation properly.

SERVICE PROVIDED BY NGOS

Most of the Non-Governmental Organizations providing child welfare services in Jaipur district are providing services to 76 to 100 children in a year. Services are extended to both male as well as female children. Services are mostly provided to the normal children and that are of institutional and non-institutional. The organizations are providing computer and vocational training and books over book bank. Children are mostly received through Child Welfare Committee. The capacity of intake at a time is 100. The expenditure made on each inmate is Rs. 11,400 per inmate per year. However, they have financial constraints and not able to get projects easily and also do not get funds easily.

SWOT ANALYSIS OF THE NGOS

The strengths of the Non-Governmental Organizations providing child welfare services in Jaipur district are reported as; infrastructure, trained and skilled staff, planning, problem solving, leadership and communication facilities. Weaknesses are identified by themselves as; infrastructure, trained and skilled staff, recognition, communication facilities, documentation and interpersonal relations.

Opportunities are explored as; trained and skilled staff, resource availability, communication facility, documentation, interpersonal relations, leadership, planning, problem solving and recognition; and Threats pursued by them are; communication facilities, transportation and problem solving.

PERSONAL BACKGROUND OF THE FUNCTIONARIES

Most of the functionaries of Non-Governmental Organizations providing child welfare services in Jaipur district are aged between 26 and 35 years, married and males. Working as a Superintendents and Care takers. Educated up to Graduation followed by +2 level. Have experience of up to 4 years followed by 5 to 10 years. Hails from rural places. Belong to other castes followed by scheduled castes and Hindu religion.

FUNCTIONING OF THE FUNCTIONARIES

Most of the functionaries are providing services to the socially challenged followed by normal children. They led supportive role followed by managerial work. They are living at work place. With reference to satisfaction on their present work they are Satisfied. They spend uncertain time followed by 12 hours in a day. When it is asked about knowledge of child rights among them it is said that many are aware. They think that teasing children and discrimination based on socio-economic background are violation of the child rights. They also think that shouting and humiliating, providing improper food, shelter, clothing and education are not violation of the child rights. When it is asked about their expectation, they expect computer training and vocational training, better facilities and change in the policy of the organizations and not satisfied with the salaries and promotion policy.

PERSONAL BACKGROUND OF THE INMATES

- A majority of the inmates in the Non-Governmental Organizations providing child welfare services in Jaipur district are identified as males;
- Aged between 7 and 12 years followed by 13 and 18 years;
- Hindus and followed by scheduled castes make up the population;
- Speak Rajasthani as mother tongue;
- Normally have no any disability;
- Hail mostly from rural followed by semi-urban areas;
- Have been with Ashram for in between 1 to 4 years;

OPINION ON SERVICES OF THE ORGANIZATION BY INMATES

- Majority of the inmates like mostly food and teachers;
- Do not like playground followed by building and surrounding environment;
- Have comfortable room, cot, bed sheet, toilet, bathing facilities. However, considerable number of children reported that they do not get the same;
- Get satisfactory breakfast, lunch and dinner. However, considerable number of children reported that they do not get the same;
- Food is given twice in a day;
- Get timely and quality of treatment. However, considerable number of children reported that they do not get the same;
- Expect to improve the playground, garden, accommodation and food; and
- Expect to introduce computer education, vocational training, trained teacher, health and sport facilities.

SUMMARY

Children are the budding flowers of the society. They are the future of any nation. Hence, their nurturing in all sense is very important for the overall development. United Nations explored that overall development is something which has got combination and balanced development of social, psychological, emotional and physical. It is also explored that each aspects of development are interrelated. Hence, variation in one of the aspect can bring variation in another. Therefore, each and every aspect of development is equally important in attaining overall development of the children.

Poverty is one of the major issues in the developing countries like India. It has got a bearing on most of the aspects of life for the middle and lower middle class people. The people living below the poverty line have to struggle for meeting their basic needs. These large sections face difficulties in fulfilling integrated needs of their children. Illiteracy and ignorance is the second aspect in most of the countries that push people into many disasters. Such disasters largely affect the weaker section of the society. Children are one of the vital sections of it. They are largely affected by adverse conditions resulted due to poverty, illiteracy and ignorance.

Children in need of care and protection and children in difficult circumstances are the weaker among the weaker section. Most of such children have either family support with chronic poverty or have absence of both. In such conditions, children need alternative supportive mechanisms. In other words, children who do not have care takers for their development are provided with alternative system by the government or non-government. Non-government organizations are one of those take up a vital responsibility of developing such children by providing their integrated needs and protect their rights and nurture them in such a way that they would be a responsible and creative citizens of the nation.

Understanding on functioning of any organizations needs the understanding from multi-dimensionality. It is to be understood from service givers as well as receiver's point of view. The service delivering personnel are also important in such understanding. In one sense, it is accessing organizational effectiveness from three levels. Hence, the services of child welfare provided by the Non-Governmental organizations are studied not only with the organizational perspective but also from the functionaries and inmates.

The non-governmental organizations providing child welfare services in Jaipur district are few as compared to actual needs. Most of the organizations have got multiple objectives of functioning. They are working in a limited geographical range. The major reasons for limited work are; lack skilled and professional staff, infrastructural resources and financial resources. They wish to take as many as projects for the implementation. However, so far, many depend on government for the financial support. The time taking procedures of the government push the organizations into complications.

The government procedural aspects have something to with this limitation. They lack human and financial resource. Despite limitations, they are functioning. How meaningfully they are functioning is questionable. SWOT analysis clearly shows that despite identified strengths the organizations are not able to overcome from weakness and also able to utilize opportunities to face threats. Hence, speaking, the organizations are putting effort only where there is a government support. If the support withdrawn, they do stop functioning.

The functionaries working in child welfare non-governmental organizations are mostly non-professionals. They lack ideological orientation and thereby lack in commitment and dedication. Working with given salary made them to satisfy within available resources. This has led them to compromise many their desires against scarce of resources. Suppression of desires and insecure feeling and familial commitments lead them into a burnout status.

The inmates availing child welfare services are mostly neglected children, destitute, orphan and belonging to lower socio economic strata. They lack family support. For them, it is inevitable to avail given services. They are mostly not aware about their rights. If their rights are violated by any, it is thought to be their fate and adjustment is the only solution before them. Their living conditions are not so appreciable. The reasons for the same lie with both the government and the non-governmental organizations. There is a need to improve the quality of services. This is possible only when the organizations work on some ideologies with lot of commitment and dedication and also provided proper and timely resources by the government.

Children availing services of the non-governmental organizations are not surely in good conditions. They are in a vulnerable condition. For that only non-governmental organizations are not responsible. It is also government, functionaries, parents, society at large is responsible.

In view of above following suggestions are made in order to improve the quality of services of the non-governmental organizations providing child welfare services in Jaipur district;

1. Non-government organizations providing child welfare services must be given a capacity building training on NGO management, communication skills, documentation, project proposal writing etc.
2. Orientation of child rights need to be given to the management, functionaries and inmates is important to protect rights of children.
3. There must be a monitoring and regulating system with frequent intervals need to be develop by the State machinery to ensure minimum quality services delivered by non-governmental organizations.
4. The organizations need to be supported in order to get registered under 80 G income tax relaxation and FCRA so that they can be able to generate sufficient funds within and outside the country for the sake providing better and greater services to the children.
5. The project sanctioning process and procedure of the government needs to be simplified and free from mal practices to avoid unnecessary delay and harassment to the organizations.
6. Infrastructure facilities need to be provided to the organizations providing institutional residential services to the children.
7. The support must be given to the non-governmental organizations in such a way that sufficient number of organizations must be available to provide services to all type of children viz., physically, mentally and socially challenged and normal children.
8. The functionaries working in organizations must be provided with proper facilities and adequate salary to keep their satisfaction level constant.
9. Each organization providing child welfare services must have a professional social worker and also special educationalist or such experts to deal with the type of child for their development.
10. Mainstreaming formal education of the children must be prioritized irrespective of their limitations.

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A STUDY ON THE WORKPLACE CULTURE AND ITS IMPACT ON EMPLOYEE RETENTION WITH SPECIAL REFERENCE TO SAKTHI FINANCE LTD, COIMBATORE

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ABSTRACT

The concept of workplace culture has recently captured the interest of practicing managers as well as academic researchers. This appeal is based on the observation that a strong productive culture is associated with increased sales growth, profitability, employee satisfaction and overall organizational performance regardless of where the organization is physically located. Employee retention is a critical component in managing human resource flow. In this era of unpredictable market and organizational changes, organizations must create an environment where today's top talent can thrive. The intent of this research is to present a comprehensive view of the workplace culture through literature survey and questionnaire method, uncovering the various aspects of employee retention and debating on the issue whether workplace culture has its impact on employee retention. This would further help in establishing a linkage between workplace strategies and human resource planning.

KEYWORDS

retention, workplace culture, human resource, turnover, planning and strategies.

INTRODUCTION

Human resources (HR) department play a pivotal role in setting the cultural tone of a company. The policies they issue and the way they conduct business diffuses through the company. Employees may take their cue on how to do their jobs from HR from the moment the company hires them. HR departments must model how they want other departments and individual employees to act and to create a positive workplace culture as possible. Two of HR's main functions are to attract and retain high-quality professionals, and the culture they promote in the company affects their functions. The best way to retain employees is to stay in touch with what they are thinking. Are they happy with their work? Are their needs for challenge, belonging, development, and meaningful work met? Do they have the communication, problem solving, feedback, and recognition that they need from their boss? If the employer stays in touch with their employees, the employer can head off potential retention issues. But, the employer must think about employee retention every day. Are the systems, processes, and requirements in the company supportive of employees? Do they support the most important needs of the employees for meaningful work, market compensation and benefits, and the ability to have an effect on their work and workplace? Most importantly, do they make employees want to stay?

OBJECTIVES OF THE STUDY

1. To study the employees wants and to align them with company's vision.
2. To study the relationship between the hiring process and employee's attitude towards the company.
3. To understand the people's personalities that sets a flavour for workplace culture.
4. To understand the individual Vs. Collective workplace culture.
5. To identify the problems encountered with workplace culture which leads to retention.

NEED OF THE STUDY

The intent of this research is to present a comprehensive view of the workplace culture through literature survey and questionnaire method, uncovering the various aspects of employee retention and debating on the issue whether workplace culture has its impact on employee retention. This would further help in establishing a linkage between workplace strategies and human resource planning.

SCOPE OF THE STUDY

The relevance of this study is to establish that workplace culture has an impact on employee retention. Thus, there is a need to look into the various aspects that play as a backbone to frame the structure of a workplace culture.

STATEMENT OF PROBLEM

To study the impact of workplace culture on employee retention the employees do leave the organization due to some or the other problem at the workplace. This is a critical situation which should be dealt in a smoother way or else it will lead to losing of highly potential employees from the organisation.

RESEARCH METHODOLOGY

SAMPLE DESIGN

The research is conducted using simple random sampling and questionnaire method is used for collecting data.

SAMPLE SIZE

Data were collected from 120 respondents to identify their attitude, perception, opinion towards the workplace place culture in Sakthi Finance Ltd.

METHOD OF DATA COLLECTION

The study used both primary and secondary data. The focus of the study is to analyse the major attributes affecting employee retention in the organization.

PRIMARY DATA

The major source of the data used to carry out the analysis is primary data. Field survey method was employed to collect the primary data from 120 respondents through a well framed questionnaire. The respondents with varying background in Sakthi Finance Ltd, based on their demographic aspect like age, gender, academic qualification, designation and year of study were selected for the study.

SECONDARY DATA

The secondary data namely literature relating to the study was gathered from national and international journals, magazines, articles and various other records.

ANALYSIS OF DATA

Data were analysed and interpreted according to the objectives. The analysis and interpretation was done through chi-square test, ranking method, one way ANOVA and Cronbach's Alpha reliability test.

REVIEW OF LITERATURE

1. According to **Arthur, J. (1994)** it has been reported that, management practices such as compensation and reward, job security, training and development, supervisor support culture, work environment and organizational justice significantly help in reducing employee absenteeism, retention and better quality of work life.
2. **Van Knippenberg (2000)**, suggested that employee become more loyal and stay in the organization when they identify themselves within a group and contribute to the performance as a group.
3. According to **Zuber A (2001)** in his paper on "A career in food service cons: high turnover", Nations Restaurant News, 35 (21):147-148 has found that employees are more likely to stay when there is a predictable work environment and vice versa. Zuber also stated that instable organization have a high degree of employee turnover.
4. **Miller, Erickson and Yust (2001)**, stated workers think them to be valued in the work climate that offers them a sense of belonging.
5. **S. Ramlall (2003)** Managing Employee Retention as a Strategy for Increasing Organizational Competitiveness has stressed the need for recognizing the individual needs of an employee in an organization as it will encourage commitment and provide a suitable work environment.
6. **Deery (2008)** Ways and methods suggested to improve employee retention and commitment include better recruitment and training & development practices to improve employee satisfaction with work.

INTERPRETATION AND ANALYSIS

TABLE 1: THE RANKING OF VARIOUS FACTORS

FACTORS	I	II	III	IV	V	WA	Rank
Recognition	5*34	4*50	3*23	2*6	1*7	1.92	V
Leave	5*26	4*31	3*35	2*22	1*6	3.41	III
Promotion	5*14	4*7	3*13	2*40	1*46	3.67	II
Motivational Task	5*42	4*24	3*34	2*12	1*8	2.19	IV
Salary Increase	5*4	4*8	3*15	2*40	1*53	3.82	I

INTERPRETATION

From the above table, it is inferred that among the ranking on an overall response given by the respondents based on the factors set. The mean value of 3.8 is the highest value and it stands for Salary Increase, next mean value is 3.67 for Promotion, 3.41 for Leave, 2.19 for motivational task and the last of 1.92 for recognition.

TABLE 2: ASSOCIATION BETWEEN EDUCATION AND I AM SATISFIED WITH THE REWARDING SYSTEM EXISTING IN THE ORGANISATION

Education	Education * I am Satisfied with the Rewarding System Existing in the Organisation (Cross Tabulation)					Total
	Highly satisfied	Satisfied	Neutral	Dissatisfied	Highly dissatisfied	
UG	0	22	26	8	0	56
PG	5	18	17	6	9	55
Diploma	0	2	0	0	0	2
Others	0	2	1	1	3	7
Total	5	44	44	15	12	120

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	28.308 ^a	12	.005
Likelihood Ratio	32.709	12	.001
Linear-by-Linear Association	3.782	1	.052
N of Valid Cases	120		

Aim: To find out the association between the education and satisfaction with the rewarding system existing in the organization.

Null Hypothesis: There is no association between the education and satisfaction with the rewarding system existing in the organization.

Alternative Hypothesis: There is association between the education and satisfaction with the rewarding system existing in the organization.

INTERPRETATION

The calculated value is 28.308 and the significance value is 0.005 which is greater than 0.05, so the Null hypothesis is accepted and Alternative hypothesis is rejected. Hence, there is no significant association between the education and satisfaction with the rewarding system existing in the organization.

TABLE 3: SIGNIFICANT DIFFERENCE BETWEEN YEARS OF EXPERIENCE AND TYPE OF INCENTIVES

ANOVA					
Significance difference between years of experience and types of incentives					
	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	3.321	2	1.661	0.619	0.54
Within Groups	314.145	117	2.685		
Total	317.467	119			

Aim: To find out the significance difference between years of experience and type of incentives.

Null Hypothesis: There is no significance difference between years of experience and type of incentives.

Alternative Hypothesis: There is significance difference between years of experience and type of incentives

INTERPRETATION

The calculated value is 0.54 and the significance value is 0.05 which is greater than 0.05, so the Null hypothesis is accepted and Alternative hypothesis is rejected. Hence, there is no significance difference between years of experience and type of incentives.

RELIABILITY ANALYSIS

TABLE 4: RELIABILITY STATISTICS

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.915	.919	22

INTERPRETATION

The result of Reliability analysis for impact of workplace culture gives the Cronbach's Alpha value (test value) as .915 as displayed above. This value is greater than the standard value, which is 0.6. Thus, the data obtained is reliable and have external consistency.

FINDINGS

- Table 1 implies that the ranking on an overall response given by the respondents based on the factors set. The mean value of 3.8 is the highest value and it stands for Salary Increase, next mean value is 3.67 for Promotion, 3.41 for Leave, 2.19 for motivational task and the last of 1.92 for recognition.
- Table 2 implies that there is no significant association between the education and satisfaction with the rewarding system existing in the organization.
- Table 3 implies that there is no significance difference between years of experience and type of incentives.
- Table 4 implies that the result of Reliability analysis for impact of workplace culture gives the Cronbach's Alpha value (test value) as.915 as displayed above. This value is greater than the standard value, which is 0.6. Thus, the data obtained is reliable and have external consistency.

SUGGESTIONS

- Reward employees who complete the given task, this will bring a spirit of motivation.
- Conduct monthly discussions between superior and immediate subordinate.
- Introduce employees that their organization holds high degree of attachment towards them.
- Engage employees in work so as to inculcate the culture in the employees that the retention of employee is not a segregated task anymore and also that it is not only H.R task but a responsibility of the whole organisation.

CONCLUSION

Many of the companies offer perks and benefits, but those do not determine the culture completely. The approach taken with how employees are treated and what level of ownership and trust they are given is also a key part of company culture. One word of caution: focusing on company culture to the exclusion of other workforce considerations (safety, laws and regulations) can lead to abuses or create situations where employees are not comfortable. It is always rightly said that the best culture makes all employees feel safe and welcome, never excluded or uncomfortable. Further study can be conducted by adding a couple of facets to it. The study can be replicated in other sectors also where attrition has become a common problem and also how to minimize attrition and use of effective retention. Similar study can also be done in sectors like hospitality, infrastructure, retail, education etc. as intrinsic motivation and workplace place culture becomes a pillar for performance, loyalty and eventual sustenance almost everywhere.

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A PREFERENTIAL STUDY ON INVESTMENT IN PHYSICAL GOLD AND INVESTMENT IN E GOLD WITH SPECIAL REFERENCE TO MANGALORE

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ABSTRACT

This paper is based on the preference of the people on investment in physical gold and investment in Electronic gold. Physical gold comes in the form of Gold coins, biscuits, jewellery, bars, bullions, etc...Electronic gold are held in the demat account in the form of units which can be also taken the delivery of the physical gold. The study aims to know the awareness among the people on investing in Electronic gold and their perceptions on the same and also to analyse the tax implications and tax benefits available on Electronic gold and Physical gold. The sample size taken is 100 from Mangalore, Karnataka. Convenience sampling technique is used for the purpose of the study. The data is collected through questionnaire and interview form. The study reveals that the people are aware on investment in Electronic gold but they do not prefer it because they believe in tangibility of gold and also have the emotional and traditional value on the gold. Investing in physical gold and Electronic gold do not get any tax benefits. Electronic gold is suitable for long term investment.

KEYWORDS

E gold, physical gold, tax benefits, tax implications.

INTRODUCTION

From the ancient times gold is considered as a symbol of wealth and prosperity all over the world. But especially in India gold plays a vital role in everyone's life. Among all the precious metals, gold is the most popular as an investment. Investors buy gold to diversify their investment portfolio and also to diversify their risk. There are two forms of investing in gold physical gold and paper gold. Physical gold includes jewellery, gold coins/bars, and biscuits. The investment in paper gold includes gold ETFs, gold bonds, E gold etc.

The National Spot Exchange Limited (NSE) has introduced E-series products in commodities since 17th March 2010. To start with, they have launched E-Gold and E-Silver. E-Gold is electronic gold currency controlled by Gold & Silver Reserve Inc. E-Gold units can be purchased and sold through the exchange called National Spot Exchange Limited (NSE). E-Gold launched by National Spot Exchange Limited (NSE) is a mixture of two forms - physical and electronic. Presently, NSE provides gold, silver, and copper trading in their E-series. E-Gold units can be bought and sold through the exchange (NSE) just like shares. One unit of e-gold is equal to 1 gram of gold. If investor wants to take physical delivery of E-gold units then he can take it in multiples of 8 grams, 10 grams, 100 grams, and 1 kg. Currently there are only few delivery centres for converting E gold into Physical gold in India. i.e Mumbai, Delhi and Ahmedabad.

Tax implications and tax benefits available for investing in physical gold and E gold Physical gold- It is considered as Short term capital gain if holding period is less than 3 years from the date of purchase. Profit from sale will be taxed as per tax bracket applicable to investors. Physical gold is considered as Long term capital gain if holding period is 3 years or more from the date of purchase. Profit from sales will be taxed at 10% without indexation or 20% with indexation, whichever is lower. There is no tax benefit available for investing in physical gold.

E gold- If E gold is held for less than 3 years than the income generated from the sale of E gold units will be clubbed in the overall income of the person and depending on which tax slab he falls in; investors will be taxed accordingly. If held for more than 3 years than the income generated from the sale of E gold units will be considered as long term capital gain and will be taxed at the rate of 10%.

REVIEW OF LITERATURE

An investment in gold bullion adds no systematic risk to an investor's portfolio (McCown & Zimmerman, 2006). It would be misleading to equate investment in a gold mining equity with direct investment in gold bullion as the appreciation potential of a gold mining company share depends on market expectations of the future price of gold, the costs of mining it, the likelihood of additional gold discoveries, and several other factors (Kapur, & McClatchy, 2008). The confidence of investor is increasing in ETFs and therefore the Gold ETFs' has bright future in India. The investors prefer investing in physical gold and they prefer the easy mode of investment option which in return give them more profit (Nawaz & Sudindhra, 2013). The gold returns show a seasonal behaviour by outperforming in the months of January and March, hence investors can earn abnormal returns by timing their entry or investments in gold (Bibhu & Ankita, 2013). The different Gold Investment options, physical gold is mostly preferred by the respondents secondly by Gold coins/bars and then Gold ETF and E-Gold (Thakkar, Gogia, & Manjunathan, 2013). Gold prices are less volatile compared to the equities market which instilled confidence in the minds of investors to possess gold proving it to be a strong asset class and inclusion of Gold ETF in a portfolio would diversify the Portfolio risk (Athma & Suchitra, 2013). The gold ETFs have lesser variability as compared to the physical gold and hence the performance of gold ETFs is better than the performance of physical gold (Aggarwal, Jain, & Aggarwal, 2013). The gold ETFs are the ideal form of investment to be made which involves the lower risk as compare to the market and provide higher average return (Mohdsaleem & Khan, 2013). Investing in Gold ETFs is effective source of investment. It benefits the long term investors. (Jayanthi, Malathy, & Radhulya, 2013). The awareness of the people on E gold is moderate (Saranya & Jisha, 2014). The Gold ETFs are not suitable for long term investment. They are better for short term investment (Saranya & Vimala, 2014). The investment in gold depends on the age group of the people based on some of the benefits available like gold as financial security which is also mortgageable. (Swati & Kirti, 2015).

IMPORTANCE OF THE STUDY

Most of the research works were conducted in the field of Gold Etf's and its awareness. But there is less number of researches conducted on E gold. The present study aims to know the awareness on investment in E gold and also to analyse the tax implication and tax benefits available.

STATEMENT OF THE PROBLEM

E gold is the new concept which was recently came into existence. But physical gold is the oldest and traditional form of investment. E gold is the smart way of investment in gold. Most of the people are aware of investing in E gold, yet they do not show their interest in investing in the same. People are not much aware on the benefits of investing in E gold. Compare to physical gold, E gold has more liquidity and also profitable and it is also the safe mode of investment in gold.

OBJECTIVES

1. To study the awareness level among the investors on investing in Electronic gold (E gold).
2. To study the perception of the investors towards investment in Physical gold and E gold. (Based on three criteria i.e, liquidity, profitability, and safety).
3. To know the pros and cons of investing in Physical gold and E gold.
4. To analyse the tax implications and tax benefits available on investing in Physical gold and E gold.

RESEARCH METHODOLOGY

The study is based on the primary and secondary data. The primary data is collected. The primary data is collected through questionnaire and interview. 100 respondents are taken from Mangalore. The secondary data is collected through Websites, Magazines, Journals, Research articles.

DATA INTERPRETATION**TABLE 1: CORRELATION ANALYSIS BETWEEN DEMOGRAPHIC FACTORS, AWARENESS ON E GOLD AND INVESTMENT IN E GOLD**

	Awareness on E gold	Investment in E gold
Gender	0.150	0.061
Qualification	0.189	-0.069
Income	0.228*	0.247**
Employment Status	0.159	0.207*
Age	0.084	0.030

*Significant at 0.05 **Significant at 0.02

INTERPRETATION

From the above table we infer that only the demographic factor income has the correlation with the awareness on investment in E gold. As the income of the people increases their awareness level also keeps increasing. Other factors are not correlated with the awareness on investment in E gold.

The demographic factors like income and employment status have the correlation with investment in E gold. As the income of the people increases they will start investing in E gold and mostly self-employed people prefer investing in E gold than the salaried people.

FINDINGS

1. The study reveals that there is awareness among the investors about investing in E-gold. Out of the 100 respondents 70 respondents have awareness on investing in E gold and 30 respondents are not aware of it.
2. The demographic factors like age group, gender and qualification level is not related with the awareness on investing in E gold and investment in E gold.
3. The factors like income group and employment status have significance relation with investment in E gold.
4. People are aware of investing in E gold but they do not prefer it because they believe in tangibility and also they have those traditional and emotional values towards investing in physical gold. So, they mostly prefer the option of investing in physical gold.
5. From the liquidity, safety, and profitability perspective E gold is considered to be moderately liquid and it is also safe way of investment as it is held in the Demat Account and not subjected to any threat. It is also profitable as it does not involve numerous charges like how it is charge on physical gold.
6. E gold is suitable for the small investors. It helps to diversify their investment portfolios.
7. Respondents are not much aware about the tax implication and tax benefits available on investment in Physical gold and E gold.

SUGGESTIONS

These are the suggestions based on this study. The RBI should consider the unit of E gold as a pledge, so the investors can avail loan from the banks. So it turns out to be safe investment option for investors to hedge their asset against the uncertain global market scenario. There are only few centres for taking the delivery of physical gold by converting E gold units. Therefore, more number of centres should be opened which will helpful for the investors. NSEL should tie up with the bank and the jewellery shops to give the delivery of the physical gold by converting the e gold units. The awareness regarding the E gold is moderate among the people. They do not have adequate information on the same. So the NSEL and government bodies such as SEBI should take the initiative to give adequate knowledge regarding the investment in E gold.

CONCLUSIONS

In India, gold is considered as the symbol of wealth and prosperity. Most of the people make investment in physical gold. People are aware of new form of investment in gold like E gold and only few have invested in this form. The awareness and investment in gold buying behaviour of the people are no way related to the factors like age, gender, qualification level but they are related to the income level and the employment status of the people. The investment in physical gold and E gold are influenced by traditional and economic value. People also believe in tangibility of gold. They consider E gold as virtual gold.

In comparison with physical gold E gold is the more efficient way of investing in gold which has liquidity where as some form of physical gold are illiquid. E gold is profitable as there are no wastages, making charges etc...like physical gold and it deals with 99.5% pure gold. If the investors want to invest in gold for their personal consumption it is suggested to go for E gold as it has lots of benefit over physical gold. If people are accumulating gold for any auspicious occasions it is better to go for E gold. One can sell the e gold units and make ornaments out of it according to their wish. E gold is a safe form of investment. So e gold is considered as best way of investment over physical gold.

LIMITATIONS

1. This study is restricted to Mangalore city.
2. The number of respondents taken is 100.
3. Lack of interest among the respondents.
4. Biased opinion while responding for the questionnaire.

SCOPE FOR FURTHER RESEARCH

The further research can be conducted on the Macro factors influencing the gold investment in India.

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VENTURE CAPITAL IN INDIA: TRENDS & CHALLENGES

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ABSTRACT

The Indian startup environment is a buzzword since last year when the Venture Capital investments hit an all-time high of more than 9\$ billion. The year 2016 started with the launch of ambitious Start Up India Campaign. With a 10,000 crore corpus, tax exemption and self-compliance procedure, the Indian Startup ecosystem has never been more conducive. The current government policies are favouring business environment and with the number of mobile phone and internet users increasingly exponentially in India, sectors like e-commerce are attracting unprecedented investment. There are a lot of mergers and acquisitions in the start up industry and the government support is supporting this consolidation. With all the initiatives, Indian start up scene is on a never before growth trajectory that is bound to sustain for a long time. The present paper examines the conceptual framework of Venture Capital, the evolution of Venture Capital in India and the Regulatory framework for Venture Capital Funds. The paper analyses the current trends and challenges in the Venture Capital Industry and the way ahead for India.

KEYWORDS

history, SEBI regulations, startup, trends, venture capital.

I. INTRODUCTION

A new business requires capital for establishment and expansion. There are a number of ways to fund growth of a business: proprietor's own capital, arranging loan from financial institutions and seeking equity investment as happens in Venture capital. Venture Capital is a source of funding for small companies which have limited or no operation history and are not strong enough to access the capital market or acquire institutional finance. Venture Capital is basically investment in newly formed companies which have a strong potential for growth with a goal of earning long term capital gains at the time of exit. Venture capital investment promotes the growth of entrepreneurs with promising ideas and thereby act as medium for fulfilling the lacuna in financing options for risky, growth oriented firms

Jane Koloski Morris, editor of the well-known industry publication, Venture Economics, defines venture capital as '**providing seed, start-up and first stage financing**' and also '**funding the expansion of companies that have already demonstrated their business potential but do not yet have access to**

Venture capital typically comes from institutional investors and high net worth individuals and is pooled together by dedicated investment firms known as VENTURE CAPITAL FUNDS. The individuals who invest in this funds are known as Venture Capitalists and the firms in which they invest in are known as Venture Capital undertakings. Angel Investors are private individuals with huge net worth which directly invest in growth oriented firms.

WHAT DO VCs LOOK FOR?

Venture capitalists look for businesses that have the potential to grow quickly to a significant size, yielding a significant return on the VC's investment in a relatively short period of time.

The company's current size is less important than its future aspirations and growth potential. A target company for a VC is one that may be capable of becoming a large market leader in its industry due to some new industry opportunity and competitive advantage.

5. **Commercially viable.** Does the company have a product or service that can be reproduced efficiently to generate revenue?
6. **Identifiable market.** Is there a clearly defined market for the company's product or service? Does the company's product or service meet an identifiable need in that industry? Does the company have a reasonable plan to meet the identified need in an efficient, revenue-generating manner?
7. **Strong management.** Does the company's leadership inspire confidence? Do they have the vision, expertise, and the ability to propel a business to a significant level of growth?
8. **Sustainable competitive advantage.** Has the company hit upon an idea that's truly unique to the industry, one that has significant barriers to entry that will inhibit others from encroaching upon its market? Has the company considered economic and technological change that may affect the business model?
9. **Exit Opportunity:** Lastly, venture capitalists look for the clear exit opportunity for their investment such as public listing or a third party acquisition of the investee company

II. VENTURE CAPITAL INVESTMENT PROCESS

STAGES OF FINANCING

Venture Capital typically refers to risk capital as they invest in risky projects at a stage when the idea of the business is still shaping up and as the company progresses they may fund additional rounds for expansion and growth of the company. The various rounds of financing may be divided as:

Early stage Financing

1. **Seed Money:** This is the funding required to test and research on a new idea before commercial production starts. At this stage, the risk of losing the investment is tremendously high, because there are so many uncertain factors.
2. **Start-up:** This is the funding required by firms that have conducted successful feasibility studies and are now looking at product development and marketing.
3. **Second-Round:** Firms at this stage require funding for promoting sales as they are selling the product but not yet turning profit. They are trying to compete and carve out a market for themselves.

Later stage Financing

4. **Mezzanine/Development financing:** This is expansion money for a newly profitable company to acquire new assets and foray into different markets.
5. **Bridge Financing:** This is the final stage funding required for financing the cost of public issue so that Venture Capitalist is able to liquidate his investment.

VC investment process

There are various stages in Venture Capital Investment Process.

1. **Business Plan Submission:** In the first stage, the venture capital undertaking submits a Business Plan outlining the Background of the Company, Product or service, Market Analysis, Marketing, qualifications of the Management Team and in depth financial analysis of the future revenues and costs.
2. **Introductory Conversation/Meeting:** If the business plan meets the initial investment criteria of the Venture Capital Fund, a personal meeting is arranged.
3. **Due Diligence:** The due diligence phase lasts for weeks and involves analysis of the Company's current & Projected Valuation, Risk, Projected ROI, Liquidity of Investment, security interests and exit strategies in the event of distress, Ability to fund future rounds and extent of Influence over decision making in the VCU.
4. **Term Sheets and Funding:** On the completion of due diligence phase, the two parties prepare a term sheet which is a non-binding document that spells out the basic terms and conditions of the investment agreement. The Term Sheet contains details pertaining to type of shares that will be offered to the financier, Dividend rights, Liquidation Preference, Redemption, Conversion rights, Representation & warranties, Voting rights, Consent rights, Information rights, Planned Exit scenario.
5. **Methods of Venture Financing:** The financing pattern of the deal is the most important element. The various methods of venture financing are Equity Instruments, Debt Instruments such as Conditional loan, Income notes. Conditional Loans and Income Notes are innovative debt instruments that carry low interest rate plus royalty as a certain percentage of sales.
6. **Exit strategy:** VCs would be more interested in listening to entrepreneurs who have a perfect exit strategy planned for investors. There is various exit option for VC to cash out their investment:
 - **Initial Public Offering (IPO):** IPO is about offering company shares in the market for public to buy. IPO constitutes the most preferred route for VC exit as it offers flexibility to investors in terms of time, price and quantity. IPO gives a perfect opportunity to reap benefits for their investment, liquidity and quick exit
 - **Mergers & Acquisition:** M&A offers an opportunity to investors to sell company shares to another company. Most mergers or acquisitions of VC-funded companies consist of a smaller, VC-funded company merging or being acquired by public or private company. The acquisition/merger is also a efficient way for the acquirer of a VC-funded company to enlarge its business by adding product lines or services already developed by the VC-funded company.
 - **Shares buyback:** Company promoters or entrepreneur can buy back the company's shares from Investors on a fixed price after negotiation. However, investors would like to go for this VC exit option only when IPO & M&A route is not available to them and company is not doing well in terms of meeting expectations of investors.
 - **Sale to Other Strategic Investor/Venture Capital Fund:** It is quite possible that VC prefer to offload their shares to other strategic investors which could be either bigger angel investors or venture capital funds who are ready to put more money into the business.

For instance, in the year 2005, Crossover Advisors, a private equity firm invested in an automobile component manufacturer, Indo Schottle Auto Components. Once their market demand increased after procuring orders from Volkswagen and General Motors, a decision was taken to co-opt a large partner such as ICICI Ventures. Crossover Advisors exited through a sale to ICICI in 2007.

III. VENTURE CAPITAL FUNDS IN INDIA

VCFs in India can be categorized into following five groups:

- 1) Those promoted by the Central Government controlled development finance institution. For eg: IFCI Venture Capital Funds Ltd (IVCF) & SIDBI Venture Capital Ltd (SVCL)
- 2) Those promoted by State Government controlled development finance institutions. For eg: Punjab Infotech Venture Fund, Gujarat Venture Finance Ltd (GVFL), Kerala Venture Capital Fund Pvt Ltd.
- 3) Those promoted by public banks. For example: Canbank Venture Capital Fund, SBI Capital Market Ltd.
- 4) These promoted by private sector companies. For example: IL&FS Trust Company Ltd, Infinity Venture India Fund
- 5) Those established as foreign venture capital fund. For ex: Walden Investment, Citi group Venture Capital Investment

IV. THE ORIGIN OF VENTURE CAPITAL IN U.S.

In the U.S., in first half of 20th century, wealthy families funded private companies which had potential for success. Georges Doriot, a professor at Harvard Business School, now known as father of Venture Capital in 1946 founded the American Research and Development Corporation (ARDC), the first private institutional firm which went on to invest in many successful firms, most notably, Digital Equipment Corporation (DEC) which was valued at over 1200 times at the time of listing and became a watershed in the history of venture Capital funding.

J.H. Whitney & Company was the second private equity investment firm that invested in Minute Maid juice which later was sold to Coca Cola Company.

In its early years, Venture Capital primarily invested in technology startups in the U.S but now the terms refer to investment in any unlisted private company.

V. EVOLUTION OF VENTURE CAPITAL IN INDIA

The concept of venture capital came to India after decades of being introduced in the U.S and U.K. The advent of organised venture capital in India has been slow and funding was available from only banks and government, that too secured. Most of the entrepreneurs had to rely on their own family resources for setting up businesses.

EARLY BEGINNINGS

In 1972, a committee on Development of Small and Medium Enterprises stressed the importance of venture capital in promoting the growth of technology start ups and innovative entrepreneurs. This resulted in a series of fragmented steps such as setting up of Risk Capital Foundation, sponsored by IFCI in 1975 to promote and support new technologies and businesses. It is now known as IFCI Venture Capital Funds Ltd. Seed Capital scheme was set up by IDBI in 1976. Programme for Advancement of Commercial Technology (PACT) Scheme introduced by ICICI in 1985. These schemes were marginally successful as they were largely collateral and project based.

1987-1994

This was a period of setting up of organised venture capital funds in the country. The budget of 1986-87 introduced the idea of venture capital funding by levying a cess on technology imports to create a pool of funds. Venture Capital guidelines were announced in 1988.

The following VC funds laid the foundations of India's VC industry:

1. Venture Capital Fund Scheme (IDBI, 1987)
2. Venture Capital Unit Scheme I (TDICI, 1989)
3. Canbank Venture Capital Fund (Canbank Financial Services Ltd. 1989)
4. Venture Capital Unit Scheme II (TDICI, 1990)
5. Gujarat Venture Capital Fund (Gujarat Venture Finance Ltd. 1990)

1995-1998: ENTRY OF FOREIGN VENTURE CAPITAL FUNDS

The Government of India issued guidelines in September 1995 for overseas investment in venture capital in India. The Securities and Exchange Board of India (SEBI) framed the SEBI (Venture Capital Funds) Regulations, 1996. These guidelines were further amended in April 2000 with the objective of fuelling the growth of venture capital activities in India.

The Government constituted a SEBI committee headed by K. B. Chandrasekhar to make recommendations to facilitate the growth of VC industry in India. The committee recommended, inter alia, that SEBI should be the single point contact for all regulations and clearances pertaining to flow of VC in India.

2000 ONWARDS

VCF industry has been in upswing touching \$1.4 billion in 2015. The government revised the regulatory framework by covering Venture Capitalists and Angel Investors under the ambit of SEBI (Alternative Investment Fund) Regulation, 2012.

VI. REGULATORY FRAMEWORK PERTAINING TO VENTURE CAPITAL FUNDS IN INDIA**BACKGROUND**

SEBI notified the Alternative Investment Fund Regulations on 21st May, 2012 taking note of the rapidly growing private funding industry so as to regulate them and ensure that they work in the interest of the entrepreneurs according to a well-defined investment criteria. A summary of these guidelines is produced below: Definition of Alternative Investment Fund: AIF means a privately pooled investment vehicle structured as trust, company or limited liability partnership which collects funds from investors and invests them as per a well-defined investment policy.

Classification of AIFs.: SEBI has categorised Alternative Investment Funds into 3 categories

TABLE 1: CATEGORIES OF ALTERNATIVE INVESTMENT FUNDS

Category I	Category II	Category III
Start Up Ventures Social Venture Funds SME Fund Infrastructure Funds	Private equity Funds Debt Funds	Funds which employ complex trading strategies. Eg: Hedge Funds.

Corpus: Each scheme of an AIF is to have a corpus of atleast 20 crores. Manager or sponsor of the fund should have continuing interest in the form of investment of not less than: 2.50% of corpus or Rs. 5 crores, whichever is less.

Private Placement: AIFs will collect funds by private placement and issuing units of the funds of the investors. Funds are to be raised by issue of Placement Memorandum containing material information about the AIF, Investment Strategy, targeted investors etc. This PM is to be filed with SEBI atleast 30 days before the launch of the scheme.

Tenure: Category I and Category II funds must be close ended with predefined tenure subject to minimum of 3 years. Category III funds may be close ended or open ended.

Investment Conditions: Category I AIFs cannot borrow funds except for meeting temporary funding requirement. Atleast 2/3rd of the corpus of VCF s should be invested in unlisted equity shares or equity linked instruments of VCUs. SME funds should invest atleast 75% of corpus in unlisted or proposed to be listed Small and Medium Enterprises. Social Venture Funds should invest atleast 75% of corpus in unlisted securities of social ventures. Infrastructure Funds should invest atleast 75 % corpus in VCUs involved in operating, developing infrastructure project. Category II AIFs should invest primarily in unlisted investee companies or in units of other AIFs. Category III AIFs may invest in listed or unlisted investee companies or derivatives or complex products.

Valuation: Category I and III AIFs should undertake valuation of their investments every 6 months by an independent value and disclose to the investors.

Transparency: all AIFs should ensure transparency and disclose information to investors relating to risk management, fees of the manager, material liabilities, financial information of the investee companies within 180 days from year end.

Angel Funds

"Angel Fund" means a sub-category of Venture Capital Fund under Category I- Alternative Investment Fund that raises funds from angel investors.

Angel Investor

"Angel Investor" means any person who proposes to invest in an angel fund and satisfies one of the following conditions, namely,

- (a) an individual investor who has net tangible assets of at least two crore rupees has early stage investment experience, or has experience as a serial entrepreneur, or is a senior management professional with at least ten years of experience
- (b) a body corporate with a net worth of at least ten crore rupees.

Investment in angel funds: Angel funds shall only raise funds by way of issue of units to angel investors. An angel fund shall have a corpus of at least ten crore rupees. Angel funds shall accept an investment of not less than twenty-five lakh rupees from an angel investor.

Investment by Angel Funds: Angel funds shall invest only in venture capital undertakings which have been incorporated during the preceding three years from the date of such investment; have a turnover of less than twenty-five crore rupees; Investment by an angel fund in any venture capital undertaking shall not be less than fifty lakh rupees and shall not exceed five crore rupees. Investment by an angel fund in the venture capital undertaking shall be locked-in for a period of three years. Angel funds shall not invest more than twenty-five per cent of the total investments under all its schemes in one venture capital undertaking.

VII. VENTURE CAPITAL INVESTMENTS IN INDIA: CURRENT TRENDS

Venture capitalism in India began in 1986 with the start of the economic liberalisation. In 1988, the organised venture capital industry came into being with the setting up of funds by IFCI, ICICI & UTI. Over the years, more and more investors from India and abroad, have started investing in Indian startups.

In the early stages, venture capital investments were mainly in the technology sector. However, with changing trends and advent of smartphones, companies in consumer services and consumer retail space emerged as top contenders for VC funding, attracting almost 50% of total VC investments. Other key industries included IT and IT-related services, software development, telecommunications, electronics, biotechnology and pharmaceuticals, banking and finance/insurance, public sector disinvestment, media and entertainment, and education.

2015 was year of all time high in Venture Capital Investments in India. Between January and December 2015, risk capital worth \$9 billion was invested in Indian startups across 1,005 plus deals where deal value was announced. Between 2010 and 2015, Indian startups raised \$18 billion. In contrast in 2014, total deal value stood at about \$5 billion and volumes at over 300 deals. Majority of the deals were in online and mobile categories. Firms like Flipkart, Snapdeal, Ola, Paytm, Quikr, Zomato raised about \$3billion in 2015. The top sectors are ecommerce, Food and beverages, app based cab services, mobile advertising and online classifieds.

The top investors between January and June 2015 are:

FIGURE 1: TOP 5 INVESTORS OF 2015

LARGEST ROUND THE TOP 5 WERE PART OF



Sequoia Capital India: \$80 million in Freecharge in February 2015
 (Other investors: Ru-Net Holdings, Tybourne Capital, Valiant Capital, Others)



Tiger Global Management: \$400 million in Ola in April
 (Other investors: Falcon Edge Capital, GIC, SoftBank Corp, DST Global, Steadview, Accel USA, Others)



Helion: \$100 million in ShopClues in January
 (Other investors: Nexus Ventures, Tiger Global)



SAIF Partners: \$50 million in UrbanLadder in April
 (Other investors: Steadview Capital, TR Capital, Sequoia Capital India, Kalaari Capital)



Accel Partners: \$400 million in Ola in April
 (Other investors: DST Global, Falcon Edge Capital, Softbank, Tiger Global, Steadview Capital)



India Quotient: \$5 million in Relevant e-Solutions in January
 (Other investor: Tiger Global)

(Based on announced deals)

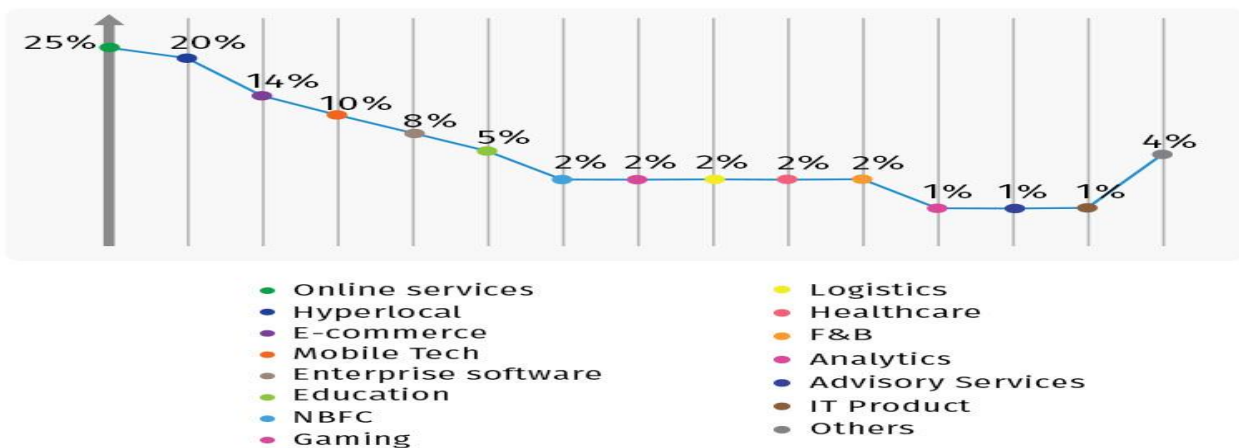


Source: yourstory/research

The sectoral composition is as follows:

FIGURE 2: SECTORAL BREAKUP OF INVESTMENTS IN 2015

SECTORAL BREAKUP



Source: yourstory/research

India Shining

The rise in the deals can be contributed to strong economic fundamentals, business friendly policy regime and hard working Indian founders having strong technical capabilities. The increased availability of Angel Investors who were earlier entrepreneurs themselves are also contributing to the growth of entrepreneurial talent. Moreover, increased disposable incomes of the youth are driving up consumer demand. Mobile sector continues to be the most attractive segment for investment has an ever expanding base of mobile phone users.

Startup Trends -2016

Venture Capital Investments have dropped sharply in the first quarter of 2016 to 90 as compared to 138 in the same period in 2015 according to data from risk capital data monitoring service VCCEdge. This is due to the fact that 2015 was a year of all time high with bonanza deals and huge rounds of financing. The deal surge for Indian startups began in huge 2014, after e-commerce firm Flipkart raised a mammoth \$1 billion in July 2014.

Investors such as Japan's Soft Bank which benefited handsomely from the Alibaba IPO, targeted Indian for spending on promising young entrepreneurs. With the valuation of Flipkart being brought down by Moody's many investors have turned cautious.

VIII. CHALLENGES FACED BY VENTURE CAPITALISTS IN INDIA

The biggest challenge facing Venture Capitalists in India is exit. The exits have been slow and return percentages have been lower as per the data from India venture Capital and Private Equity Report 2015. Data from Venture Intelligence on exits shows Deal value in the manufacturing sector slipped 28 per cent y-o-y in 2015, compared with the average growth rate of 10 per cent in the last decade. There were 229 exits in 2015, with manufacturing and BFSI topping the list with

34 exits each. One reason for poor exit performance is lack of secondary funds that buy out private investors. Also exit through IPOs have been poor. Listing requirements such as profitable track record, desired valuation and corporate governance norms make it difficult for start ups to go public and for venture capitalists to cash out their investments. There are also valuation concerns and those who are able to exit have to do so on lower valuations. Also as per the VCI, good deal flow is also a challenge. For every one deal, investors have to go through close to 300-400 deals.

IX. CONCLUSION: THE WAY AHEAD

India has one of the most attractive ecosystems in the world. The internet sector, for example, has seen large number of exits rewarding investors, albeit lingering concerns over lack of profits. Also, late-stage investors such as PE funds have averaged returns of 6 per cent (2002 to 2015). The number of mobile phone users in India is increasing exponentially which is a viable opportunity for Venture Capital Investors. However, viable exit options and valuation concerns are dampening new investors. Unless the Venture Capitalists are ready to stay for a long time and nurture the undertakings, they may have to deal with lower returns in the short run. Regulatory regime for the start ups has been relaxed with the Start Up India Campaign launched by Prime Minister Modi. Compliance based on self-certification, patent protection, tax holiday and single point start up ecosystem are the key features of this scheme. As the policy regime simplifies, the Venture Capital Industry in India has become more lucrative. Though in the first quarter of 2016, deals have slowed down as compared to last year, industry experts have categorised it as the new normal. With a consistent growth in GDP and strong economic fundamentals, India remains one of the most attractive destinations for Venture Capitals, both domestic and Foreign.

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ROLE OF GOVERNMENT IN BOOSTING EDUCATION SECTOR IN INDIA: A GLOBAL PERSPECTIVE

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ABSTRACT

This study was based on the development in the education sector and the major Initiatives taken by the government in boosting education sector in terms of investment, removing poverty, illiteracy which leads to economic growth. The study was descriptive in which we have made a comparison of performance of different variables. The data was collected through secondary sources i.e. websites of UNESCO. The major findings of the study were to focus on improvement in education sector taken and its impact on Indian economy.

KEYWORDS

education sector, illiteracy.

INTRODUCTION

Education is central key to development and to the improvement of the lives of youth. Education is important in eradicating poverty and hunger and in promoting sustained, inclusive and equitable economic growth and sustainable development. Increased efforts towards education accessibility, quality and affordability are central to global development efforts. For the advancement of economy and to meet out the challenges globally it is very much essential for a government to focus on the education sector to keep pace with the changes taken globally.

Despite significant improvements in increasing primary school enrolment in some regions, the Millennium Development Goal of achieving universal primary level education by 2015 is unlikely to be met. Moreover, such improvements have not necessarily been followed by an equivalent transition to secondary education, vocational training, non-formal education or entry into the labour market, especially for girls and young women. Worldwide 10.6% of young people are non-literate, lacking basic numerical and reading skills, and as such lack the means to be able to sustain a living through full and decent employment. With youth unemployment and underemployment at persistently high levels worldwide, and with many young working poor lacking even primary-level education, such youth unemployment and underemployment rates act to jeopardize social inclusion, cohesion and stability.

OBJECTIVES

1. To analyze the major initiatives taken by govt. in boosting education sector.
2. To make a comparison of different variables which act as an indicator of development in education sector of India as per the Global scenario.

GOVERNMENT SECTOR INITIATIVE IN EDUCATION

Some of the major initiatives taken by the Government of India are:

- Prime Minister Mr. Narendra Modi launched the Skill India initiative – ‘Kaushal Bharat, Kusal Bharat’. Under this initiative, the government has set itself a target of training 400 million citizens by 2022 that would enable them to find jobs. The initiatives launched include various programmes like: Pradhan Mantri Kaushal Vikas Yojana (PMKVY), National Policy for Skill Development and Entrepreneurship 2015, Skill Loan scheme, and the National Skill Development Mission.
- PMKVY is the flagship program under the Skill India Initiative and it includes incentivising skill training by providing financial rewards on completion of training to the participants. Over the next year 2.4 million Indians are believed to be benefitted from this scheme.
- National Policy for Skill Development and Entrepreneurship 2015 is India’s first integrated program to develop skill and promote entrepreneurship simultaneously.
- The vision of this programme is to skill the Indian youth rapidly with high standards and at the same time promote entrepreneurship thus creating wealth and gainful employment for the citizens.
- Skill Loan Scheme is designed to disburse loans of Rs 5,000 (US\$ 75.3) to Rs 150,000 (US\$ 2,260) to 3.4 million Indians planning to develop their skills in the next five years.
- The National Skill Development Mission is developed to expedite the implementation of skilling activities in India by providing robust institutional framework at the centre and the state.
- The Japan International Cooperation Agency (JICA) will train bureaucrats from the HRD ministry, experts from school’s boards and primary school teachers in Mathematics and Science Subjects to enable them to learn skills to formulate lesson plans that stimulate students’ learning and thus contribute to improving the quality of Mathematics and science education.
- The Government of India has launched a digital employment exchange that will enable industrial enterprises to find suitable workers and job-seekers to find employment.
- The Government of India has launched the National Web Portal for promotion of National Apprenticeship Scheme for Graduates, Diploma holders and 10+2 pass-outs vocational certificate holders.
- India and Australia have signed a Memorandum of Understanding (MoU) to boost partnerships between the two countries in the fields of higher education and research, including technical and professional education, schools, vocational education and training.
- The National Skill Development Corporation of India (NSDC) under a Public Private Partnership promoted by the Ministry of Finance, Government of India signed a Memorandum of Understanding with Center for Research & Industrial Staff Performance (CRISP), India to explore national and international opportunities for strengthening skills development in India.

- A memorandum of understanding (MoU) has been signed between Foundation for Innovation and Technology Transfer (FITT) and Security Printing and Minting Corporation of India Ltd (SPMCIL). The MoU has been envisioned to foster collaboration on research, training and professional development and exchange of technical expertise in areas of mutual interest such as material sciences and testing capabilities.
- The Government of India has launched a website, Vidya Lakshmi (www.vidyalakshmi.co.in), for students seeking educational loans. Nearly 13 banks have registered 22 educational loan schemes on the Portal and five Banks including SBI, IDBI Bank, Bank of India, Canara Bank & Union Bank of India have integrated their system with the Portal.

Various government initiatives are being adopted to boost the growth of distance education market, besides focussing on new education techniques, such as E-learning and M-learning.

Education sector has seen a host of reforms and improved financial outlays in recent years that could possibly transform the country into a knowledge haven. With human resource increasingly gaining significance in the overall development of the country, development of education infrastructure is expected to remain the key focus in the current decade. In this scenario, infrastructure investment in the education sector is likely to see a considerable increase in the current decade. Moreover, availability of English speaking tech-educated talent, democratic governance and a strong legal and intellectual property protection framework are enablers for world class product development, as per Mr Amit Phadnis, President-Engineering and Site Leader for Cisco (India).

The Government of India has taken several steps including opening of IIT's and IIM's in new locations as well as allocating educational grants for research scholars in most government institutions. Furthermore, with online modes of education being used by several educational organisations, the higher education sector in India is set for some major changes and developments in the years to come.

Exchange Rate Used: INR 1 = US\$ 0.01504 as on October 16, 2015

References: Media Reports, Press Releases, Press Information Bureau, RNCOS Report, Department of Industrial Policy and Promotion (DIPP).

India holds an important place in the global education industry. The country has more than 1.4 million schools with over 227 million students enrolled and more than 36,000 higher education institutes. India has one of the largest higher education systems in the world. However, there is still a lot of potential for further development in the education system.

India's online education market size is expected to touch US\$ 40 billion by 2017. An RNCOS report titled, 'Booming Distance Education Market Outlook 2018' expects the distance education market in India to grow at a compound annual growth rate (CAGR) of around 34 per cent during 2013-14 to 2017-18. Moreover, the aim of the government to raise its current gross enrolment ratio to 30 per cent by 2020 will also boost the growth of the distance education in India.

MARKET SIZE

The education sector in India is poised to witness major growth in the years to come as India will have world's largest tertiary-age population and second largest graduate talent pipeline globally by the end of 2020. As of now the education market is worth US\$ 100 billion. Currently, higher education contributes 59.7 per cent of the market size, school education 38.1 per cent, pre-school segment 1.6 per cent, and technology and multi-media the remaining 0.6 per cent. Higher education system in India has undergone rapid expansion. Currently, India's higher education system is the largest in the world enrolling over 70 million students while in less than two decades, India has managed to create additional capacity for over 40 million students. At present, higher education sector witnesses spending of over Rs 46,200 crore (US\$ 6.96 billion), and it is expected to grow at an average annual rate of over 18 per cent to reach Rs 232,500 crore (US\$ 35.03 billion) in next 10 years.

India's IT firms are working with academic institutions and setting up in-house institutes to groom the right talent as these companies move to Social media, Mobility, Analytics and Cloud (SMAC) technologies.

INVESTMENT

The total amount of foreign direct investments (FDI) inflow into the education sector in India stood at US\$ 1,171.10 million from April 2000 to June 2015, according to data released by Department of Industrial Policy and Promotion (DIPP).

The education and training sector in India has witnessed some major investments and developments in the recent past. Some of them are:

The Indian Institute of Science (IISc), Bangalore has become the first Indian institution to enter the Top 100 universities ranking in engineering and technology, published by The Times Higher Education of London.

- Five Indians, namely Mr Vijay Govindarajan, Mr Pankaj Ghemawat, Mr Subir Chowdhury, Mr Nirmalaya Kumar and Mr Anil K Gupta, have been named among the Top 50 management thinkers from 10 countries in the Thinkers50 2015 global ranking, which is published every two years.
- Venture capital fund Acumen has invested in two Hyderabad-based education start-ups—Ignis Careers (US\$ 250,000) and SEED (US\$ 650,000)—working in the low-cost school education space.
- India Educational Investment Fund (IEIF), an early stage impact investment fund focused on the educational sector funded by Dell Foundation, has made its first two investments in education-based startups: Report Bee and Guru-G.
- Tata Institute of Social Sciences (TISS) launched the 'School of Vocational Education' program to offer vocational training courses in 20 sectors or verticals in association with relevant training partners in 25 different cities across India.
- On the intervention of the Ministry of Human Resource Development, the Quality Council of India (QCI) is all set to roll out a training module for teachers after they pass the B.Ed. examination and enter teaching service.
- Anuna Education, a partner to National Skills Development Corporation (NSDC) has announced the entrepreneurship Program in collaboration with eBay India. Anuna Education will train entrepreneur to sell their products on eBay globally in collaboration with eBay India along with a practical training on how to sell the products to global buyers.
- The Confederation of Indian Industry (CII) has launched Strategic Manufacturing Skill Council (SMSC) to train workforce for defence equipment manufacturing, ship building and repair, homeland security equipment and other firefighting equipment.
- The Central Board of Secondary Education (CBSE) has mandated the appointment of a special educator for children with learning disabilities so that they could be assimilated with other students. This directive came as a part of "inclusive practices" philosophy of CBSE and strict guidelines of 'Right to Education' Act.
- In an attempt to improve health care infrastructure in West Bengal, nine new medical colleges will be opened, out of which five will be government-run while the other four will be set up under the Public Private Partnership (PPP) model.

By 2015, the international community pledged to reduce adult illiteracy rates by 50% compared to 2000 levels as part of the Education for All (EFA) goals. While the number of illiterate people has fallen over the past 15 years, UIS data show that 757 million adults – two-thirds of whom are women – still lack basic reading and writing skills (see **Table 1**). UIS projections also show that most countries failed to reach the EFA literacy goal, underscoring the need for the new literacy target, which is even more ambitious in its current framing within the Sustainable Development Goals.

TABLE 1: WHAT ARE THE LATEST LITERACY FIGURES?

Global literacy rates and illiterate population for adults and youth, 2013

Indicator	Adults (15 years and older)	Youth (15-24 years)
Literacy rate, total	85%	91%
Literacy rate, male	89%	93%
Literacy rate, female	81%	89%
Illiterate population, total	757 million	115 million
Illiterate, population, female share	63%	59%

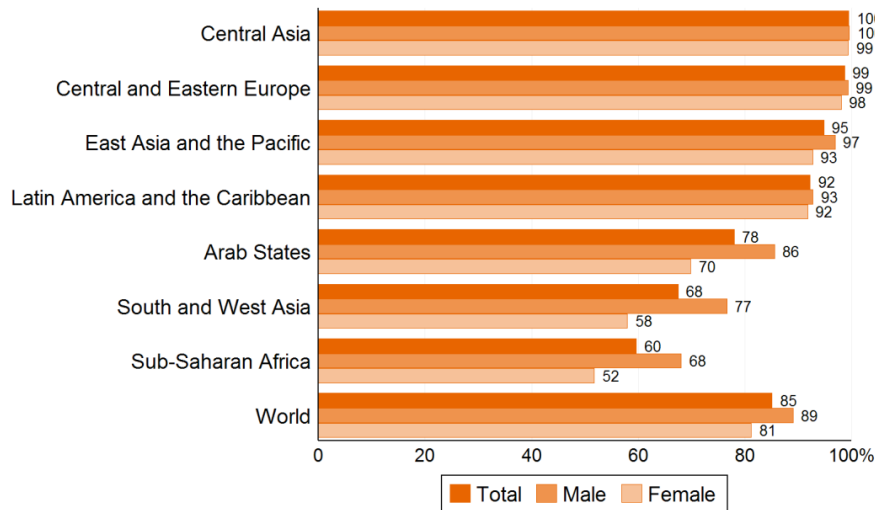
ADULT AND YOUTH LITERACY

Source: UNESCO Institute for Statistics, September 2015

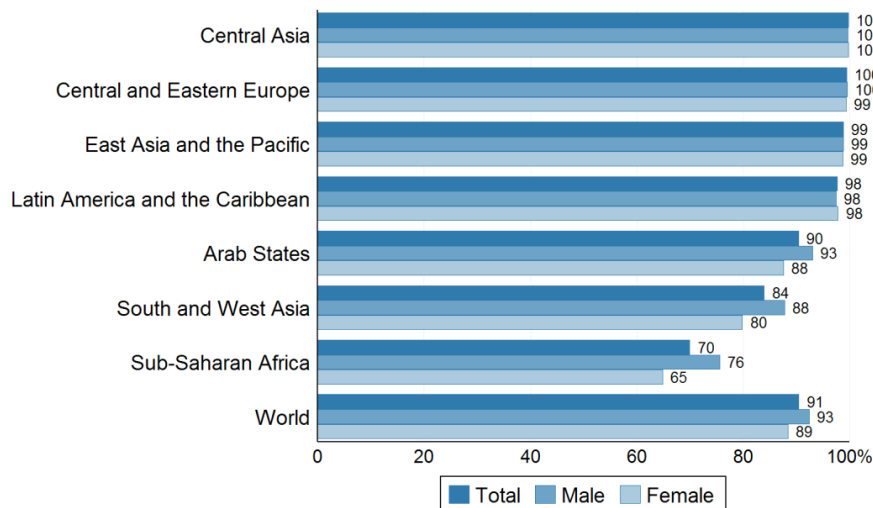
The latest data show that the global adult literacy rate was 85% and the youth literacy rate was 91% in 2013. This represents an increase compared to estimates for the reference year 2012, when the adult and youth literacy rates were 84% and 89%, respectively. The number of illiterate adults was estimated to be 781 million in 2012, which was 24 million more than in 2013. This will be a positive indication for the country as the literacy rate is increasing which leads to development of economy in terms of growth, employment rate.

FIGURE 1 & 2: HOW DO LITERACY RATES FOR MEN AND WOMEN COMPARE ACROSS REGIONS?

ADULT LITERACY RATE



YOUTH LITERACY RATE



Source: UNESCO Institute for Statistics, September 2015

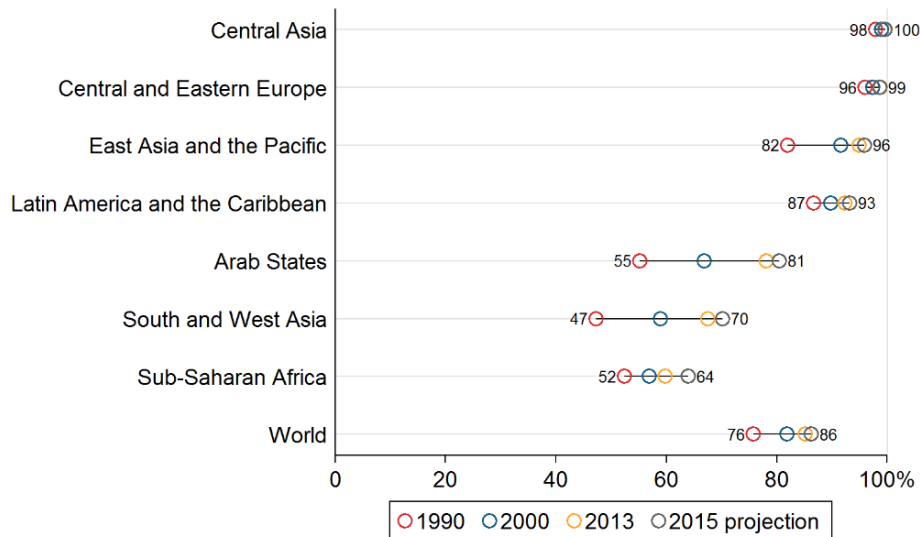
GENDER GAP PERSISTS ACROSS GENERATIONS

For the past two decades, women have accounted for two-thirds of all illiterate adults and the gap is nearly as wide among youth. As shown in Figure gender disparities remain large in several regions but the disparities become even more apparent by examining the gender parity index (GPI), which is calculated by dividing the female by the male literacy rate. A GPI value below 1 means that the female literacy rate is below the male literacy rate, while values between 0.97 and 1.03 are generally interpreted to indicate gender parity. Figure shows that three regions have maintained gender parity among adults and youth with regard to literacy: Central and Eastern Europe, Central Asia, and Latin America and the Caribbean. A fourth region, East Asia and the Pacific, has achieved gender parity for youth literacy.

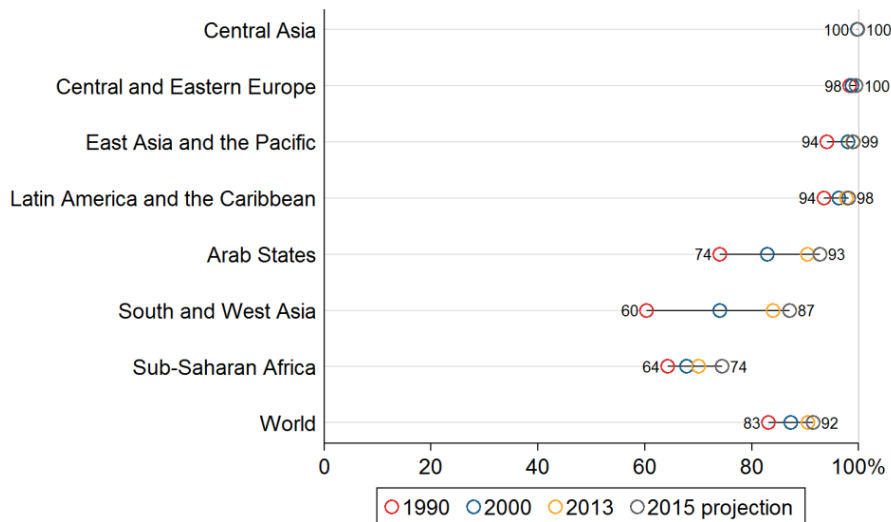
Three regions – the Arab States, South and West Asia, and sub-Saharan Africa – are far from gender parity. In South the global scenario government should focus on the youth generation by launching attractive schemes so that we can keep focus on making youth competitive as per the market changes. This leads to innovation and growth of economy in different sectors. This helps them in better decision making process as per the situations.

FIGURE 3 to 5: HOW HAVE ADULT AND YOUTH LITERACY RATES CHANGED SINCE 1990 AND WHAT ARE THE PROSPECTS FOR 2015?

ADULT LITERACY RATE, 1990-2015



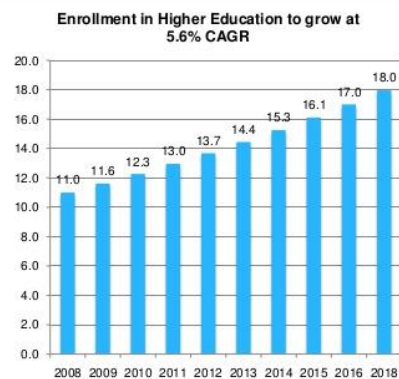
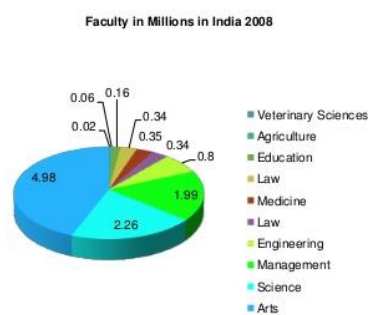
YOUTH LITERACY RATE, 1990-2015



Note: Regions sorted by the projected literacy rate in 2015. 1990 data refer to the period 1985-1994, 2000 data refer to the period 1995-2004, 2013 data refer to the period 2005-2013.



State of Education



Source: Marketing Whitebook 2011-12, Businessworld.

As per the BRICS survey the projection with regard to education sector was 5.6% compounded annual growth rate. The enrollment during the year 2015 was 15.3 as it is expected to increase by 16.1 during 2016. This leads to boost in education sector which leads to increase in literacy rate, infrastructural development within

the country, sustainable development within the economy. This helps in productive investment in terms of employment, skill generative sources in different fields of economy.

INDIAN SCENARIO

THIS WAS THE AGENDA MADE FOR THE BUDGET SESSION DURING 2015

As a percentage of GDP, expenditure on education has gone up from 2.9% in 2008-09 to approximately 3.4% in 2014-15. Compare this with the Kothari Commission (set up in 1964-65) and National Education Policy recommendation suggestion of allocating 6 percent of GDP towards education. Statistics reveal that the allocation to the education sector received a 17 percent jump for fiscal year 2013-14 and approximately 12.5 percent for fiscal year 2014-15. However, it is still inadequate considering the sectoral requirement.

Thus, it is ironical to note that though the outlay of 6 percent of GDP was recommended almost 50 years ago, we are still far from reaching the mark in view of the present outlay not crossing even 4 percent of GDP.

The need of the hour is an increase in public expenditure on education along with incentivising the sector for private investment. A sound and efficient education system combined with growth and opportunities in the Indian economy will enable restricting flight of intellectual capital. There is a need to substantially add quality institutions, lest Indian students will have to look overseas for securing the desired level of education.

In the above background, some of the key expectations of the Education sector from the forthcoming budget are summarized below:

ENCOURAGING PRIVATE INVESTMENT IN THE SECTOR

While significant operators in primary and secondary education sector operate on 'not for profit' basis, this aspect has impact and creates challenges in creating further infrastructure in the sector. In order to encourage investment in the sector, the government may contemplate encouraging private investment in this area along with devising mechanism wherein the investor is entitled to an agreed share of return on investment – akin to what has been prescribed for certain infrastructure projects like the power sector.

ENCOURAGING EDUCATION TOURISM

Education tourism could be the next opportunity for India. Policies could be formulated that focus in this direction. India can well be seen as being intellectual capital of the world.

AFFORDABLE EDUCATION LOAN/ FINANCE FACILITY

The government should recognize the need for facilitating affordable education loan/ finance facility by setting up institutions / education finance corporations that provide easy finance at concessional rates. Schemes could be devised to extend credit facilities for higher education without surety / indemnity by the government, repayable upon securing of job by the student.

INCENTIVES FOR ENROLLMENT TO SKILL DEVELOPMENT COURSES

Enrollment for skill development courses should be eligible for additional deductions in computing taxable income.

POLICY INITIATIVES

The extant foreign direct investment policy and the regulations governing education system need to be aligned to generate opportunities and encourage foreign capital and improve infrastructure in education sector.

INCENTIVE TOWARDS STAFF TRAINING AND DEVELOPMENT

Tax incentives/ relief could be extended to universities / institutions that incur expenditure towards staff training and development.

DEDUCTION TOWARDS TUITION FEES

Considering the inflation and the rising cost of education, taxpayers should be entitled to a deduction of an adequate sum against gross total income for fees paid to a higher educational institution recognized by the government. This will ease the hardship of common man.

Currently, the deduction towards tuition fees to any university or college towards full time education of any two children is available as a part of aggregate deduction under section 80C which is presently capped at Rs. 1, 50,000.

Each established system always attracts several criticisms. Indian education system has been targeted with many allegations from students' parents and teachers because of many reasons. Students think that that are overburdened, teachers think they are not paid enough and parents think their children to core maximum marks. All this need to be stop at some point.

CONCLUSION

In recent years there have been various steps taken on education reforms, but it needs more than this. For this government has started various schemes, but it needs the active participation of society as well. Effective management of the resources and technical advancement for future requirements need to be analyzed correctly for the betterment of the system to establish, such an education system which can produce the quality mass as per the requirement. Following are the changes required for the improvement in education system

1. Route learning: - The education system needs to change in that way, which helps students in making the foundation of learning strong. The approach of teaching should be changed in that manner which produces quality rather than quantity.
2. Marking system: - A student is evaluated only on the basis of his/ her performance for the duration of three-hour exam. If the axis of grading is shifted towards the classroom presentations, project works, communication and extracurricular activities, only then we can produce the professionals to meet the global requirement.
3. Respect for all streams: - there should be proper respect for all the students, no matter from which stream they have passed their examination. There should not be any difference b/w the various streams. Students at the school level need to be educated through career counseling regarding the kind of streams that exist and what importance each of them plays to make an economy diverse.
4. Variety in education streams: - there should be variety in education system. Generally, we don't have variety in our education system. Students have limited or mostly three choices after 10th. (Arts, science, commerce) there is a requirement of flexible combination of subjects which are helpful for the students, to select the course according to their choices
5. The system of tuition classes: - commenting on this issue is like pulling one's hand in to a vicious cycle which seems to have no beginning or end. Reason for this is the students say that the teachers in the class are lax and not good enough for them to clear the exam. This makes them lose all motivation and steam to attend school in the first place. This issue is also critical for the parents who's hard earned money get drained in school and tuition fees alone

Although this picture does seem dismal, but there is hope for change because the various steps have been taken by the govt. as well as by parents, teachers, students, for the betterment of the education in India. But the success of all these efforts depends upon how quickly we can provide the benefits of all these changes to common people.

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EVENT MANAGEMENT INDUSTRY & JOB OPPORTUNITIES FOR UNDERGRADUATE STUDENTS (WITH SPECIAL REFERENCE TO STUDENTS RESIDING IN BANGALORE URBAN)

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ABSTRACT

As the higher education environment becomes increasingly competitive, prospective students are more likely to compare graduate employability prospects of different universities and different courses. Consequently, the viability of courses is being increasingly challenged with market viability based predominately on student demand, which is often based on their perceptions of workplace requirements. Event management has emerged to become a key sector after the liberalization of the Indian Economy. Events are leisure activities and work possibilities for people. Events bring people together and make them have good time. They enhance the quality of people's life; they can provide significant economic benefits. The leading research group expects this industry to grow at a compound annual growth rate (CAGR) of 15.2 percent to reach INR 1,661 billion by 2017. This paper tries to analyze as to whether the sector can provide job opportunities to the under graduate students and what the skills sets required to emerge as a successful event coordinator and also the possibility of the sector to motivate the students to become entrepreneurs and initiate their own startups. To provide an indication of current employer requirements in Event Managers and whether there can be a holistic approach in training the students in Event Management through a refined curriculum. The results of this study establish a platform from which to develop a classification of event management skills required by the industry. More importantly however, it can be used as the basis for curriculum evaluation and training needs, and create a better understanding and compatibility between event management education and industry practice.

KEYWORDS

event management, industry, skills, education, job opportunities, curriculum.

INTRODUCTION

INTRODUCTION TO EVENTS

Events are happenings, often used to suggest that what happened was on an unusual scale, Memorable etc. The managing of the events is the difficult task to achieve. Event management involves planning, organising and execution of live events, which could include a brand/products launch, an exhibition, a concert or even a conference. It is basically an extended form of advertisement, though more interactive. As a separate industry it is projected to grow at 30 % per annum. The first impetus to event came with the liberalisation of the Indian economy in the early nineties. The explosion of satellite channels and the popularity of foreign artists have fuelled the growth in the industry in recent years. Traditionally, events were considered useful for rural markets and for products with a ban on advertising like liquor and cigarettes. Low literacy levels and limited media penetration made events a necessary exercise in rural markets. But today, events are no longer limited to a few products and markets. Event marketing is gaining popularity in long-term brand image building and humanizing of corporate. Aims of the any events are to minimize the risks and to maximize the enjoyment of events audience. In most cases careful attention must be given to transportation, technology and security and a host of other elements like venue, theme, financial consideration, timings, Events team, contractors and other stake holders etc. Event management is the application of the management practice of project management to the creation and development of festivals and events. Event Management involves studying the intricacies of the brand, identifying the target audience, devising the event concept, planning the logistics and coordinating the technical aspects before actually executing the modalities of the proposed event. Event management as a subject has attracted considerable attention of several public relation professionals, due to its being a powerful tool for communicating to the target publics. Undoubtedly, events offer a direct and quick exposure to the intended audiences. Today, special events are an important activity as the event reach out to several people and peculiarly satisfy the desire of most of the people to participate in the event, who have quite a few objectives to obtain like the special benefits offered to the visitors, to enjoy some entertainment, to gather some stimulation, to socialize, and also to become more Knowledgeable on subject, etc. To organizers also it is a specially created forum to share information, showcase achievements and products, and even to express gratitude to the public's for their supports. Organizing events has come to stay as an integral part of the PR responsibility for obvious benefits to the business organizations. Needless to say that event is not a mere show business, but an objective based activity in which the companies invest sizable amounts of money for obvious benefits and returns. Therefore, before an event is put up, it is important to determine the objectives of such an event, so that the event pays back in terms of good returns on investment. Particularly, in the market area, the measurement of the effectiveness of such events would become immediately possible in terms of the sales an event was able to generate. Therefore, the objectives of an event must be spelled out, right before starting the ground work.

LITERATURE REVIEW

Events are leisure activities and work possibilities for people. Events bring people together and make them have good time. They enhance the quality of people's life; they can provide significant economic benefits and can also provide revenue for special projects. Regardless of size, events require a high degree of planning, a range of skills and a lot of energy (Hillary Commission for Sport, 1997). According to Andersson and Wesslau (2000), when using events, companies get the possibility to have their own-right to the consumer during the duration of the event. This means that if a company manages to get the consumer to attend the event, the distortion from the competitors will be gone or at least minimized during the duration of the event. Also, events contain tangible elements, such as food, beverages and other products sold or given away, but are essentially a service in that they consist of intangible experiences of finite duration within a temporary, managed atmosphere. As with all services, this experiential "product" is produced and consumed simultaneously, is highly heterogeneous and very difficult to store or control.

STATEMENT OF THE PROBLEM

The event industry is one of the world's largest employers and contributes has a major positive economic impact. The event is all about people-people coming together to create, operate, and participate in an experience. It is an activity that gathers the target group in time and room, a meeting where a message is communicated and happening is created. The term event is used for describing different activities designed for different purposes. These activities can be art, sports, tourism and social activities, and can also be activities organized by giant organizers more professional and more formal. According to Getz and Goldblatt, events are 'a unique moment in time' and 'aside from everyday occurrences'. Public or private, commercial or charitable, celebratory or commemorative-events bring people together to share an experience and produce a measurable outcome. Civic events, conventions, expositions, fairs and festivals, hallmark events, hospitality, incentive travel, meetings and conferences, retail events, reunions, social life-cycle events, sport events, and tourism are the examples of subfields of events. Every event has an organization behind it; managing activities, organizing funding, administering staff and voluntary personnel, undertaking marketing and public relations, organizing security, printing leaflets and tickets, hiring performers, arranging decorations, sorting out parking and many other activities. The way in which an organization deals with events is known as event management. It may include the organization's objectives for managing events, as signed roles and

responsibilities, ownership of tools and processes, critical success factors, standards, and event-handling procedures. The linkages between the various departments within the organization required handling events and the flow of this information between them is the focus of event management. Event management and event marketing have emerged over the past decade as a vibrant sector of the tourism and leisure industries. The number, diversity and popularity of events have also grown throughout this period. As the number of events increase, there is a growing realization about the continuing need to develop event management professionals who are able to create, organize, and manage events. Based on the above-mentioned dimensions and focusing on the event management and event marketing literatures.

DEVELOPMENT OF EVENTS INDUSTRY

Wood (1982) highlighted the birth of what is now becoming known as the events industry. She identified that commercializing popular celebrations required wealth for people to participate and therefore meant selecting suitable elements of the traditional festivities and adapting them. The purpose of fairs has changed over time to what are seen today as events that mainly operate for enjoyment, with rides, sideshows and stalls. With the increase in work through industrialization, the practicalities of celebration meant that people were too tired to celebrate as they had done previously. Thus, celebration, and commercial celebration, provided the opportunity to relax from working life and, from a government perspective; it provided the basis for ensuring that celebration and traditional pleasure culture did not interfere with work. In 1871 bank holidays were made lawful, with the days dictated by the government and the monarch. Since that time, the monarch has retained the power to proclaim additional holidays, with the approval of Parliament, as illustrated by the extra bank holidays given for the 1977 Silver Jubilee and the 2002 Golden Jubilee celebrations (Harrowven, 1980). Rogers (2003) highlights that the origins of the conference industry lies in political and religious congresses, and trade and professional association conventions in America in the late nineteenth century, though recognition of an industry itself is more recent, dating from the middle to latter half of the twentieth century. Shone (1998) supports this and notes that although the emergence of the conference industry dates from the last thirty years, and to some extent, the past 250 years; this would ignore the development that took place during the preceding thousands of years. He goes on to discuss the development of meeting places for trade, supported by the growth in appropriate facilities. These developments commenced with public halls (first century AD), churches (tenth and eleventh centuries), market towns (thirteenth century), and guildhalls (fourteenth century). In later times, inns and coffee houses (seventeenth century), assembly rooms, town halls and universities (eighteenth century) were developed. Finally, there was a growth in specialist banqueting and assembly facilities such as the Café Royal and Connaught Rooms in London, and meeting rooms within hotels (nineteenth century). Bowdin (2006) note that some of the leading exhibitions originate from the early part of the twentieth century.

PURPOSE OF THE STUDY

This paper tries to study the how the Event Management industry is poised to generate employment opportunities for the Under Graduate students. The paper also strives to make a comparison as to the growth of the Event Industry in the near future and its ability to create Entrepreneurs. The changes that needs to be brought into the curriculum to ensure that undergraduate students are well equipped to face the challenges and make use of the opportunities created by the Event Management Industry.

METHODOLOGY

The methodology used to write this paper was case study analysis were a number of prior research work done in this field. The references section of this paper will provide the information regarding the paper taken as guidance. Moreover, the readings on the development of the Event Management Industry, its historical perspective and the future growth will be considered as the main focus. The paper is mainly based on the inferences drawn from these reading, dimension and perspective of the author.

OBJECTIVES OF THE STUDY

1. The paper looks at the pace of the growth of the Event Management Industry.
2. Whether the industry is poised to create job opportunities to the under graduate students.
3. The skill sets required for being employable in the Event Management Industry.
4. And also the opportunity to create new generation Entrepreneurs through this industry.

LIMITATIONS OF THE STUDY

The identification of these gaps in our current knowledge provide opportunity for further development of a research agenda for events and festivals, which will have substantial implications both for academia and for the events and festivals industry. Although this research was carefully prepared, I am still aware of its limitations and shortcomings.

1. **TIME CONSTRAINT:** First of all, the study was conducted in a short time period which did not allow for the in depth analysis. To derive a meaningful and definite conclusion, the study should be made for a period of at least 6 months.
2. **INDIRECT METHOD:** Since it is a conceptual paper the opportunity to interact with the students and the industry people and record the qualitative aspects was not possible.
3. **FINANCIAL CONSTRAINT:** The sources and the monetary support for conducting an extensive research were not available.
4. **CAPABILITIES OF THE RESEARCHER:** The conclusion and the analysis made completely depend on the capabilities and perceptions of the author it does not reflect the opinion in the overall light.

INTRODUCTION TO EVENT MANAGEMENT

EVENT MANAGEMENT INDUSTRY – A HISTORICAL PERSPECTIVE

India, over the past couple of decades has witnessed a phenomenal growth of the event management industry. Events have always been a part of the Indian culture and have been organized by one and all, in their amateurish way, but with the marketing pressures growing and challenges becoming tougher, the live entertainment industry or the sales promotion techniques called events, have gripped the attention of all marketing and public relations professionals. So far the function of organizing these special events was undertaken by some advertising and public relationship agencies who would consider it an offshoot of the major advertising. But realizing the complexity of this art, there have mushroomed several event management companies who specialize in this tourism business. A look at the historical perspective reveals that the event management companies are nothing new to the Indian scene. Since time immemorial, we have witnessed mega events organized for different reasons and occasions. Form the gorgeous wedding of lord Rama and Sita organized by king Janak to today's event like Miss World contests and Film fare awards evening, all are the old and new versions of the event management efforts. However, managing an event, from start to finish, has come to stay as a specialist job. The event management outfits now function on the lines of company, with plenty of professionalism in conceptualizing, planning and executing an event and even managing the aftermath of the event for corporate publicity advantage. The job not being a stereotyped effort, there is a need for every event to be distinctly different than the other. A look backwards reveals that a decade ago, the term event management which has become an integral part of the Tourism, was not heard of. Having witnessed the growth prospects and attractive returns in terms of high billings, profits, glamour and excitement, the event management art has matured enough to be a profession. So much so that event management has become an area of specialization in the management education field and some new generation professionals take lot of pride in flaunting their specialist skills in the profession.

MEANING OF EVENT

The dictionary defines an event as 'anything that happens, as distinguished from anything that exists' or 'an occurrence, especially one of great importance'.

Event is commonly understood as an occurrence or something that happens. A unique moment in time celebrated with ceremony and rituals to satisfy specific needs.

Special event in two perspectives:

- One time or infrequently occurs event outside normal programs or activities of the sponsoring or organizing body.
 - To the customer or guests, it is an opportunity for Leisure, social or cultural experience outside the normal range of choices or beyond everyday experience.
- An event is something that 'happens' not just 'exists', and here is the biggest issue somebody has to make it happen. Successful events only come about through action-some individual or group of individuals getting things done. This applies to all events (little or large). Every single thing that needs to happen has to be made to happen by someone initiating the action. One of the key steps is to identify all the tasks which have to be accomplished, and all of them have to be carried out for a successful event to occur.

A VARIETY OF EVENTS

- Artistic performances
- Band contests
- Pageants
- Open days
- Theatrical performances
- Caravan rallies
- Nature tours
- Boat trips
- Motoring rallies
- Historic tours
- Royal tournaments
- Museum displays
- Street parties
- Careers exhibitions
- Garden parties
- Music festivals
- Car boot sales
- Marathons
- Parades
- Educational seminars
- Town shows
- Sporting Competitions,
- Tournaments and displays
- Carnivals
- Art displays
- Festivals
- Firework displays
- Training days
- Environmental days
- Fetes
- War games
- Civic galas
- Air displays
- Celebrity appearances
- Highland games
- Agricultural shows
- Sponsored walks
- Open days
- Dog shows
- Garden displays
- Round-the-world races

THE SKILL SET REQUIRED FOR EVENT MANAGER

The field of event management not only requires a great amount of creative skills but also involves lots of discipline and meticulous planning. Planning an event is an event in itself. The job of organizing an event begins with the very basics. The client comes to the event manager with a vague idea in mind. It is entirely up to the event manager to work on the idea and turn it into a reality. Events could be anything from concerts, product launches, conferences, promotions, press conferences, jubilee celebrations and farewells to television based events, fashion shows, wedding or parties. In terms of educational qualifications, a formal education in the form of a diploma or degree in event management or in advertising or public relations with a specialization in event management should be ideal though not much stress is laid on education. But there are a host of other qualities, which are essential for a person to be well-equipped in this field. These include:

1. **Analytical/Critical thinking and problem solving** - Analytical thinking, critical thinking and problem solving are abilities that are a must in this field. You should be able to acknowledge a problem, recognize that it has to be solved then and there, and always think on how the situation could be avoided in future.
2. **Client/Customer service orientation** - Client/customer service orientation is the ability to be client focused and committed to meeting the needs of your customer. An event manager has to be client focused, he must attempt to know the client's needs, he must be able to put them at ease while interacting with them, build trust and respect with customers and clients.
3. **Good negotiation skills** - It is a general opinion that negotiating means underestimating the seller. On the contrary it is a skill in business which, when developed, makes you an astute minded businessman.
4. **Ability to work under pressure and meet deadlines** - An event manager should be able to handle pressures and deadlines at ease. In spite of meticulous planning and arrangement, a small error or miscalculation can wreak havoc and disrupt the entire schedule. At such testing times, you should be able to remain calm and cool and perform your role as though everything is under control, so that others are not adversely affected.
5. **Teamwork, facilitation and co-operation** - Needless to say, one of the most important things in event management is the ability to work as a team. You should not only know how to lead a team but also work with everyone and get the job done. You should be able to build efficient teams of people and facilitate their effectiveness. Always remember, "There is no 'I' in Team".

6. **Planning, co-ordination and organization** - This involves the ability to effectively coordinate and organize oneself, others, information and/or situations at a personal and/or organizational level.
7. **Good networking skills** - An event manager needs to build up his own network. The more number of contacts he has the more successful he will be. Any kind of business can be only expanded through contacts and you must therefore have the skill and aptitude to go out and talk to people.

FINDINGS AND DISCUSSIONS

GROWTH OF EVENT MANAGEMENT INDUSTRY

Backed by an increased marketing spend by top companies, industry stalwarts anticipate the event management industry to be on a robust growth trajectory in the coming years. This growth will be led by personal events, MICE (meetings, incentives, conferences and exhibitions), activations and sports. While managed events continue to remain a major part of the service offering, digital events and activation are not far behind, thanks to the Smartphone penetration, low cost of efficiency for such campaigns and internet availability. From film awards, to road shows and from product launches to theme parties, the breadth and depth of the event industry has indeed become very diverse. Event Management is looked upon as a sunrise industry in the service sector. The word 'Event' now needs to be re-defined in view of the manifold growth of the various 'happenings' in the 'commercial' as well as in the non-commercial world. Be it private happenings or public events, everything now is done on 'big scale'. 'Image' is the key word today. This 'image' building exercise today needs a professional manager, either an individual or an organization, depending on the size of the exercise. Live Entertainment shows, Corporate events, MICE (Meetings, Incentives, Conferences, Exhibitions), and large scale Weddings have led to several work profiles and job opportunities. Individuals, Corporate houses and the Society have recognized the need for hiring professionals for handling events.

THE OVERALL EVENT INDUSTRY STATISTICS IN INDIA

The past decade of the Indian economy has witnessed an alarming growth in the size of Event Management Industry. It has grown by leaps and bounds in the recent past and most of the experts in the industry strongly believe that this is just the beginning of a new era. According to the survey done by some leading Research agencies, the organized Event Industry in India is poised to grow by at least by 25% annually and is estimated to reach INR 5500 crores by 2014-15.

FIG. 1



The scope of Events has been widening day by day and the Events & Entertainment Industry today encompasses events like Fashion & Celebrity shows, Film awards, Celebrity promotions, Road shows, Musical concerts, Bollywood-shows, T.V. Reality shows Company conferences, Banqueting facilities, Tourist attractions, Sports, Culture, Corporate seminars, Workshops, Exhibitions, Wedding celebrations, Birthday parties, Theme parties & Product launch. The continuous rise in the number and the scale of all such events has emerged as the main growth drivers in the sector.

FIG. 2

Overall industry size and projections												
Overall industry size (₹100 cr) (Far calendar years)	2008	2009	2010	2011	2012	Growth in 2012 over 2011	2013p	2014p	2015p	2016p	2017p	CAGR (2012-17)
TV	241	257	297	329	370.1	12.5%	419.9	501.4	607.4	725	847.6	18%
Print	172	175.2	192.9	208.8	224.1	7.3%	241.1	261.4	285.6	311.2	340.2	8.7%
Films	104.4	89.3	83.3	92.9	112.4	21%	122.4	138.3	153.6	171.7	193.3	11.5%
Radio	8.4	8.3	10	11.5	12.7	10.4%	14	15.4	18.7	22.7	27.4	16.6%
Music	7.4	7.8	8.6	9	10.6	18.1%	11.6	13.1	15.3	18.3	22.5	16.2%
OOH	16.1	13.7	16.5	17.8	18.2	2.4%	19.3	21.1	23	25	27.3	8.4%
Animation and VFX	17.5	20.1	23.7	31	35.3	13.9%	40.5	46.8	54.3	63.1	73.4	15.8%
Gaming	7	8	10	13	15.3	17.7%	20.1	23.8	30.9	36.2	42.1	22.4%
Digital advertising	6	8	10	15.4	21.7	40.9%	28.3	37.1	48.9	65.1	87.2	32.1%
Total	580	587	652	728	821	12.6%	917	1059	1,238	1,438	1,661	15.2%

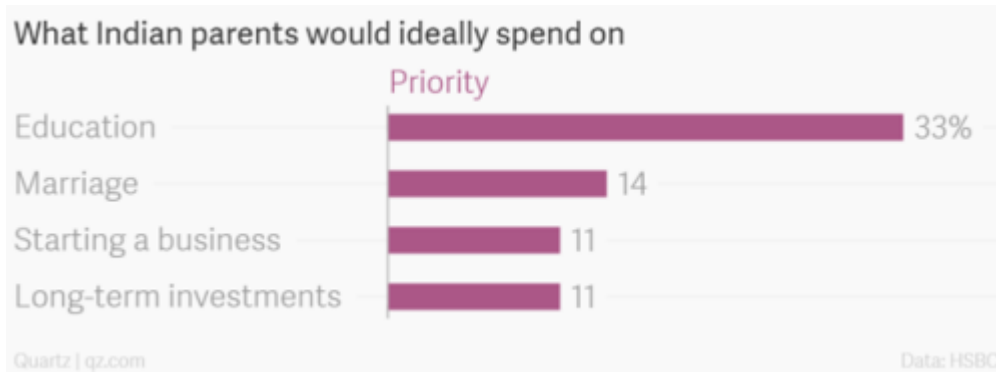
Events are playing an increasingly important role in the Marketing and Communications mix for all companies. Today, Event Management has become an integral part of any Marketing plan. A large number of companies have already recognized the benefits of Direct Marketing through events. Events are considered as a means to Launch, Advertise or Build a brand.

Weddings are very expensive in India. A recent survey has revealed that an average amount of \$31,213 is spent by an Indian for his wedding. This number has observed a 4.5% than the previous year. The same survey has revealed that an average amount of \$27,000 is spent by a U.S Citizen for his wedding. As the \$38-billion Indian wedding market continues to grow bigger in size, the bridal brigade – brides, grooms and their respective families – across the country seems to have embraced the spending frenzy with open arms. About a decade ago, the most talked about society weddings were generally limited to familial lineages. Things, however, are changing now and anyone who has the required finances can surely have a grand wedding of their dreams.

The number is definitely going to increase in the coming years. The latest trend witnessed in Event Management sector is the popular demand for wedding planners. This industry thrives largely on the Indian notion of characterizing marriage as a singular high-point in one’s life. In a bid to make one’s wedding unique, the wedding planning industry derives a reasonable demand owing to their professionalism and touch of precision to make the entire process smooth.

Rise in disposable income coupled with time constraints that people face has led to the development of the wedding planning sector in our country. A wedding planner becomes imperative to streamline the entire process and attention to the minutest detail. An Indian wedding definitely needs a lot of time and effort towards planning and implementation.

FIG. 3



The situation is not different when it comes to spending on Birthday Parties, Meetings and other corporate Events. A survey has stated that, around 15% of an organization’s collective time is spent in meetings. The number has kept on increasing since 2008. This fact is enough to give you an idea on much an organization spends on arranging meetings.

The following figure explains about the rate at which the event management industry is going to rise in India, when compared with other nations.

FIG. 4



The Indian Media and Entertainment (M&E) industry grew from INR 728 billion in 2011 to INR 821 billion in 2012, registering an overall growth of 12.6 percent. The industry has achieved a growth of 11.8 percent in 2013 to touch INR 917 billion. The sector is projected to grow at a CAGR of 15.2 percent to reach INR 1,661 billion by 2017.

More than a quarter of advertisements were advertised in the event sector, the main employment stronghold of the event management industry. Event management companies that advertised included conference and banqueting production companies, event coordinators, sporting event companies and corporate entertainment and functions companies. Thirteen percent of advertisements were contained in the hotel and resort industry and a similar percentage of advertisements did not specific the industry or name of an organization. Non-profit organizations contained 8% of the job advertisements, representing charity organizations in general or specific non-profit organizations such as hospital foundations, youth networks, religious and environmental organizations. Financial and management companies such as insurance and fund management companies contained 6% of the advertisements and government agencies including regional and city councils and territory tourism promotion agencies 5%.

GENERAL SKILL SPECIFICATION IN EVENT MANAGEMENT

- Organizational and Planning Communication.
- Leadership and Decision-making.
- Budget and Financial Management.
- Marketing.
- Team.
- Customer Service.
- Building Relationships.
- Problem Solving and Analytical.
- Funding and Sponsorship.

FINDINGS

1. The event management industry is one of the fast growing industries in India with an expected to grow by 25.0 percent annually.
2. The Media and Entertainment (M&E) sector is projected to grow at a Compounded annual growth rate of CAGR of 15.2 percent to reach INR 1,661 billion by 2017.
3. The segment can create immense employment opportunities for the undergraduate students.
4. The segment is construed to be very challenging to the young minds with creative ideas.
5. The curriculum should include subjects like Event Management at the undergraduate level to educate the students about the job opportunities in this sector.
6. The topic should be taught through case studies and motivate the students in the entrepreneur capabilities.
7. The study should also enable the students to think in the lines of developing their own business in event organizing.
8. The event management job opportunities can help the students to earn while learning (part time).

CONCLUSION

Event management is emerging as a key sector of the tourism industry. As universities develop appropriate curriculum to respond to these needs, it is useful to investigate the skills and attributes that the industry requires. This is especially important as universities around the world are facing dynamic change and they need to seek creative solutions in response to a number of educational and structural issues. To be effective, educational methodologies need to be anchored to the diverse material circumstances characterising different groups of learners and industries. The challenge for universities offering programs of study in event management is to provide avenues for learning that are reflective of the needs of industry and yet still satisfy the need for higher learning. This study has indicated that the tracking of web-based job advertisements provides a potentially useful means to gain timely insight into industry competency requirements, especially as the popularity of web-based advertising and recruitment rises. The employability skills and attributes results mirror previous findings for the Australian event management sector and provide additional information. This information can then be utilised in numerous ways by universities. Feeding this back into course curriculum design and marketing strategies will help to attract potential students to courses by satisfying their vocational aspirations. In turn, by making courses more applicable to industry needs will likely result in industry increasing its understanding and value of tertiary education, mutually enforcing features that are important in this increasingly market dominated educational environment.

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PROSPECTS AND CHALLENGES OF ENTREPRENEURSHIP DEVELOPMENT PROGRAMMES IN INDIA

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ABSTRACT

In entrepreneurship and its association with economic development, empirical researchers and policy makers have shown increasing interest. Entrepreneurs are driven to achieve success in their business along with the qualities of a Leader, Manager, Dreamer, Innovator, risk taker, continues learner, decision maker & most important is to implement all these qualities into the work. There are a lot of examples of the entrepreneurs in India who are now called synonymous of 'Success'. They saw the bigger picture but wisely started their business as a very small unit. Entrepreneurs set the example of turning their dream into reality. And the story behind to achieve the dreams into reality is to set massive goals for themselves and stay committed to achieving them regardless of the obstacles they get in the way, with the ambition and the unmatched passion towards achieving the goal. It looks fascinating, attractive and motivating after listening stories of the entrepreneurs, but success is not as easy as it looks always. There are some obstacles which we call the challenges to overcome by looking forward the prospects to be a successful entrepreneur. This research paper focuses on the challenges towards entrepreneurship development programmes by exploring challenges for future strategy of its redressal.

KEYWORDS

entrepreneurship development; entrepreneurial firms; small businesses.

INTRODUCTION

In the present situation of unemployment, it is necessary to become familiar with the multi-dimensional aspects of Entrepreneurship. Entrepreneur is a person who innovates, allocates and manages the factors of production. This particular person is the supplier of resources, supervisor and coordinator and ultimate decision maker and has the ability to perceive latest economic opportunities and to device their exploitation. Entrepreneur has the greatest chance of success by focusing on a market niche either too small or too new to have been noticed by established businesses. The new generation entrepreneurs are well educated and are capable of understanding the fluctuating trends of markets. The entrepreneurs in most of the cases are having business family background. In certain cases, the new generation has started after facing a lot of difficulties from their first generation. In these cases, the new generation is very careful in selecting their business career. Entrepreneurs are the driving forces behind any economy. They create large corporations out of backyard enterprises. Henry Ford, Irving Berlins, Bill Gates, King Gillette and Rose Perot were people who envisioned a dream and took risk to achieve this Dream. They marched to a different beat. They were innovators, inventors, and adventurers. Entrepreneurship is a social phenomenon and it is not inherent within a person, rather it exists in the interaction between people. To be a successful entrepreneur it requires practicing as a manager by acquiring various skills and efforts in learning to understand a business. Entrepreneurship is the future of the modern society. It reflects a ray of hope for the unemployed to earn a living and maintain a dignified life and also for the economic development of the country.

The first half of the present century witnessed a gradual change in the scenario. During this period, there was a visible tendency among the natives to take to business. The spread of secular education, rising nationalist feelings and social reform movements must have given a fillip to this initial phase of the emergence of entrepreneurship. The independent India thus could claim to have created a conducive climate for spread of entrepreneurship. Entrepreneurship has been a male-dominated phenomenon from the very early age, but time has changed the situation and brought women as today's most memorable and inspirational entrepreneurs. In almost all the developed countries in the world women are putting their steps at par with the men in the field of business. Except some countries of the world the law of the country has been made in favour of the development of women entrepreneurship. In India women entrepreneurship is progressing despite of many challenges faced by women like lack of support from family, orthodox thinking of society, lack of technical knowledge, lack of financial knowledge etc as identified by Quraishi and Darzi (2016). The glorifying corporate has portrayed that they have progressed in last three decades after the industrial policy of 1991 because of the conducive entrepreneurship environment in India. It can be an entrepreneurial nation because of many reasons for it i.e. freedom of speech and willingness to disagree foster creative solutions, very high caliber human capital, diversity in the true sense of the term, the key to stimulate intellectual discourse, functioning capital market and venture capital sector to find new ideas, unique market structure, customer needs and affordability, stress on entrepreneurship, science and technology education and so on (Singh 2009). One added advantage before the population is that they possess some entrepreneurial qualities such as pre-planning ability, communicability determination and innovativeness (Jan et.al. 2016). If India has to achieve its projected 10 % growth rate she has to pursue and inculcate the youth perception in entrepreneurship as the youth is the nation builder and going to form the next league of the enterprise icons in our nation. There is a pervasive tendency to equate entrepreneurship development (ED) with self-employment. Many self-employed individuals are indeed entrepreneurs, but the majority are not. Their businesses are simply micro-enterprises in the informal sector, with little growth potential. The promotion of self-employment is a worthwhile objective, but it should not be confused with ED. Entrepreneurship development programmes that in reality focus only on self-employment are less likely to succeed in creating economic growth.

Entrepreneurship development should be about helping people start and grow dynamic businesses that provide high value added. In determining the difference, it is useful to look at potential growth sectors or geographic areas and to explore criteria for selecting beneficiaries who are entrepreneurs. A need assessment before programme formulation is useful. An analysis of high-growth economic sectors enables more focused support to entrepreneurs in the most promising sectors of the economy. Entrepreneurship development programmes should be formulated to identify risks and determine the likelihood of success, identify the factors that affect the levels of entrepreneurship in a country. These factors include the perception of opportunity, degree of respect accorded to entrepreneurs, acceptance of wide disparities in income and a family environment which is oriented towards business.

Entrepreneurship development programmes require a selection process that attempts to identify those target groups that have some of the key prerequisites for entrepreneurial success. While it can be argued that public funds should be spent on those who most need help, a selection process deploys limited resources where they are most effective, to the overall benefit of the community. Beneficiaries may be individuals and/or groups. An entrepreneurship development programme should help aspiring entrepreneurs to recognize and design unique, innovative business opportunities, based on an analysis of local conditions and their own special skills. The programme can help the entrepreneur to diversify based on his/her basic knowledge of a product or skill in a certain sector without distorting the local markets. In a truly entrepreneurial approach, innovative capacity matters more than the size of the market. Diversification can be accomplished by introducing a novelty or new product feature, stressing quality or value added, anticipating a new market or even creating a market. Hundreds of EDPs are conducted by various organizations to impart entrepreneurial training to participants in thousands (Gupta, 1990). The main objective of these EDPs is to train enterprise creators (Chowdhary & Prakash 2010). Having spent lot of public money and effort for organising EDPs it was also necessary to evaluate whether the objectives of EDPs are fulfilled or not. Despite of many measures the entrepreneurial development programmes have not shown the remarkable success. Much needs to be done to explore the optimal process for its successful outcome. Towards this backdrop the present study has been undertaken to assess the present status of entrepreneurship development programmes and recommend future strategy for its strategic planning and optimal implementation.

OBJECTIVES

The objective of the paper has been to explore the role of entrepreneurship development towards economic growth. It also identifies the issue for its effective redressal.

METHODOLOGY

The data required for the present study has been collected both from primary and secondary sources. Primary data has been collected through personal interview method. The secondary data has been collected from various published sources such as magazines, newspapers, journals, books, websites and other publications. The present study is descriptive in nature.

RESULTS AND DISCUSSIONS

ED training is usually more effective when linked to finance and other services such as marketing, quality assurance and productivity improvement. For example, involving the development banks at an early stage of the support process helps to prepare the entrepreneur for the credit process and facilitates the bank's appraisal of the business plan.

Successful entrepreneurship also depends on supportive and coordinated government policies. Entrepreneurship is conducive to economic growth and the creation of employment. Government programmes and policies have a significant impact on the level of entrepreneurship within a country. While many governments profess support for entrepreneurial businesses, they often lack specific policies and coordinated programmes designed to support entrepreneurial activity.

In India, the major factor impeding the development of entrepreneurship is the lack of adequate electric power which most times result in high cost of running businesses. However, there are other obstacles to successful entrepreneurial development initiatives. Liberalizing imports, ending public monopolies and opening public services to private-sector provision of goods and services enhance the conditions for entrepreneurship growth.

Fostering entrepreneurship involves ensuring that markets for capital, labour, goods and services are working well. It also requires that impediments to entrepreneurship be removed and that conditions be established in which innovation and risk-taking can flourish. Government policy-makers also seek to foster entrepreneurship through programmes which, for example, augment the supply of information and enable reliable transportation of goods and services, encourage networking, facilitate the provision of finance, and seek to create positive attitudes towards entrepreneurial activity. Focused policies that facilitate access to finance, professional services and training for start-up companies, that simplify business registration, reporting and taxation, etc. are essential to entrepreneurial venture creation. Seminars and the study of entrepreneurial development abroad can be included in programmes addressing entrepreneurship policy.

In the process of economic development and growth of a nation, role and relevance of Entrepreneurial Development Programme (EDP) is immense. It is the EDP through which the entrepreneurs learn the required knowledge and skill for running the enterprise successfully which ultimately contribute towards economic progress in the following ways:

Creation of employment opportunities: EDPs help solving the problem of unemployment by creating adequate employment opportunities through setting up of small and big industrial unit where the unemployed can be absorbed. Various programmes, schemes like Prime Minister's Rozgar Yojana, National Rural Employment Programme and Integrated Rural Development Programme etc. have been initiated by Government of India to eliminate poverty and solve the problem of unemployment.

Helping for to achieve Balanced Regional Development: Successful EDPs assist in accelerating the pace of industrialization in the backward areas and helps in reducing the concentration of economic power in the hands of an individual. The various concessions and subsidies offered by the State and Central Governments prompted the entrepreneurs to set up their own small and medium industrial units in the rural and backward areas. Through EDPs more and more industrial units in the backward areas are set up which lead to the development of rural sector which finally helps in achieving balanced regional development.

Prevents industrial slums: Entrepreneurial development programmes help in removal of industrial slums as the entrepreneurs are provided with various schemes, incentives, subsidies and infrastructural facilities to set up their own enterprises in all the non-industrialized areas.

Use of Local Resources: Plenty of locally available resources remain unutilized due to absence of initiative and lack of adequate knowledge by the entrepreneurs. Proper use of these resources will help to starve out a healthy base for rapid industrialization and sound economic growth. EDPs can help in the proper use of locally available resources by providing proper training, guidance and education to the potential entrepreneurs.

Economic Independence: The entrepreneurs through EDPs are able to achieve economic independence of a country by producing a wide variety of better quality goods and services at competitive prices. The entrepreneurs also through export promotion and import substitution are able to earn and save large amount of foreign exchange which is essential for the growth and development of any economy.

Improves the per-capita income and standard of living: EDPs provide the necessary support to entrepreneurs by educating them about the test innovation and techniques of production to produce a large variety of quality goods and services at competitive prices. EDPs also help in establishing more enterprises which aid to provide more employment opportunities and help in increasing the earning of the people. It will result in increase in per-capita income and thus helps in the improvement of standard of living of the people.

CONCLUSIONS AND RECOMMENDATIONS

Over the year's efforts made by the various governments in India to develop entrepreneurship have not yielded the desired results. One major reason is the treatment of all small businesses as entrepreneurial firms and implementation of policies and programmes across the board. The second set of problems relate to economic, social and political factors that create hostile environment inimical to the development of entrepreneurial firms and other small businesses.

The entrepreneurial firms should be separated from other non-entrepreneurial small businesses, to allow for distinct policies and programmes required by each category of small businesses. To achieve this categorization, all small businesses should be encouraged to submit their business plans to a development agency such as the Small and Medium Enterprises Development Agency of India. From the business plans, potential and nascent entrepreneurs are identified and separately registered. The agency should develop a strategy for monitoring, on yearly basis, firms that are classified as entrepreneurial for at least a period of three years. Firms that fail to realize projections in their business plans should be declassified. Entrepreneurial firms should be given higher level of support including outright government grants and soft loans for research and development and easy access to venture capitalists and business angels. The development of other small businesses will continue to be pursued to promote self-employment, reduce crime rate and improve the people's living condition. To this end, the implementation of the Microfinance Policy should be reviewed for greater impact on the generality of the rural populace.

Lastly, government should strive to reduce the cost of doing business in India, to the benefit of both entrepreneurial firms and other small businesses, by providing conducive environment. To achieve this objective, infrastructural facilities, including good road network, stable power and water supply should be provided as a matter of priority. Security should be beefed up in both urban and rural communities and problem of corruption should be realistically addressed.

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AN EMPIRICAL STUDY ON THE EXISTENCE OF GENDER GAP IN THE PERSONAL FINANCIAL BEHAVIOUR OF INFORMED INVESTORS

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ABSTRACT


Finance has the ability to make or break an individual's life, but its influence depends on how possessors use and manage it. This blatant truth signifies the importance of Personal finance. Personal Finance is the application of principles of finance to the monetary decisions of an individual or family unit. Another noteworthy fact is that women do not have the same relationship to finance as men because there are many striking differences between them. Both men and women should be financially efficient to take appropriate financial decisions for themselves and their families. The study aims to get a clear understanding of the existence of a gap in the financial behavior of women as compared to men with the objective of providing a basis for assessment as to what should be done in order to make sure that women are not financially disadvantaged. The author has come out with a model called the POWER model which aims at giving women the power to ensure this.

KEYWORDS

personal finance, gender finance, financial behavior, power model.

INTRODUCTION

PERSONAL FINANCE

ersonal finance can be defined as the application of principles and techniques of finance in an individual's money affairs. The main goal of personal Finance is the efficient allocation of financial resources which in turn paves way for financial security and independence. This also helps an individual or family in meeting expected expenses as well as monetary contingencies.

This is a very important element in every aspect of an individual's life since it deals with almost everything ranging from trivial things like eating in a restaurant to major ones like buying an apartment or Retirement planning. Hence it can be noticed that personal finance affects your relationships, lifestyle, attitude and even your perception. In a broader sense, it involves planning and implementing of our financial goals. Therefore, how well you manage your personal finance determines the Quality of your life i.e.: whether you buy a house or stay in a rented one, whether you have an international holiday or a domestic one, the quality of your kid's education, retirement plans etc. An effective management of the personal finance will help individuals to run ahead of others and grab the unbound opportunities ahead. In a nutshell, effective personal financial management helps in the following:

- a. To fulfill goals.
- b. Avoiding debt
- c. Reducing stress
- d. Personal empowerment.

GENDER FINANCE

There are significant differences between men and women in all aspects from biological to physical to emotional to social. These differences automatically get reflected in their financial behavior and decisions also. The saying Men buy shares from Mars and Women have a savings account on venus highlights this blatant truth. Chase Lancaster and Anubhav Raj (2009) found that women are more conservative than men while allocating assets in their retirement account. They concluded that gender differences are a significant factor in explaining individual investment decisions. A study by a major Swedish brokerage firm found that women are more long term oriented with their investments because men tend to buy and sell more often than women. According to Graham et al (2002) women are more thoughtful and likely to ask more questions than men do and to consider all relevant investment factors. Schubert, Brow, Gyster and Brachinger (1999) contrary to many other studies found that women under controlled economic conditions generally do not make less risky financial decisions. Jianakoplos and Bernasek (1999) in their study showed that women are more risk averse than men. They emphasized on the old belief that while men are financial daredevils who take risk, women are cautious and want more security. Powell and Ansec (1997) conducted a study and found that there are relative gender differences in allocation of investments in retirement plans. They suggested that women exhibit a greater risk aversion while choosing retirement savings account. According to Sitkin and Weingart (1995), The characteristics of the individual affects financial decision making indirectly.

Thus it can be seen that there are a lot of differences in the financial perception, expectations, goals and confidence of men and women. The following factors contribute to this;

- a. Longer longevity: Women have a biological advantage that allows them to live longer. This is because they have fewer behaviors' that are bad for health than men. There are various studies which have proved the positive relation between female hormones and life longevity. Studies have also shown that current advances in health care and living conditions have benefitted women more than men.
- b. Career choices with low average income: In majority of the cases, women are forced to make career choices with low average income. They consider alternative work arrangements and flexibility over remuneration and promotions. They don't indulge themselves in physically challenging jobs even if the pay is more. Studies have revealed that they are less assertive than men when demanding promotions and increments. All these contribute to them having a lower average income as compared to their male counterparts.
- c. Shorter working lives with breaks: The total work time that women are able to put in as compared to men is significantly less. This is because they have a shorter working life which is subject to many breaks. They are committed to various care giving tasks and hence have less time to devote to work. They are prone to taking more family leave which in turn affects their career advancement and in turn hampers their financial prospects.

Thus women face unique challenges both in terms of making money as well as making it grow for the future. Normally they are risk averse due to child bearing and reproduction. They also feel fear and intimidation when it comes to dealing with money and investments.

LITERATURE REVIEW

Chase Lancaster and Anubhav Raj (2009) found that women are more conservative than men while allocating assets in their retirement account. They concluded that gender differences are a significant factor in explaining individual investment decisions.

According to Graham, Stendardi, Myers and Graham (2002), women are less overconfidence and hence they are more likely to avoid financial issues in general. They also opined that women are more likely to postpone financial planning.

A study by a major Swedish brokerage firm found that women are more long term oriented with their investments because men tend to buy and sell more often than women

According to Graham et al (2002) women are more thoughtful and likely to ask more questions than men do and to consider all relevant investment factors.

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Powell and Ansec (1997) conducted a study and found that there are relative gender differences in allocation of investments in retirement plans. They suggested that women exhibit a greater risk aversion while choosing retirement savings account.

According to Sitkin and Weingart (1995), The characteristics of the individual affects financial decision making indirectly.

Thus it can be concluded that researches overtime have indicated that significant differences occur in the financial decision making of an individual depending on the gender.

OBJECTIVES OF THE STUDY

1. To provide an insight into the existence and reasons of gender gap in the personal finance of informed investors.
2. To come out with a model to give suggestions to bridge the above gap and make sure that women are not financially disadvantaged.

METHODOLOGY

This is a conceptual paper. It employs a review through personal experience and background study. Secondary sources have also been made use of in relation to figures and statistics.

NEED FOR THE STUDY

According to Graham, Stendardi, Myers and Graham (2002), women are less confident and hence they are more likely to avoid financial issues in general. They also opined that women are more likely to postpone financial planning. The researcher felt that both men and women should be financially efficient to take appropriate financial decisions for themselves and their families and to ensure this, the researcher has tried to introduce a model called the '*power*' model.

POWER MODEL

The author has come up with a model called the *POWER* model which aims at giving women the necessary suggestions to prevent themselves from being financially exploited by the opposite sex and thereby the *power* to be financially efficient.

Prioritise the goals

Optimise income, savings and investment.

Wealth accumulation and protection

Estate planning.

Retirement planning

1. Prioritise your goals

Every woman must have a clear understanding of her life goals. The concept of SMART goals comes here. Women must take care to see that the goals she set are Specific, Measurable, Achievable, Realistic and tangible. These can range from buying an apartment to taking care of one's parents to daughter's wedding. Once this is done, she must take efforts to prioritize her goals and subsequently decide the time she would take to save to achieve these goals. The progress of such goals must be reviewed and in case they are not being met, they must be refined accordingly. Such goals or aims or dreams must act as a trigger to their financial efforts and activities.

2. Optimise income, savings and investments:

a. Income: It is very important for everyone to have an alternative or a passive source of regular income. In case of women, this becomes all the more important and significant because their careers and job life is very volatile. Hence apart from salaries, every woman must take efforts to build a secondary source of income like rental income, income from Fixed deposits, post office schemes etc.

b. Savings: Every woman must have a clear understanding as to whether and when their spending habits will start gnawing at their principal amount. They must take conscious efforts to be frugal in their spending. Proactive efforts must be taken to ensure that they have adequate savings and that their principal is intact.

c. Investments; Its mandatory for every woman to have some efficient investments in her kitty. Investments should be made in such a manner that it helps reduce risk, increase returns and most importantly minimize investment related taxes.

3. Wealth accumulation and protection

Various studies have revealed that women do not acquire as much wealth as men. Thus, accumulation and protection of wealth is another very important area which every woman must focus on. They must take active interest and effort in wealth ownership. Planning, building and preserving wealth must be given utmost priority. This helps them to be financially independent.

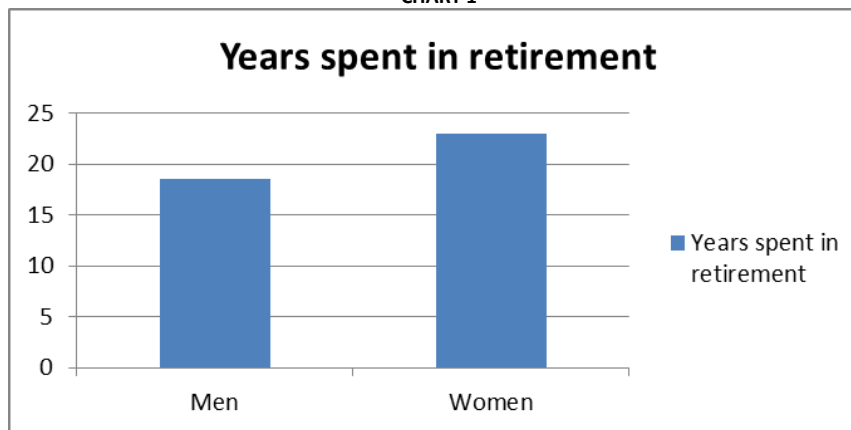
4. Estate planning

Death is the only thing certain in an individual's life. Even though nobody likes to accept this truth, it is incumbent upon every individual to plan and prepare oneself for this event. Women are no exception to this. A proper estate plan would guide her in this. An efficient estate plan helps a woman in making the best choices when it comes to major decisions like who should care for minor children, who should be the recipient of the property, who should wind up one's affairs etc. Thus every woman must spend considerable time in estate planning.

5. Retirement planning

Retirement is considered as the most important milestone in the lives of all working people. Planning towards retirement is very crucial because once we retire, our income stops but expenses continue. Studies have revealed that 21% of the retirees experienced a drop in income in retirement of more than 50%, and 50% of the retirees felt that they continued to spend as much or more than what they did before retirement. Here comes the need and importance of retirement planning. Retirement planning in simple terms refers to the allocation of finances for retirement. The OECD representing the world's leading 43 industrialized economies revealed that the average length of time spent in retirement has drastically increased for both men and women, the main goal of retirement planning is to achieve financial independence after retirement and this is very important for a woman because the average number of years spent in retirement is more for women than men.

CHART 1



Source: OECD Survey.

CONCLUSION

It is often seen that women are expected to take primary responsibility of child bearing, taking important decisions relating to distribution of household resources and most importantly in transmitting financial habits and skills to the next generation. This makes it very important for us to attend the needs of women as financial consumers. In the light of this, it becomes our utmost priority to make sure there is no gender gap in finance and thus ensure that women are not financially disadvantaged

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A STUDY ON COST BENEFIT ANALYSIS OF SELECT PRIVATE SECTOR BANK**M. NAGAJOTHI****STUDENT****DEPARTMENT OF MANAGEMENT STUDIES****ANNA UNIVERSITY (BIT CAMPUS)****TRICHY****DR. S. P. DHANDAYUTHAPANI****ASST. PROFESSOR****DEPARTMENT OF MANAGEMENT STUDIES****ANNA UNIVERSITY (BIT CAMPUS)****TRICHY****ABSTRACT**

Cost benefit analysis is sound decision making tool for calculating a comparing benefit and costs for functional requirements of project. To alternate solution could be ranked in terms of cost benefit ratio. In this study tool is used by listing all the deposit and borrowing costs associated with the project and then estimating the benefits of return on investment and advances of bank.

KEYWORDS

private sector bank, cost benefit analysis

INTRODUCTION**OVERVIEW OF BANKING INDUSTRY**

In the banking industry very important place to growth of economic development. In modern economic life blood of bank. Banks accepts deposits and make loans and derive a profit from the difference of the interest rates paid and charged to deposits and borrowers respectively. The role of the bank is to provide a safe place to keep your money banks are various institutions in any society as they significantly contribute to the development of the economy through facilitation. Banks can facilitate the development of saving plans and instrument of the government's monetary strategy among others. The private sector bank is main problem to accelerating the pace of economic growth. The RBI to encourage the private sector participant because the economic development by The making available the loans easily on reasonable rate of interest to increasing the participation of the private sector in economic development.

BANK'S PROFILE**PROFILE OF TMB**

Tamilnadu mercantile bank limited is a bank head quartered tuticorin. The bank was originally registered on 11th may 1921. The bank launched its ATM card on 11Nov 2003. The bank currently has 437 full branches throughout India. 10 regional offices, extension counters 11, central processing centres 6, service branch 1, currency chests 3, 911 ATM. TMB was rated as the fastest growing private sector bank. The bank has won the LIKMATBFSI best private sector bank 2014-15 Award.

PROFILE OF KVB

Karur Vysya Bank was started in the year 1916 in karur. The bank had a branch network of 629 and an ATM network of 1645 as on 31.3.2015. It has implemented core banking solution across the ban including rural branches in 2006. The bank has around the branches 629 and around ATMs 1645. KVB wins MSME banking Excellence Awards in 2015. KVB wins National Payment Excellence Awards in 2014.

PROFILE OF HDFC

Housing Development Finance Corporation is an Indian banking financial services company headquartered in Mumbai, Maharashtra in 1994 august. HDFC was amongst the first to receive an in principle approval from the RBI to set up bank in the private sector as pad of RBI's liberalisation of Indian banking industry 1994. HDFC is second largest private sector bank in India. HDFC was ranked 58th among India's. Most trusted brands HDFC banks. Operate in a highly automated environment in terms of information technology and communication system. HDFC bank wins best private sector banking service for super affluent client for 5 years in a row at Ruomoney Award in 2014. Business leader of the and world 30 best CEO'S Award in 2015. HDFC banks wins NABARD Award in 2016.

INTRODUCTION COST BENEFIT ANALYSIS

Definition: It can be explained as a procedure for estimating all costs involved and possible profits to derived from a business opportunity or proposal.

Description: It takes into account both qualitative and quantitative factors for analysis of value for money for particular investment opportunity. Benefits to costs ratio and other indicators are used to conduct such analyses. The objectives is ascertain the soundness of any investment opportunity and provide a basis for making comparisons with other such proposals. All negative and positives of the investment are first quantified in monetary terms and then adjusted for their time value to obtain corrects estimates for conduct of cost benefit analysis. Most economists also account for opportunity costs of the investment in the project to get the cost involved.

LITERATURE REVIEW

(Dr.Atul Bansal, 2014) In this paper to analyse the cost of benefit analysis for nationalized bank in India. To deliver the which highest rate interest and benefit of the investment. To measure the risk, reduce the project under consideration. The nationalized banks mobilize a major part of their funds through deposit and borrowings. The present aspect deals with cost benefit analysis of bank funds and concludes that nationalized banks are they beneficiary to mobilize funds through borrowing rather than deposit. The study concluded that cost of borrowing is the best way to achieve more profitability through advance and investment.

(SUDESHKUMAR,DR.BIMAL ANJUM,DR.SUMAN NAYYAR, 2012) The study deals on financial decision in pharmaceutical industry in India through cost analysis. The study to measure the efficiency of capital structure on cost analysis. Secondary data collected from annual report of industry in CIPLA Ltd, Auribindo pharma, Cardila Health Care Ltd using which determine cost analysis with help of trend analysis to identify the cost of capital structure. The study concluded that cost of capital little impact of the pharmaceutical industry.

(Daniela Gonzales, Erin M.searcy, SandraD.Eksioglu, 2013) How to reduce the transportation cost for biomass feed stock to analysed and collected the data form the three types of transportation cost for the analysis. To take the train, barge, truck transportation cost. Cost efficiency achieved barge shipment than track and train transportation. But the train cost is cheapest mode of fuel transaction because to reduce the tariff and high volume of grains can be export. Regression analysis indicates that transportation costs for densified biomass will be impacted by transportation distance, volume shipped, transportation mode used, and shipment destination. Since biomass production is concentrated in the Midwestern United States, a bio refinery's shipments will probably come from that region.

For shipments from the Midwest to the Southeast US, barge transportation, if available, is the least expensive transportation mode. If barge is not available, then unit trains are the least expensive mode for distances longer than 161 km (100 miles). For shipments from the Midwest to the West US, unit trains are the least expensive transportation mode for distances over 338 km (210 miles). For shorter distances, truck is the least expensive transportation mode for densified biomass.

OBJECTIVES

1. To analyse the highest rate of return through investment and advance
2. To analyse the cost of funds to get the cheapest source of funds.
3. To identify and compare the cost of funds with the return to find out the most profitable investment
4. To suggest suitable strategies for the efficient management of funds to the investor.

RESEARCH METHODOLOGY

RESEARCH DESIGN

Sample design

The sample design selected by random sampling.

METHODS OF DATA COLLECTION

The research study is totally dependent for the study would be secondary data collection method. The data collected from various sources such as banks annual report, balance sheet, profit and loss statement, journal of accounting and finance. The research is taken three banks from private banking sector.

PRIVATE BANKS

TAMILNADU MERCANTILE BANK

KARUR VYSYA BANK

HOUSING DEVELOPMENT FINANCE CORPORATION

HYPOTHESES OF THE STUDY

H01: There is no significant correlation between the cost of deposit and return on advance ad investment

H02: There is no significant correlation between the cost of borrowing funds and return on advances and investments.

Parameters for the cost benefit Analysis

- Cost of Deposit (Interest on deposit as percentage of total deposit)
- Cost of Borrowing (Interest on borrowing funds as percentage of Total borrowing funds)
- Return on Advances (Interest on Advance as percentage of Total Advances)
- Return on Investment (Interest on investment as percentage of Total investments)

ANALYSIS AND INTERPRETATION

TABLE 1.1: COST OF DEPOSIT (INTEREST ON DEPOSIT AS PERCENTAGE OF TOTAL DEPOSIT) (X1)

Years	KVB	TMB	HDFC
2011	4.14	4.68	4.39
2012	4.34	4.79	4.56
2013	5.20	5.42	5.35
2014	5.18	5.72	5.53
2015	4.46	12.61	5.67
Overall growth	7.73	6.41	29.16
Average	5.17	6.41	9.11
SD	0.49	0.44	0.58
CV	9.54	6.79	6.42

The above table 1.1 shows that all three banks there are increasing trend in their cost of deposit during the period. On an average, it is highest in HDFC Bank with 9.11% followed by with 6.41% TMB, but it is the least in KVB with 5.17%. From the above banks the highest overall increasing of 29.16% in the cost of deposit TMB shows 12.61% increase and KVB shows the 7.73% increase in the cost of deposit. Karur Vysys Bank shows the highest variation in terms of 9.54% CV that consist the competitive environment.

TABLE 1.2: COST OF BORROWING (INTEREST ON BORROWING FUNDS AS PERCENTAGE OF TOTAL BORROWING FUNDS) (X2)

Years	KVB	TMB	HDFC
2011	1.13	6.14	1.74
2012	1.38	8.21	1.37
2013	2.69	7.84	1.86
2014	2.28	4.81	1.17
2015	2.19	2.41	3.26
Over all growth	93.81	-60.75	87.36
Average	17.25	5.22	16.13
SD	0.65	2.37	0.82
CV	3.79	45.43	5.08

The above table 1.2 shows that there is increasing trend in KVB and TMB Bank during the study period with the highest inc. in KVB with 93.81% and HDFC 87.36% but decreasing in TMB with 60.75%. On an average, cost of borrowing funds is the least in TMB i.e., 5.22% and the highest in the KVB i.e., 17.25%

TABLE 1.3: RETURN ON ADVANCES (INTEREST ON ADVANCE AS PERCENTAGE OF TOTAL ADVANCES) (X3)

Years	KVB	TMB	HDFC
2011	11.85	10.78	12.36
2012	11.02	10.81	11.57
2013	11.07	10.86	11.77
2014	10.48	11.44	11.94
2015	9.54	10.61	11.31
Overall growth	-19.49	-1.58	-8.50
Average	5.75	8.82	8.41
SD	0.85	0.32	0.40
CV	14.86	3.58	4.71

The above table 1.3 shows a declining trend in return on advance in above three banks during study period. KVB shows the highest decline of 19.49% in their returns; where it is least in TMB i.e., 1.58% The decline is not a sign of sound system of credit control. On an average, return on advance is the highest in TMB, in HDFC and KV5 with 8.41 and 5.74% respectively.

TABLE 1.4: RETURN ON INVESTMENT (INTEREST ON INVESTMENT AS PERCENTAGE OF TOTAL INVESTMENTS) (X4)

Years	TMB	KVB	HDFC
2011	20.21	22.11	20.54
2012	26.36	25.86	22.93
2013	26.93	29.56	26.36
2014	28.77	31.07	25.55
2015	27.29	26.65	24.55
Overall growth	35.03	30.53	24.39
Average	27.43	25.96	24.57
SD	3.31	3.28	2.85
CV	12.07	13.40	11.59

The above TABLE shows 1.4 that there increasing trend in return on investment in all three banks. The highest increasing rate shows in KVB, followed by HDFC with 24.39% and in TMB with 20.53%. On an average, return on investment is the highest in KVB BANK with 27.43% and followed by TMB BANK with 25.96%.

TABLE 1.5: CORRELATION COEFFICIENT ANALYSIS

Factors	KVB	TMB	HDFC
Cost Deposit and ROA (X1 AND X3)	-0.028	0.637	-0.540
Cost Deposit and ROI (X1,X4)	0.701	0.935	0.911
Cost of Borrowing and ROA (X2,X3)	-0.535	0.036	-0.567
Cost of Borrowing and ROI (X2,X4)	0.745	-0.062	0.058

The above table 1.5 shows the rejection of the entire hypothesis that test the correlation coefficient among the cost of funds. But the return there from is not significant hence, shows that cost and return of funds are significantly correlated with each other at different coefficients. In case correlation between cost of deposit(X1) and return on advance (X3), it is negative and insignificant in KVB and HDFC Bank but it is positive and significant in TMB.

Correlation among cost of deposits (X1) and return on investment (X4) is positive in KVB. Correlation between cost of borrowing funds (X2) and return on advance (X3) is positive and significant in all banks. Overall, it can be concluded that cost and returns and significantly correlated with each other, which shows that the increase in cost, return also increase because more funds are generated either through deposits or borrowing, the more will be the investment either on term credit or securities.

CONCLUSION

In private sector banks prefer deposits as cheaper mode of funds mobilization and advances as more effective use of funds, just because of their efficient marketing strategies and sophisticated risk management. Private sector prefers borrowing funds i.e., from the RBI to mobilize funds and invest the maximum share of their funds in the government securities as these are less risky with more returns. Fixed rules of the government is the main reason for more cost of deposit because these rules bind them not to make deposits at flexible rates of interest according to the market situation. But for the efficient management of funds, banks should be given full autonomy and they should set their standards for each type of portfolio separately according to the market conditions 'in India has most successful bank share those that combine visionary technology and very competitive pricing with strong relationships and brands build on trust with previous in-depth experience of the client business. Banks would have adopted the effective, practical and competitive strategies to survive in the high tech banking environment.

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ELECTRONIC BANKING IN INDIA: CHALLENGES AND OPPORTUNITIES

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ABSTRACT

Banking is the lifeline of an economy, present and future of any economy depends upon the success and development of banking. The objective can't be achieved with the traditional banking as now is the age of technology. Indian banking industry today is in the midst of an IT (Information Technology) revolution. The advancement has thoroughly and perceptibility revamps the operational environment of the banking, banks are providing different services cash deposits to cash withdrawals through electronic means. Therefore, number of electronic transactions are increasing the world is going to be a cyber-world where each and everyone would be connected through internet. E - Banking is a progressive technology in India but its endorsement is very low as 70 per cent population belongs to rural areas and 30 per cent reside in urban. Banks are investing huge amount of money to increase the diffusion of cyber banking, therefore it is the need of time to know the real causes of its low penetration. The changes that have taken place to impose on banks tough standards of competition and compliance. E-Banking is likely to bring host opportunities as well as unprecedented risks to the fundamental nature of Banking in India. The scope of E-Banking is still evolving several initiatives taken by Government of India as well as the Reserve Bank of India. This paper aims to present the E - Banking challenges and opportunities in India.

KEYWORDS

e-banking, benefits, challenges and opportunities, India.

INTRODUCTION

The Indian banking system was domestically oriented at the time of nationalization in 1969. National policy objectives where the guiding force and banks were primarily involved in mobilizing domestic savings, lending funds to specific sectors of the economy and raising resources for financing public deficits. Technology in Indian banking has evolved substantially from the days of back office automation to today's online, centralized and integrated solutions. One cannot think of ATM, Internet, Mobile and Phone Banking or Call Centre services without the help of technology. In past thirty years, operational efficiency of banks increased, now the time taken by the banks in different transaction has been reduced with this advancement competition is also increased. Banks are interested to acquire more and more customer to increase their revenue and using different tools of technology to increase the number of their clients. E-banking is the service which the banks are providing 24X7 banking.

The progress of E-banking after the liberalization and globalization process began since 1991, influencing the financial sector, particularly on the banking sector. The advancement has thoroughly and perceptibility revamps the operational environment of the banking. The E-commerce drastic change is completely altering the way of client banking, banks are providing different services cash deposits to cash withdrawals through electronic means. Therefore, number of electronic transactions are increasing the world is going to be a cyber-world where each and every one would be connected through internet. The world is becoming a global market, characterized by economic interdependence. National boundaries have become less significant with the interlinked effect of technology, information flows and foreign investment mobility.

Banking is the lifeline of an economy. The present and future of any economy depends upon the success and development of banking. The objective can't be achieved with the traditional banking as now is the age of technology. Indian banking industry, today is in the midst of an IT (Information Technology) revolution. The competition among the banks has led to the increasing total banking automation in the Indian banking industry. Finland was the first country in the world to have taken a lead in E-banking. In India, it was ICICI bank which initiated E-banking as early as 1997 under the brand name Infinity. Electronic banking is defined as "Delivery of bank's services to a customer at his office or home by using Electronic technology can be termed as Electronic Banking". Online Banking or Internet Banking or E-banking allows customers of financial transactions on a secured website operated by the institution, which can be a retail bank, virtual bank, credit union or building society. To access a financial institutions online banking facility, a customer having personal internet access, must register with the institution for the service, and set up some password for customer verification. To access online banking, the customer would go to the financial institution's website, and enter the online banking facility using the customer number and password.

REVIEW OF LITERATURE

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

Srinivas (2009), discussed various e-banking channels and suggested security tips for customers which include changing password frequently, abstaining from revealing PIN either via mails or phone, avoiding cyber cafes for net banking etc. In a study conducted by Mohammed and Shariq (2011), in the city of Lucknow, U.P to examine the adoption of e-banking channels, particularly ATM, it was found that ATM was the most adopted technology by banks. Shukla and Shukla (2011), stated that E-banking offers a higher level of convenience for managing one's finances even from one's bedroom. However, it continues to present challenges to the financial security and personal privacy. Customers are advised not to share personal information like PIN numbers, passwords etc with anyone, including employees of the bank.

Mishra (2011), provided useful tips to ensure safety of IB transactions. IB users are advised not to reply to any mail, phone call or letter, asking for the IB information like login id or password, and not to click on any link provided in any mail, claiming to be the link for the bank's website are the important tips, among others. Haq & Khan (2013), analysed the challenges and opportunities in the Indian Banking sector. It found that there was no significant relationship in between age and use of cyber banking. It also depicted that, there is no relation in between gender and the adoption of internet banking. It observed that qualification in terms of education and income of the respondents were playing the role in the acceptance of online banking. The study suggested that, it is the need of time that financial literacy of the users should be increased through various programs which should be run by banks to increase the awareness of internet banking.

Gupta & Mishra (2012), examined the new emerging trends of E-banking in Indian banking industry. The study found that there are many challenges faced by banks in E-banking and there are many opportunities available with the banks. It concluded that banking sector will need to master a new business model by building management and customer services. It also suggested that banks should contribute intensive efforts to render better services to their customers. Chavan (2013), described the benefits and challenges of Internet banking in an emerging economy. It observed that online banking is now replacing the traditional banking practice. It showed that online banking has a lot of benefits which add value to customer satisfaction in terms of better quality of service offerings and at the same time enable the banks gain advantage over the competitors. It also discussed some challenges in an emerging economy.

A review of existing literature reveals that though there is plethora of studies that examined customer's perception about e-banking including its popularity and problems, studies that examined the growth of e-banking in India in volume and value terms are not found.

NEED AND IMPORTANCE OF THE STUDY

Many inventions and revolutions have taken place in the history of banking but no such things have changed the business of banking as fast as the e-banking revolution. Now-a-days, banks all over the world are making their business strategies in the light of new opportunities offered by e-banking. E-banking has facili-

tated banks to scale borders, change strategic behaviour and thus bring about new possibilities. E-banking has encouraged real banking behaviour closer to neo-classical economic theories of market functioning. As there is presence of absolute transparency of the market, clients (both business and retail) can make comparison of the services provided by various banks easily. For example, at every click on the internet you'll face your competitors. If clients are not happy and satisfied with the products, prices or services offered by a particular bank, they are capable of changing their banking partner very easily as compared to what happens in the physical or real bank-client relationship. Therefore, from the view-point of banks, use of the internet has significantly reduced the physical costs of banking operations.

The primary benefit of e-banking from the bank customers point of view is significant saving of time by the automation of banking services processing and introduction of an easy maintenance tools for managing customer's money. Other benefits of E-banking are also there such as reduction in costs in accessing and using the banking services, increase in comfort and timesaving, quick and continuous access to information, better management of cash, convenience in performing banking transactions, speed in getting response, proper management of funds.

TABLE A: NUMBER OF ATMS OF SCBs AT VARIOUS LOCATIONS (March 2014)

Bank Group	Rural	Semi- Urban	Urban	Metropolitan	Total
Public sector banks	6,673(11.5)	15,135 (26.0)	19,213 (33.0)	17,172 (29.5)	58,193 (100.0)
Nationalized Banks	3,383 (10.9)	6,800(21.9)	10,186(32.8)	10,681(34.4)	31,050(100.0)
State Bank Group	3,290 (12.1)	8,335 (30.7)	9,027 (33.3)	6,491 (23.9)	27,143 (100.0)
Private sector banks	1,937 (5.4)	7,520 (20.8)	11,525 (31.9)	15,097 (41.8)	36,097 (100.0)
Foreign Banks	29 (2.1)	22 (1.6)	268 (19.0)	1,095 (77.4)	1,414 (100.0)
Total	8,639 (9.0)	22,677 (23.7)	31,006 (32.4)	33,364 (34.9)	95,686 (100.0)
Growth over Previous year	(20.7)	(25.4)	(28.9)	(32.4)	(28.4)

Note: Figures in parentheses indicate population group-wise percentage share of total ATMs under each bank group.

Source: Report on Trend and Progress of Banking in India for the year ended June 30, 2014, RBI

CURRENT SCENARIO OF INTERNET BANKING/E-BANKING IN INDIA

Internet Banking has become an integral part of banking system in India. The concept of e-banking is of fairly recent origin in India. Till the early 90's traditional model of banking i.e. branch based banking was prevalent, but after that non-branch banking services were started. The Indian government enacted the IT Act, 2000, with effect from the 17th October 2000. To examine different aspects of Internet banking RBI set up a committee on Internet Banking. The committee had focused on three major areas of Internet banking, Technology and security issues, legal issues and regulatory and supervisory issues. RBI had accepted the suggestions and recommendations of the Working committee and accordingly issued guidelines to banks to implement internet banking in India. The old manual systems which were prevalent in Indian banking for centuries seem to replace by modern technologies.

Table No 1, 2 and 3 exhibit a few facts and figures related to internet/electronic banking to present its current scenario. Table - 1, shows evidence for ATM, POS (Point of sale) and electronic cards (credit and debit cards) deployed and issued by the schedule commercial banks (SCBs) in India as on December 2014. It also provides evidence of growing statistics of mobile banking users in India. According to it currently 1,76,410 ATM, 10,58,642 Point of sale devices, 20.36 million credit cards and 500 million debit cards are working in India and 35.5 million bank customers are using mobile banking. Table also shows growth rate of these banking channels and it seems to be great in Indian context. Table No - 2, shows current transaction statistics performed through these banking delivery channels, as high as 6090.98 million transactions are electronically done through ATMs. Table No - 3, shows NEFT and RTGS transactions performed in the current financial year 2014-15.

TABLE 1: VARIOUS INTERNET/ELECTRONIC BANKING DELIVERY CHANNELS

Type of Internet/Electronic Channels	No. of Channels		Growth in %
	Year		
	2010	2014	
No of ATM deployed (In Actual Figure)	60,153	1,76,410	193.27
No of POS deployed (In Actual Figure)	5,95,958	10,58,642	77.64
No of CREDIT CARDS issued (In Millions)	18.33	20.36	11.07
No of DEBIT CARDS issued (In Millions)	181.97	500.08	174.81
No of MOBILE BANKING Users (In Millions)	5.96	35.5	495.64

Source: Compiled from Bank wise ATM/POS/Card Statistics, Reserve Bank of India and Report on Trends and Progress of Banking in India.

TABLE 2: TRANSACTIONS THROUGH INTERNET/ELECTRONIC BANKING DELIVERY CHANNELS

Transaction type	No. of Transactions (In millions)		Growth in%
	Year		
	2011-12	2013-14	
ATM	5086.17	6090.98	19.76
POS	645.76	1128.12	74.7
CREDIT CARD	320.42	511.99	59.79
DEBIT CARD	5409.45	6707.1	23.99
MOBILE BANKING	25.55	94.6	270.25

Source: Compiled from Bank wise ATM/POS/Card Statistics, Reserve Bank of India.

TABLE 3: NEFT AND RTGS TRANSACTIONS

Transaction type	No. of Transactions (In millions)		Growth in%
	Year		
	2010-11	2014-15	
NEFT	132	927.55	602.69
RTGS	49	92.75	89.29

Source: Compiled from Bank wise Volumes in ECS/NEFT/RTGS/Mobile Transactions, RBI.

ICICI Bank initiated internet banking in India and later in the year 1999, HDFC Bank and Citibank followed the same. In today's scenario, with the help of internet, various banking and financial services are provided by banks in India. Internet Banking offers different online services in India. According to a report published by RBI, there are three different levels of banking services offered through internet banking.

THE FIRST LEVEL I.E. BASIC LEVEL SERVICES

It is basically about websites which disseminate information about different services and products offered by banks. It generally includes receiving and replying to customers' queries through email.

THE SECOND LEVEL I.E. SIMPLE TRANSACTIONAL WEBSITES

It allows customers to submit their instructions and applications for different services, queries about their account balances, etc. but do not allow any fund-based transactions on their accounts.

THE THIRD LEVEL I.E. FULLY TRANSACTIONAL WEBSITES

It allows customers to manage their accounts, facility of fund transfer, bills payment, ticket booking, avail facility of other banking products and services and trading in securities etc.

OBJECTIVES OF THE STUDY

1. To review the need and benefits of E-banking.
2. To analyse the current status of financial innovations in Indian banking sector.
3. To examine the challenges faced in E-banking.
4. To study the opportunities available in E-banking.

METHODOLOGY

The present study is descriptive in nature. The data used for the study is secondary in nature and has been collected from RBI (Reserve Bank of India) bulletin, annual reports of RBI and report on trend and progress of banking in India, various reputed journals, newspapers, white papers and websites of RBI.

CHALLENGES IN INTERNET BANKING

The challenges related to E-banking prevail in Indian context are discussed below”

SECURITY RISK

The problem related to the security has become one of the major concerns for banks. A large group of customers refuses to opt for e-banking facilities due to uncertainty and security concerns. According to the IAMAI Report (2006), 43 per cent of internet users are not using internet banking in India because of security concerns. So it's a big challenge for marketers and makes consumers satisfied regarding their security concerns, which may further increase the online banking use.

PRIVACY RISK

The risk of disclosing private information & fear of identity theft is one of the major factors that inhibit the consumers while opting for internet banking services. Most of the consumers believe that using online banking services make them vulnerable to identity theft. According to the study consumers' worry about their privacy and feel that bank may invade their privacy by utilizing their information for marketing and other secondary purposes without consent of consumers.

CUSTOMER AWARENESS

Awareness among consumers about the e-banking facilities and procedures is still at lower side in Indian scenario. Banks are not able to disseminate proper information about the use, benefits and facility of internet banking. Less awareness of new technologies and their benefits is among one of the most ranked barrier in the development of e-banking.

THE TRUST FACTOR

Trust is the biggest hurdle to online banking for most of the customers. Conventional banking is preferred by the customers because of lack of trust on the online security. They have a perception that online transaction is risky due to which frauds can take place. Trust is among the significant factors which influence the customers' willingness to engage in a transaction with web merchants.

IMPLEMENTATION OF GLOBAL TECHNOLOGY

There is a need to have an adequate level of infrastructure and human capacity building before the developing countries can adopt global technology for their local requirements. In developing countries, many consumers either do not trust or do not access to the necessary infrastructure to be able to process e-payments.

STRENGTHENING THE PUBLIC SUPPORT

In developing countries, in the past, most e-finance initiatives have been the result of joint efforts between the private and public sectors. If the public sector does not have the necessary resources to implement the projects, it is important that joint efforts between public and private sectors along with the multilateral agencies.

CONFIDENTIALITY, INTEGRITY AND AUTHENTICATION

These three are the very important features of the banking sector and were very successfully managed all over the world before the coming of internet. Communication across an open and thus insecure channel such as the internet might not be the best base for bank-client relations as trust might partially be lost.

CUSTOMER SATISFACTION

In today's competitive world, satisfaction of customers is a major challenge for the banking sector because customers have alternative choices in various types of services provided by banks.

AVAILABILITY OF PERSONNEL SERVICES

In present times, banks are to provide several services like social banking with financial possibilities, selective up gradation, computerization and innovative mechanization, better customer services, effective managerial culture, internal supervision and control, adequate profitability, strong organization culture etc. Therefore, banks must be able to provide complete personnel service to the customers who come with expectations.

NON- PERFORMING ASSETS (NPA)

Non - performing assets are another challenge to the banking sector. Vehicle loans and unsecured loans increases N.P.A. which terms 50 per cent of banks retail portfolio was also hit due to upward movement in interest rates, restrictions on collection practices and soaring real estate prices. So that, every bank has to take care about regular repayment of loans.

COMPETITION

The nationalized banks and commercial banks have the competition from foreign and new private sector banks. Competition in banking sector brings various challenges before the banks such as product positioning, innovative ideas and channels, new market trends, cross selling, assets and contain risk. Banks are restricting their administrative folio by converting manpower into machine power i.e. banks are decreasing manual powers and getting maximum work done through machine power. Skilled and specialized man power is to be utilized and result oriented targeted staff will be appointed.

HANDLING TECHNOLOGY

Developing or acquiring the right technology, deploying it optimally and then leveraging it to the maximum extent is essential to achieve and maintain high service and efficiency standards while remaining cost effective and delivering sustainable return to shareholders. Early adopters of technology acquire significant competitive advances. Managing technology is a key challenge for the Indian banking sector.

OPPORTUNITIES RELATED TO INTERNET BANKING

Despite of various challenges that are prevailing in context with e-banking in India, the following opportunities are motivating the marketers for implementing e-banking.

INCREASING INTERNET USERS & COMPUTER LITERACY

To use internet banking it is very important or initial requirement that people should have knowledge about internet technology so that they can easily adopt the internet banking services. The fast increasing internet users in India can be a very big opportunity and banking industry should encash this opportunity to attract more internet users to adopt internet banking services. Table No 4 shows evidence of increasing number of internet users in India.

TABLE 4: INTERNET USERS IN INDIA

Years	2010	2011	2012	2013	2014
Internet users	90,421,849	122,970,441	155,575,944	213,339,324	243,198,922
New uses	29,486,779	32,548,593	32,605,503	57,763,380	29,859,598
Growth	0	36%	72%	136%	168%

Source: *Internet Live Stats* (www.InternetLiveStats.com)

As per the last available data, as on 1 July 2014, there are 243,198,922 Indians who are using internet and it is increasing approximately 3.5 crores every year on an average. It also shows the rate of growth which is 168 per cent since 2010. It is very much evident through the data provided by IAMAI (The Internet and Mobile Association of India). The computer literacy has gone upward in the last decade.

INITIATIVES TAKEN BY GOVERNMENT AGENCIES FOR FINANCIAL LITERACY

Financial literacy and education play a crucial role in financial inclusion and inclusive growth. A study reported that there is significant impact of financial literacy on use of internet banking, if customers are not financially educated they will simply avoid using new online services and not change their traditional way of banking, thus banks will not be able to convert users into their new online banking strategies. Various government institutions like RBI, SEBI, IRDA and various other market players have taken a number of initiatives on financial education. They have prepared a school curriculum along with various topics including Internet Banking, Banking Product and Services, Net Banking to educate the school students and college students.

COMPETITIVE ADVANTAGE

The benefit of adopting e-banking provides a competitive advantage to the banks over other players. The implementation of e-banking is beneficial for bank in many ways as it reduces cost to banks, improves customer relation, increases the geographical reach of the bank, etc. The benefits of e-banking have become opportunities for the banks to manage their banking business in a better way.

UNTAPPED RURAL MARKETS

Contributing to 70 per cent of the total population in India is a largely untapped market for banking sector. In all urban areas banking services entered but only few big villages have the banks entered. So that, the banks must reach in remaining all villages because majority of Indians still living in rural areas.

MULTIPLE CHANNELS

Banks can offer so many channels to access their banking and other services such as ATM, Local branches, Telephone/Mobile Banking, Video Banking etc. to increase the banking business.

WORTHY CUSTOMER SERVICE

Worthy customer services are the best brand ambassador for any bank for growing its business. Every engagement with customer is an opportunity to develop a customer faith in the bank. While increasing competition customer services has become the backbone for judging the performance of banks.

INTERNET BANKING

It is clear that, online finance will pick up and there will be increasing convergence in terms of product offerings banking services, share trading, insurance, loans, based on the data warehousing and data mining technologies. Anytime anywhere banking will become common and will have to upscale, such up scaling could include banks launching separate internet banking services apart from traditional banking services.

RETAIL LENDING

Recently banks have adopted customer segmentation which has helped in customizing their product folios well. Thus retail lending has become a focus area particularly in respect of financing of consumer durables, housing, automobiles etc., Retail lending has also helped in risks dispersal and in enhancing the earnings of banks with better recovery rates.

INDIAN CUSTOMERS

The growing Indian banking sector with its strong home country linkages, seek a unique combination of Indian ethnicity and global standards that offers a valuable nice opportunity for Indian banks. The biggest opportunity for the Indian banking sector today is the Indian costumers. Demographic shifts in terms of income level and cultural shifts in terms of life style aspirations are changing the profile of the Indian customer. This is and will be a key driver of economic growth going forward. The Indian customer now seeks to fulfill his lifestyle aspirations at a younger age with an optimal combination of equity and debt to finance consumption and asset creation. The consumer represents a market for a wide range of products and services he need a mortgage to finance his house, an auto loan for his car, a credit card for on-going purchases, a bank account, a long term investment plan to his children's higher education, pension plans for his retirement, a life insurance policy the possibilities are endless and this consumer does not live just in India's top ten cities. He represents across cities, towns and villages i.e. in rural areas. Consumer goods companies are already tapping this potential it is for the banks to make the most of the opportunity to deliver solutions to this market.

CONCLUSION

E-banking is becoming immensely popular in India. The declining internet and mobile charges, falling prices of PCs and mobile phones, broadband with access through cable and digital subscriber lines etc. would definitely encourage the boom in E-banking in India. On the basis of the analysis, it can be concluded that the emerging payment system in India for large value transactions is RTGS, ECS for bulk payments and NEFT for one to one fund transfer. Among the card based payment systems, debit card is more popular than credit cards. The number of ATMs in India, particularly in rural areas, is on the rise and customers irrespective of their profile started accepting ATM as a channel for banking transactions, both internet and mobile banking is gaining popularity but considering the rapid penetration of mobile phones in India. The potential for delivering banking services through mobile phones is immense compared to internet as a delivery channel. In the past few years, the Indian banking sector has completely transformed. The banks are facing many challenges and many opportunities are available with the banks. Many financial innovations like ATMs, Credit Cards, RTGS, Debit Cards and Mobile Banking etc. have completely changed the face of Indian banking. But, still there is a need to have more innovative solutions so that the challenges can be solved and opportunities can be availed efficiently by the banks.

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DAY OF THE WEEK ANALYSIS ON SECTORAL INDEX OF INDIAN STOCK MARKET

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ABSTRACT

This paper examines the day of the week effects in Indian stock market. Predicting the days return is always difficult task among the traders and investor. In order to know the pattern of return distribution among the day's samples of Sectoral index is taken into account. Study test the normality and Statistical significance among the returns of several samples taken into study. SPSS and MS-Excel used for this purpose.

KEYWORDS

efficient market hypothesis, normality, ranks, sectors.

INTRODUCTION

If the stock markets are efficient, stock prices are supposed to follow random walk as per the famous Efficient Market Hypothesis (EMH) introduced by Fama (1965). EMH states predicting future price with the help of past prices is not possible. Reason behind this is, all the past information is reflected in current price as argued by Fama. Many examiners conducted research on this and revealed stock price is random and not subject to predictable. But recent studies related, seasonality or pattern in stock price movement so in favour of predicting future price movement. This is against to the efficient market hypothesis. Fama states, financial return on the basis of time spread equal (Monday return is equal to Tuesdays return – Tuesdays return is equal to Wednesdays return). If investor is able to predict stock price movement or patterns it denies the strong form of Efficient Market Hypothesis. Therefore, investor should be in position to earn more return than market return. That's the reason why researcher gives more attention on anomalies or seasonality in the stock returns. Among the calendar anomalies day of the week is given more interest in studying the price behaviour pattern. Observation by many researchers like Gibbons and Hess (1981), Corhay and Rad (1994), Choudhry (2000) finds presence of seasonality and price patterns not only in developed market but also in developing market.

This paper investigates the existence of day of the week effect on various sectoral index of National Stock Exchange of India. In India, more test is conducted on Broad index such as Nifty, CNX 500, Nifty Junior, but not with sector based analysis. This paper test the existence or non-existence of day of the week effect in sectors like Banking, Information Technology, Energy etc.

LITERATURE REVIEW

Sunil Poshakwale (1996) in his study entitled, "**Evidence on weak Form efficiency and Day of the Week in the Indian stock market**", used Bombay Stock Exchange Index from 2nd January 1987 to 31st October 1994, revealed evidence for the Day of the Week Effect in BSE.¹

Study entitled, "**Day-of-the week effects on the Bombay stock Exchange**" by Ravi Anushuman V, Ranadev Goswami (2000), investigated the Week- End – Effects by using equally weighted portfolio from 70 stocks trading on the Bombay Stock Exchange (April 1991 – March 1996). The study reveals Friday returns are positive and Tuesday returns are Negative.²

Nageswari P, Selvam M (2010), in their paper titled, "**Day-of-the week Effects on the Indian Stock Market: An Empirical Analysis**", inspected the Day-of-the week Effect on the Indian Stock Market after the introduction of the compulsory Rolling settlement. From the study it is evident that the market was not able to price the risk properly as higher returns were possible by taking less risk and proved market is inefficiency.³

Brooks, Persaud (2001), in their article "**Seasonality in South East Asian Stock Markets: Some New Evidence on Day-of-the-week effects**", Scrutinized to know is there any day of the week effect in five Southeast Asian stock market? They found South Korea and Philippines have no record of significant Calendar Effects but Thailand and Malaysia registered significant positive average return on Monday and Significant Negative mean return on Tuesday. Taiwan found with having negative Wednesday Effect.⁴

Study carried out by Goloka C Nath, Manoj Dalvi (2005), used high frequency end of day data of benchmark index (S&P CNX Nifty) found Monday and Friday return are significant before the Rolling Settlement introduced in January 2002. Study reveal after the introduction of the Rolling Settlement, Friday has become Significant return producing day of the week. Mondays returns are with high Volatility i.e., Higher Standard Deviation. Author describes the market as inefficiency by proving the existence of anomaly.⁵

"**Efficiency of Indian stock market: A case of Day of the Week Effect**", work by Hareesh Kumar V, Malabika Dea (2007) revealed the efficiency of Indian Stock Market by using S&P CNX 500 Index. They revealed the presence of Day of the Week Effect in the Indian stock market, which affect the stock return and volatility, by this they proving Indian stock market to be inefficient.⁶

Nageswari P, Babu M (2011), in their work entitled "**Analysis of Week End Effect in Indian Stock Market**" found the mean returns were positive for all days of the week in the study period. It was inferred that the day of the week pattern did not exist in the Indian stock market during the study period.⁷

Ushad Subadar Agathe (2008), in his study entitled, "**Day of the Week Effects: Evidence from the stock exchange of Maritius (SEM)**", analysed the Day of the Week Effects in the stock Exchange of Maritius. The study reveals there was no significant presence of the Day of the Week Effect across all given years in the sample period of 1998-2006. Reports shows the Friday return appeared to be higher than other trading days of the week.⁸

HYPOTHESIS, DATA AND METHODOLOGY

To study whether the day of the week effect anomaly is present in Sectoral index of National Stock Exchange or not, the following hypotheses have been framed and tested.

TESTABLE HYPOTHESES**HYPOTHESIS I**

H₀: Daily returns of Sectoral index are normally distributed.

H_A: Daily returns of Sectoral index are not normally distributed.

HYPOTHESIS II

H₀: The average stock returns are equal on all days of the week.

H_A: The average stock returns are not equal on all days of the week.

DATA

Data used in the study are closing prices of the Broad based index Nifty and other sectoral index such as BankNifty, CNX IT, Auto, Energy, Finance, FMCG, Pharma, Reality, PSU Banks, Metal, and Media Study period constituted from 1.01.2010 to 31.12.2014.

METHODOLOGY

Daily returns are calculated as following:

$$R_{it} = \text{Log}(P_t - P_{t-1}) * 100$$

R_{it} : is the return of index i on day t

P_t : is the price of index i on day t

P_(t-1): is the price of index i on day t-1

RESULTS AND FINDINGS

Table No. 1 shows the results of normality of daily return at 95% significance level. All the sectors significance value come to .000, .001, and .012 which is less than .05. It means we want to reject the null hypothesis and accept the alternative hypothesis of Data are not normally distributed. Since the daily returns of all the sector index are not normally distributed and to test the Hypothesis II we want to proceed with the Non parametric test of Kruskal Wallis test.

Table NO. 2 gives the mean rank of the all index along with the Days return. Mean ranks for each day is calculated separately for each index or sectors. Since the means ranks are not uniform for all the days gives simple supposition of daily returns are different from days to days. But this may be due to the chance or there is no statistically significant difference appeared. Table NO. 3 gives the information of which day is having highest mean rank and lowest mean rank. Out of 12 sample of study 7 sectors giving highest mean return in Wednesday. But from this we can somehow interpret that Wednesday effect is seen in the Indian stock market but it is not enough to support statistically significant or not. For this we need to refer Table No. 4 which gives the chi-square statistic and the associated significance calculated for all the sectors and all the values are higher than .05. Thus we cannot reject the null hypothesis and we say that the average index returns are different at least one day of week is by normal or by chance. In simple statement, we can say the average index returns are equal on all days of the week or there is no daily effect.

TABLE NO. 1: NORMALITY TEST

	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Nifty	.037	1234	.000	.992	1234	.000
Bank Nifty	.048	1234	.000	.986	1234	.000
IT	.223	1234	.000	.302	1234	.000
AUTO	.035	1234	.001	.992	1234	.000
ENERGY	.033	1234	.003	.995	1234	.001
FINANCE	.042	1234	.000	.988	1234	.000
FMCG	.053	1234	.000	.977	1234	.000
MEDIA	.030	1234	.011	.997	1234	.012
METAL	.029	1234	.004	.993	1234	.000
PHARMA	.045	1234	.000	.990	1234	.000
REALITY	.033	1234	.004	.994	1234	.000
PSU BANK	.037	1234	.000	.989	1234	.000

TABLE NO. 2: KRUSKAL WALLIS TEST

	Day of the Week	N	Mean Rank		Day of the Week	N	Mean Rank
NIFTY	Monday	251	637.02	BANK NIFTY	Monday	251	638.89
	Tuesday	252	616.85		Tuesday	252	600.70
	Wednesday	243	622.08		Wednesday	243	614.52
	Thursday	245	614.36		Thursday	245	621.99
	Friday	245	601.81		Friday	245	616.38
	Total	1236			Total	1236	
	IT	Monday	251		617.50	AUTO	Monday
Tuesday		252	622.94	Tuesday	252		604.65
Wednesday		243	639.71	Wednesday	243		625.48
Thursday		245	605.04	Thursday	245		608.29
Friday		245	607.38	Friday	245		604.19
Total		1236		Total	1236		
ENERGY		Monday	251	624.72	FINANCE		Monday
	Tuesday	252	613.74	Tuesday		252	603.63
	Wednesday	243	629.19	Wednesday		243	612.9
	Thursday	245	599.11	Thursday		245	630.17
	Friday	245	625.82	Friday		245	605.66
	Total	1236		Total		1236	
	FMCG	Monday	251	602.02		MEDIA	Monday
Tuesday		252	629.04	Tuesday	252		600.85
Wednesday		243	643.49	Wednesday	243		645.29
Thursday		245	625.47	Thursday	245		603.33
Friday		245	595.80	Friday	245		609.25
Total		1236		Total	1236		
METAL		Monday	251	643.37	PHARMA		Monday
	Tuesday	252	613.67	Tuesday		252	619.05
	Wednesday	243	648.41	Wednesday		243	659.65
	Thursday	245	610.84	Thursday		245	568.76
	Friday	245	575.98	Friday		245	624.78
	Total	1236		Total		1236	
	REALITY	Monday	251	628.03		PSU BANK	Monday
Tuesday		252	603.69	Tuesday	252		602.24
Wednesday		243	640.19	Wednesday	243		618.63
Thursday		245	619.43	Thursday	245		606.22
Friday		245	601.53	Friday	245		612.11
Total		1236		Total	1236		

TABLE NO. 3: MEAN RANKS OF SECTORAL INDEX

DAYS	NIFTY	BANK NIFTY	AUTO	FINANCE	PSU	FMCG	ENERGY	REALITY	IT	METAL	MEDIA	PHARMA
RANKS												
M	I	I	I	I	I	IV	III	II	III	II	II	II
T	III	V	IV	V	V	II	IV	IV	II	III	V	IV
W	II	IV	II	III	II	I	I	I	I	I	I	I
TH	IV	II	III	II	IV	III	V	III	IV	IV	IV	V
F	V	III	V	IV	III	V	II	V	V	V	III	III

M- Monday: T- Tuesday: W-Wednesday: TH- Thursday F- Friday

TABLE NO. 4: RESULTS OF KRUSKAL WALLIS TEST

	NIFTY	BANK NIFTY	AUTO	FINANCE	PSU	FMCG	ENERGY	REALITY	IT	METAL	MEDIA	PHARMA
Chi-Square	1.27	1.50	2.97	1.98	2.59	3.31	1.16	2.06	1.48	6.55	3.07	8.07
df	4	4	4	4	4	4	4	4	4	4	4	4
Asym.Sig	.866	.825	.563	.738	.627	.507	.884	.724	.829	.161	.546	.089

CONCLUSION

Is seasonality exit in Indian stock market or not is a long debatable. In this study I examined the day of the week effect in Indian stock market by analysing the one broad index of Nifty and other eleven sectors to know seasonality is present or not. The study clearly reveals that daily seasonality that day of the week effect is not present in Indian National stock exchange. This supporting the evidence of EMH i.e., stock price movement are random and not predictable. This may be due the increased volatility, awareness among investors and proper reach out of Indian stock market to the world market.

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THE MOVEMENT OF EMPLOYEES IN THE NIGERIAN PETROLEUM INDUSTRY: CAN IT BE STABILISED?

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ABSTRACT

The Nigerian Petroleum Industry Operates in different locations with all kinds of employees working to meet the organisational objectives. This paper examined the movement of employees in the Nigerian Petroleum industry, and to find out if the movement of employees can be stabilised. The study employed secondary sources of information that were extracted from two (2) oil and gas companies selected from the petroleum industry, and locations were selected using the stratified random sampling. The analyses of data were with mean, standard deviation and the F-distribution to test for the significance between means. The research findings were: employees' movement in all the locations are controlled through management intervention; the use of potential theory has a good relationship with employees' movements in the industry, and potential theory can stabilise employees movement in the industry; and training should be given to human resources staff in the industry.

KEYWORDS

stabilisation of potential theory, employees movement, human resources, f-distribution and locations.

1. INTRODUCTION

The human resources director or general manager of the petroleum industry is faced with all aspects of how people are employed and managed in the industry. He covers activities such as strategic human resources management (HRM), human capital management, corporate social responsibility, knowledge management, organisation development, resourcing (human resources planning, recruitment and selection and talent management), performance management, learning and development, reward management, employee relations, employee well-being and health and safety and the provision of employee services. (Armstrong, 2009).

The movement of employees in the industry implies management the flow and performance of people. It involves managing the movement and performance, into the industry, through the industry, and out of the industry. (Price, 2004). The movement of employee through the industry commences with recruitment. Employee movement in the industry which is a subset of human resources planning ensures that the industry obtain and retains qualified and efficient employee(s), its needs and deploys them productively (Money & Odibo, 2012). Movement of employees is a subset of human resources planning; overall human resources management.

It has become important to establish and adopt methods that can improve Human Resources Management in the industry. This is particularly important for Nigeria where, like in other developing countries, skilled and highly-skilled human resources is not abundant (relative to unskilled labour), and the best must be derived from them, and they must be motivated to be retained.

Human resources planning which is charged with employee movement are having the right people, with the right skills, in the right place at the right time. (Taylor, 2002). While employee movement is concerned with looking ahead and using systematic techniques to assess the extent to which an industry will be able to meet its requirements for labour in the future (Foot and Hook, 2005).

The importance of employees' movement dwells on the attraction of employees to different locations of the industry that emphasis efficient utilization, motivation, improved human relations and high productivity. Thus, the effective management of employees movement; especially a company with many locations, becomes necessary for the industry success. Hence, stabilization of employees in the industry is the focus of this study and its problem lends itself to theoretical physic model – the Stabilisation Potential Theory (SPT).

Therefore, the potential theory when used will help to stabilize employees' movement from one location to another. The theory therefore, looked at how to stabilize employee movement; and however, we may want to establish if there is link between movement of management and employee movement.

The aim of the study is to determine the extent to which potential theory could be used to stabilize employees' movement in the industry with dispersed locations. The specific objectives are to determine the period of management intervention in each location and; the use of potential theory to analyze employees' movement.

2. RELATED LITERATURE**2.1 THE CONCEPT OF EMPLOYEES**

Employees' has been defined as the worker-power supplied by men rather than machines, Procter (2010). Employee is also referred to as human resources. In this study, we used employees and human resources, interchangeably. Employees are the most valuable and most difficult to manage assets of any organisation. The implication is usually that the words "resources" and "assets" tend to camouflage the moral, ethical and political issues which impinge upon human resources problems and that any manager who ignores these issues can expect extremely hazardous consequences, Alexis and Wilson (1967).

2.2 SUPPLY OF EMPLOYEES: RECRUITMENT AND SELECTION

The supply of employees is the total number of human resources available in the organisation at a particular point in time. Employees supply data are recorded and kept by the human resources department of the organisation. However, it is important to monitor changes in employees supply with respect to recruitment and selection, through the organisation, and the termination.

Supply of employees is the process of finding and engaging the people according to the organisation needs, and deciding which applicants or candidates should be appointed to jobs. (Armstrong, 2009). It is aimed at ensuring that the organisation's demand for human resource is met by attracting potential employees (recruits) in a cost-effective and timely manner; and to identify, from those coming forward, the individuals most likely to fulfill the requirements of the organization, Cole (2005).

We have four stages of employees supply, they are:

- Defining requirements,
- Planning requirements campaign,
- Attracting candidates, and
- Selecting candidates.

In defining the requirements, the person in charge will prepare role profiles and person specifications; deciding terms and conditions of employment. And for recruiting purposes, the profile must include a list of the competencies required, pay, benefits and hours of work, Armstrong (2009). Person-specification must include: the knowledge, skills and abilities, behavioural competencies, qualifications and training, experience, specific demands, and special requirements like unsocial hours, and travelling. Armstrong (2009).

Recruitment planning covers 'quad' issues like: The total number and types of human resources required to cater for expansion and if deficits then make up for it.

- All the likely sources of candidates,
- Plans for getting other sources,
- And how the recruitment programme will be conducted.

Attracting candidates entails a lot of processes, which include, analysing the recruitment, strengths and weaknesses, analysing the requirements, identify sources of candidates; advertising (which aims at, generating candidates, attract attention, create and maintain interest, stimulate action), online recruitment, through corporate websites, commercial job boards, agency sites, using agencies and job centres, using recruitment consultants, using executive search consultants, recruitment process out-sourcing, and educational and training establishments.

2.3 EMPLOYEE PLACEMENT, APPRAISAL, PROMOTIONS AND TRANSFERS

The employee placement is the process of finding the right people for the right jobs and the right jobs for the right people. (www.occupationalinfo.org) Employee placement process can be performed in many different ways. It all depends on the side of the job market that the individual prefers to occupy, a different employee placement technique might be relevant, and being an employee is different from being a job applicant.

Employee appraisal is also called performance appraisal, job appraisal, and performance review or (career) development discussion. MIT Human Resources (<http://docs.google.com/gview?>)

Employee appraisal is just a method by which the job of an employee is evaluated, with respect to quality, quantity, cost and time, as scored by his Manager or Supervisor (<http://www.pmhut.com/creating-an-effective-performance-management-system>). Employee appraisal is the process of obtaining, analysing, and recording information about the relative worth of an employee's recent successes and failures, personal strength and weaknesses and suitability for promotion. We see appraisal as an opportunity to praise rather than to be directly concerned with discipline, grievance or redundancy.

Employee promotions are tied to workers and it is an upward change of position for a worker, which normally involves greater supervisory responsibility and different duties from those of his present position, (Akanni, 1991). Promotion usually includes more or quite different sets of duties and more privileges like more cash, new position, security and other benefits.

Promotion occurs both in formal and informal organisations. In some industries, the promotion steps are clearly and well defined in terms of a series of levels. In the oil industry, we have series of grade levels from 1 to 27 which are tied to compensation levels.

We have criteria that are used for promotions. It may be by merit and seniority. Informally, we have the personality of the candidates and his relative degree of interpersonal influence. Seniority is used in Oil industry, especially when organisation is unionized.

Employee transfers can come as a result of employee promotions, moving the employee from his current job to a new job. Employee transfer is the practice of moving employees from job to job within the same company so that they can develop a wide variety of skill, (Stoner et al 1996); they express the fact of "on the move"; the moving up of young employees in the company; which implies transfers to new locations, and new jobs. Company talented managers are moved from one assignment to another, thus, providing a broad range of experiences. This is very common in the oil and gas industry, and is the basis of this paper.

2.4 TERMINATING EMPLOYEES EMPLOYMENT

The movement out of the organisation is referred to as terminating employee's employment. It is simply the release of human resources from the organisation. It can take any of the three forms: (a) redundancy, (b) dismissal, and (c) retirement. Terminating employee's employment is one of the most demanding areas of human resources management in the oil industry.

Redundancy, dismissal and retirement take place where there is downsizing in the organisation, when there is structural changes as a result of mergers and acquisitions, and when employee is no longer needed. The HR department needs to plan awaiting redundancy, provide arrangements for voluntary redundancy, and the issue of outplacements. (Armstrong, 2009).

For dismissal, employer terminates the employment of an employee with or without notice. Employer's unreasonable behaviour can make someone resign his job called 'constructive dismissal' (Armstrong, 2009).

The movement of employees can be stabilized to some extent using the principles of natural justice in handling the issue of dismissal on organisation. The principles include:

- Employees should know what is expected of them with respect to standard of performance and rules to follow.
- Employees should be clearly informed of the areas of failure or the rules they have failed to carry out.
- Employees should be given the chance to improve at all times except in the case of gross misconduct.

All Corporate Organisation should prepare employer's retirement, because it is a major change in the system. Its policies need to state:

- the time employees are due to retire;
- the situation, if any, that employees can work beyond normal retirement date;
- the provision of pre-retirement training as it concerns funds, health, insurance and other benefits; and
- the provision of advice to employee about to retire.

2.5 STABILISED FLOW MODELS OF EMPLOYEES

The "balance" or accounting equation" represents the basic concepts of employee's stocks and flows in simplest algebraic terms; as detailed by Walker (1970) and Haire (1967) the flow relationship may be stated:

Manning strength (t - 1) = Manning strength (t) - promotions in (t)

- recruitment (t) - net (transfers (t)
- promotions out (t) - wastage (t).

Where manning strength is the man hour put to work. Typically, a system of accounting equations representing several seniority levels within an occupational classification is solved to some unknown parameters, such as promotion and recruitment flows.

Stabilisation theory or Markov analysis has demonstrated itself as one of the most powerful tools for flow models and, indeed, for all tributary issues as evidence by the Legion of articles. Merck (1975) and Vroom and MacCrimmon (1968) deal with the basic concepts. While Rowland and Sovereign (1969) provide a basic demand-supply industrial problem.

2.6 STABILISATION – POTENTIAL THEORY (SPT)

The stabilisation – Potential Theory focuses on the properties of the functions as applied to the properties of the equation. SPT still remains as convenient form for describing the study of functions, which of course, satisfy the Laplace equation. SPT is introduced in the 19th Century, as a branch of classical physics that deals with phenomena having to do with attraction or the distribution of physical effects through space, but today it is a lucrative branch of operation research/mathematics (Sigl, 1985). An analogue of three dimensional potential theory for two dimensional random walks could be generalised to all ergodic Markov chain, Kemeny and Snell (1973).

The ergodic chain is explained to be cyclical or regular (Agbadudu, 1996). In a cyclic ergodic chain, each state is reached periodically after certain intervals. A state is periodic with period t if it is possible to return to it only in t, 2t, 3t, 4t,steps. Hence $P_g^{(n)} = 0$ where n is not dividable by t.

The SPT or Markov chain is a very useful mathematical model.

(Solomentser, 2001. Kellogg, (1969) describes certain types of such process which move in a sequence of steps through a set of states. It is an effective tool that can be used for forecasting the frequency of brand loyalty in marketing management, manpower planning in human resources management (Prilenko et al, 2001), (Helms, 1975), (the concern of this paper). The stabilisation – Potential Theory (SPT) is built on this idea.

3. METHODOLOGY

The study research design was espost facto. The population of the study includes all the Nigerian Oil and Gas Companies in the Petroleum Industry for the period of ten years (2005 – 2015). For the purpose of convenient, we used two Oil and Gas companies; thus, we selected two Oil and Gas companies with respect to the following characteristics: Market share, Manpower flow, Size of Manpower, and number of locations. Data on employees' movement were obtained from both company's intranet.

In this study, the data are supplemented with interviews and transfers data from location to location. We analysed the data with standard deviation, Analysis of variance (ANOVA) and testing of hypothesis at 5 percent Level of Significance using the F–distribution, to determine employees’ movement and its stabilisation in the organisation.

4. DATA ANALYSIS

The data are analysed using both the descriptive and inferential statistics. This data are compresses into summary and F–distribution, ANOVA were used to test the hypothesis.

TABLE 1: COMPRESSED STATISTICS FOR FORTE OIL PLC

LOCATION	– Mean (X)	– Standard Error (Sx ₁)	Fratio	F _t
LAGOS	8			
WARRI	7.5	0.5	4.72	3.39
PORT/HARCOURT	8.5			

Source: Survey Data, (Money, 2016)

TABLE 2: COMPRESSED STATISTICS FOR CONOIL PLC

LOCATION	– Mean (X)	– Standard Error (Sx ₁)	Fratio	F _t
PORT/HARCOURT	16			
LAGOS	17	1	4.69	3.39
WARRI	15			

Source: Survey Data, (Money, 2016)

We employed the F–distribution to find out whether there is a relationship between management involvement and employee movement. So we test for: No significant relationship between management intervention and employee movement; and also, that Stabilisation Potential Theory (SPT) cannot stabilise employees in organisation.

Both hypothesis is tested with data from Forte Oil Plc and Conoil Plc.

$$F_c = \frac{MSB}{MSW} = \frac{\text{Means between means}}{\text{Means within means}}$$

$$F_c = \frac{2.5}{0.53} = 4.72$$

Critical F (df=K-1, Kn-K; α = 0.05)

$$= F (df= 3 - 1, 3 \times 10 - 3, \alpha = 0.05)$$

$$= F (df= 2, 30.3, \alpha = 0.05)$$

$$= F (2.27, \alpha = 0.05) = 3.35$$

Where df is the degree of freedom

K is the number of locations

nis the number of data in each location

α= is the level of significance

The alternative hypothesis (H_a)is accept, since the calculated values of F–statistics for employee movement with respect to management intervention, F_c = 4.72 is greater than the tabulated value F_t = 3.35. There is a significant relationship between management intervention and employee movement. It is significant at 5 percent level.

For Conoil Plc, there is a significant relationship between management intervention and employee movement in the organisation. See yearly movement of employee’s computational results:

$$F_c = \frac{MSB}{MSW} = \frac{\text{Means between means}}{\text{Means within means}}$$

$$= 10$$

$$2.13$$

$$F_c = 4.69$$

$$F_t (2.27, \alpha = 0.05) = 3.35$$

Since F_c is greater than F_t i.e. the calculated values of F–statistics for employee’s movement with respect to management intervention, F_c = 4.49 is greater than the tabulated values F_c = 3.35. Therefore, there is a significant relationship between management intervention in Conoil Plc and employee movement.

5. FINDINGS

1. Management of the companies needs to intervene yearly to stabilise the number of employees. Management intervention should be stabilised on grade levels, promotion, and replacing those leaving the company.
2. Management intervention should be tied to stabilisation potential theory, only management intervention will result in inefficient allocation. Movement of employees should be properly managed from location to location.
3. The right numbers of employees are supplied to (or withdrawn from each location in each period). Each year indicated that the employees withdrawn from each location, and or some of the locations equal the employees supplied in the same year.
4. Stabilisation Potential Theory is used to stabilise employee movement and, is strongly and positively related to industrial stability and employee movement.

6. CONCLUSION AND RECOMMENDATIONS

The movement of employees is one of the most crucial topics in human resources management. Most of the empirical works on employees movement (Armstrong, 2009; Price, 2003; Beardwell and Claydon, 2007; Bratton and Gold, 2003; Boella, 2000; as well as Taylor, 2002) have concentrated and developed countries, and very little focus on developing economics (Agbadudu, 1996, Osamwonyi 1987, Osagiede and Ekhosuchi, 2007).

The study has shown that the Stabilisation Potential Theory and management intervention can be applied in organisations with spread locations in Nigeria; and Stabilisation Potential Theory of employees’ movement is shown to be statistically significant. The stabilisation potential theory is a powerful tool for redistribution of employees in an organization when combined with management intervention. Thus, employees’ movement will be better stabilised when both are used.

This study, therefore recommend that the petroleum industry and any other organisations having spread locations should apply Stabilisation Potential Theory (SPT) in stabilising employee movement in organisation (Money and Odibo, 2012); since employees’ movement can be described as a random dynamics system of stocks and flows (Agbadudu, 2006). That at a given time t, the employee in the organisation can be grouped based on profession, age, grade, etc. Thus, Stabilisation Potential Theory is strongly recommended to stabilise movement of employee (Money and Odibo, 2012).

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WATERSHED APPROACH THROUGH TRIBAL LIVELIHOOD OF KORAPUT DISTRICT IN ODISHA

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ABSTRACT

Water, the most important natural resource, is indispensable for the entire living organism as well as vital for the growth of plants, agriculture, fish culture and industrial development. Watershed development as a strategy for raising agricultural productivity has been indispensable particularly in dry land areas- one that integrates sectors and provides the foundation for subsequent development. Odisha is the poorest state in India, with 46% of people living below the poverty line in 1999-2000, as against 26% for the entire country. Tribals constitute 23 per cent of total population of Odisha who are the backward, marginalized and poverty stricken population. If the agriculture needs to be diversified in terms of crop variations and production, the traditional cropping pattern has to be changed and in its place new HYV should have to be introduced for higher productivity; which apparently is feasible with the development of watershed program in tribal regions of KBK districts. A participatory watershed approach as a strategy seems more pragmatic in view of its socio-economic and ecological impacts on the livelihoods of the impoverished tribes and as such, an attempt has been made in this paper to discuss the pro-poor implications of watershed among the KBK tribals that have occurred as a result of the implementation of watershed program.

KEYWORDS

participatory irrigation management, kbk tribes, impact of watershed program.

INTRODUCTION

India is a mountainous country with hundreds of sub-watersheds and thousands of Micro watersheds. The Micro-watersheds in mostly high hilly area suffer a certain degree of degradation. The micro watershed concept aims to 'establish an enabling environment for the integrated use, regulation and treatment of water and land resources of a watershed based ecosystem to accomplish resource conservation and biomass production objectives' (Jensen *et al*, 1996). Owing to the rapid growth of population, insufficient agricultural production, low off-farm sector production and concomitant developmental changes, the natural resources particularly public lands and forest lands are being over exploited to meet the basic needs of the people. This has brought rapid changes in the environment and the power of the nature, instead of being used in the welfare of mankind, is being diverted to bring natural calamities in the forms of landslides, soil erosion, floods, drought and so on. Therefore, the country's fragile natural environment is now under serious threat. The increasing trends of hill-landslides and silt load in the major river systems are indicators of serious watershed natural resources and environmental degradation problems. In order to combat with and to address these problems, sustainable development of the watershed is, no doubt, the most appropriate policy strategy. However, an even more daunting challenge is how to operationalize the concept of sustainable development of watersheds in a resource-scarce country like India. It is obvious that the living standard of people in sustainable way is only possible if watershed management planning focusing on conservation of natural resources is done along with local people's participation. Participatory watershed management planning allows local people to determine programs based on their needs, ability and resource available at the local level. At the same time, they utilize their knowledge and skills to set objectives for the betterments of their villages or places. "To promote the economic development of the village community which is directly or indirectly dependent on the watershed" (MORAE Watershed Guideline, Govt. of India,1994). When it comes to ensuring food security for all, two major water realities face humankind. Rainfed agriculture will continue to produce bulk of world's food and productivity is very low in rainfed agriculture, thus providing significant opportunities for producing more food with less fresh water. Rainfed agriculture is practised in 80% of the world's physical agricultural area and generates 62% of the world's staple food (FAOSTAT, 2005). A new green revolution is the need of the hour in small scale rainfed agriculture in arid, semi-arid and dry sub-humid regions of the world. This can be possible by investing in the untapped potential of upgrading rainfed agriculture through integrated water investments.

Development of watershed/catchments is one of the most trusted and eco-friendly approaches to manage rain water and other natural resources, which has paid rich dividends in the rainfed areas and is capable of addressing many natural, social and environmental intricacies (Samra, 1998). Management of natural resources at catchment / watershed scale produces multiple benefits in terms of increasing food productions, improving livelihoods, protecting the environment and addressing the gender and equity issues along with bio-diversity concerns. Watershed development programmes (WDPs) are, therefore, considered as a growth engine for the development of fragile and marginal rainfed areas. (Wani *et al.*, 2008)

The most important feature of watershed development is in-situ conservation and harvesting rainwater for augmenting surface and ground resources in rainfed areas. Watershed development aims at optimum and prudent use of soil and water resources in sustainable and cost effective mode. Augmentation of water resources is at the heart of WDPs (P. K. Joshi *et al*, 2009). The catchment watershed development approach is a viable option for unlocking the potential of rainfed areas and doubling or quadrupling the productivity through augmenting water resources in the rainfed areas (Rockstrom, 2007). Watershed management is of strategic importance in bringing the second green revolution and achieving the goal of 4% agricultural growth in the country. The Government of India, therefore has, accorded high priority to the holistic and sustainable development of rainfed areas through the integrated watershed development programmes (Wani *et al.*, 2008).

The concept of integrated and participatory watershed development and management has emerged as the cornerstone of rural development in the dry and semi-arid regions and other rainfed regions of the world, and is a paradigm shift from earlier plot based approaches to soil and water conservation. The watershed approach enables planners to harmonise the use of soil, water and vegetation in a way that conserves these resources and maximize their productivity. The watershed is the appropriate hydrological unit for technical efforts to manage water and soil resources for production and conservation. But watershed management is complicated by the fact that watershed rarely correspond to human defined boundaries. The fundamental social problem of watershed development is that it often distributes benefits and costs unevenly, making it a likely source of disagreement and conflict. Mostly watershed projects distribute cost and benefits unevenly, with cost incurred disproportionately upstream, typically among the poor farmers, and benefits realized disproportionately downstream, where water use is concentrated and richer farmers own most of the land. The challenge is to internalize the costs and benefits in such a way that all the stakeholders are part of a win-win scenario (Sharma *et al.*, 2004)

Over the last couple of decades, the Government of India has addressed the challenges of watershed development and made major investments through an appropriate mix of technical innovation, participatory approaches. There is certainly evidence of positive impacts in terms of improved soil and water conservation and agricultural productivity in normal rainfall years in regions that have been ignored in the conventional green revolution based rural development (Samra, 1999).

METHODOLOGY**THE SAMPLE STUDY**

In order to evaluate the performance of the watershed projects on the social and economic condition of the rural people of an underdeveloped area, like Koraput district a sample study was conducted by the scholar to assess the impact of the projects in pre and post project period. In the study, the study area is one of the most backward districts in India which has come under the revised long term action plan (RLTAP) programme of the central government. More than 80% of the

population of the district, as per the official statistics belongs to below poverty line (BPL) category. At the same time, almost half of the population of the district belong to the scheduled tribe and it comes under the 5th schedule area of the state. The literacy rate in the rural areas of the district is abysmally low as compared to the state and the district average. Keeping all these in mind the central and state government are spending huge amount of money through various plans and schemes to enhance the standard of living of these people. The watershed development programme which has been accepted as one of the flagship programmes of the Government for the improvement of livelihood of rainfed area people and increase the productivity in agriculture needs to be reviewed on the basis of its impact on the people of the tribal dominated district of Koraput.

METHOD

Out of various watershed projects implemented in the district only some of the completed projects have been taken up for an in depth study. Out of the 14 blocks in the district, five blocks (about 35%) have been taken as the sample size keeping in view the composite development index of these blocks in the district. Some of the most irrigated and least irrigated blocks with different agro climatic zone of the district have been taken purposively for a comparative evaluation purpose. Four watersheds from each of the above sample blocks have been selected on the purposive random sampling basis which was taken up during the period from 1998-99 to 2002-03.

The current study is also to make a comparative analysis of the performance of the watershed projects after the project period is over with that of the pre watershed period. The biophysical aspects and the socio-economic benefits of the projects are assessed through a total sample size of 300 households. For this purpose for the sample, 15 numbers of households from each chosen watersheds are selected randomly and a structured questionnaire prepared exclusively for the purpose was administered. The scholar visited each of the watersheds which comprises of one or more than one village and collected information from the households and also conducted focus group discussions with the villagers and discussed with the elected representatives of the village, the watershed committee members and the officers of the line departments of government. As all the watershed projects completed so far have been implemented by the Government agencies, the Programme Implementing Agencies (PIA) of all the 20 watershed projects selected in the sample belongs to various departments of the Government.

FINDINGS

Out of the 300 sample households 18 (6%) households are found to be landless, 148 (49.33%) are marginal farmers having up to 1 hectare of land, 80 (26.6%) households belong to small farmers category having on an average more than 1 hectare but less than 2 hectares of land, 53 (17.67%) households belong to medium farmers having more than 2 hectares but less than 10 hectares of land and only one household is a large farmer having more than 10 hectares of land.

TABLE 1: STATUS OF LAND USE PATTERN BY THE SAMPLE HOUSEHOLDS IN PRE AND POST WATERSHED PERIODS

Sl. No	Area (in acres)	Pre W/S*	% of total	Post W/S**	% of total
1	Total Area	1018.12	100	1064.44	100
2	Irrigated	318.70	31.30	499.90	46.96
3	Non-Irrigated	663.17	65.13	550.04	51.67
4	Wasteland	36.25	3.56	14.50	1.36

Source: Household Survey 2011-12

* - Pre watershed ** - Post watershed

The irrigated area has increased from 318.70 acres in pre watershed period to 499.90 acres in post watershed period, which implies that there is an increase in irrigation potential in the sample area from 31 per cent in pre-watershed to 47 per cent in post watershed. The non-irrigated area has been reduced from 65 per cent to 52 per cent during the post-watershed period. Similarly, the waste land which was 3.56 per cent of the total land in pre watershed period has been reduced to 1.36 per cent of the total area during the post watershed period.

Agriculture is the most important activity among the sample households on which about 85 per cent of the total household depends upon as their primary source of living. It has been opined that the most of the farmers of the study area are subsistence farmers engaged particularly in cereal production. It is further reported by the farmers that there has been a diversification of crops during the post watershed period on account of availability of irrigation, high yielding varieties of seeds and fertilisers to them. It is also found that in case of most of the crops, per hectare yield has been increased as compared to the pre-project period. Comparative figures of the per hectare yield of important crops of the area in pre and post watershed period are given below. The diversification of crops from paddy to non-paddy crops like turmeric, sugarcane, cabbage, cauliflower, tomato, brinjal, carrot, cucumber, ginger, banana, onion etc has become possible mainly for the availability of water and other supporting inputs.

TABLE 2: AVERAGE YIELD OF MAJOR CROPS IN STUDY AREA OF KORAPUT (Kg/Ha)

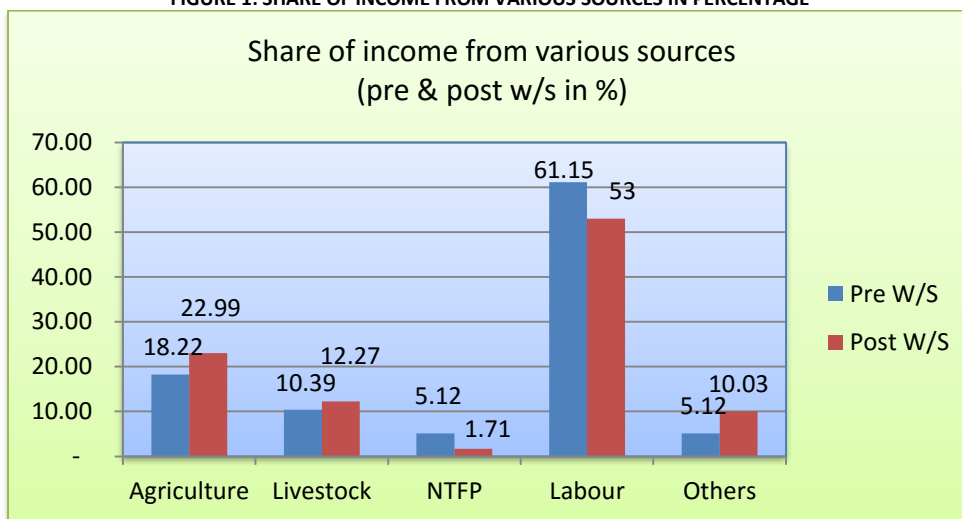
Sl. No	Crops	Pre watershed	Post watershed	% change in Production
1	Rice	920	1645	(+) 78.8
2	Ragi	256	287	(+)12.1
3	Niger	360	375	(+)4.16
4	Maize	670	762	(+)13.73
5	Dal	764	972	(+)27.22
6	Kating	187	512	(+)173.79
7	Green gram	487	650	(+)33.47
8	Potato	470	728	(+)54.89
9	Tomato	645	760	(+)17.82
10	Carrot*	0	745	(+)100
11	Ginger*	0	870	(+)100
12	Cauliflower*	0	1567	(+)100
13	Cabbage	312	1060	(+)239.74
14	Papaya	673	1342	(+)99.4
15	Radish	460	736	(+)60
16	Beans	260	475	(+)82.69
17	Brinjal	975	1475	(+) 51.28
18	Onion*	0	743	(+)100
19	Cucumber	376	728	(+)93.61
20	Chilli	278	456	(+)64.02

Source: Household Survey, 2011-12

* - Crops which were not produced during pre- watershed period.

In the sample survey, information was collected from the households in the watershed area about their income received from various sources. A comparative statement of the income received in pre and post watershed period has been prepared by compiling the various income sources. It is found that the main sources of income of the sample households are the income from agriculture, wage employment, livestock and non-timber forest produce etc. The other sources of income include the income from small business, service, contractual works etc.

FIGURE 1: SHARE OF INCOME FROM VARIOUS SOURCES IN PERCENTAGE



The comparative share of income from various sources in the pre and post watershed period is given in the above table. The share of agriculture in the total income has been increased from 18.22 % in pre watershed period to 22.99 % in post watershed period. The share of livestock has also marginally increased from 10.39% to 12.27 % during the same period. The share of NTFPs in the total income of the sample households has declined in the post watershed period as compared to pre watershed period. The share of NTFPs was 5.12 per cent in pre watershed period which has declined to 1.71 per cent in post watershed period. It is because of the fact that the inhabitants in the Watershed areas spend more time in agriculture and other related activities, and also in wage labour which is presently available under various employment schemes, and spend less time in collection and sale of NTFPs. Whatever, NTFPs they collect; it is mostly used for self-consumption. Similarly, the share of wage income has also declined in the post watershed period as compared to pre watershed period. The share of labour income in the total income of the household has declined from 61.15 per cent in pre watershed period to 53.00 per cent in post watershed period. Still the contribution of income from wage labour is the highest both in pre and post watershed periods. The share of income from other sources which includes the business, services etc. in the total income of the household has almost doubled in post watershed period as compared to pre watershed period. The share of other income was only 5.12 per cent in the pre watershed period which has been increased to 10.03 per cent of total income in post watershed period.

An increase of income from agriculture and livestock activities may be ascribed to the boom in the agricultural activity mainly an account of the implementation of the watersheds in these areas. Also the increase in the cropping intensity and use of HYV seeds and other agricultural inputs has contributed to the increase in income of the agricultural sector in the post watershed period over the pre watershed period. The increase in the availability of fodder and drinking water in the watershed areas has increased the number of livestock population in these areas.

The important expenditures of the households have been broadly categorized under Food, Clothing, Housing, Education, Health, Festivals, Fuel and Others. An attempt was made to collect the amount of expenditure made by the sample households on various items mentioned above through the questionnaires served. The item wise average annual household expenditure in percentages is given below

TABLE 3: ANNUAL HOUSEHOLD EXPENDITURE ON VARIOUS ITEMS (PERCENTAGE) IN PRE & POST w/s

Sl. No	Items of Expenditure	Pre Watershed (2002-03)	Post Watershed (2006-07)
1	Food	52	43
2	Clothing	16	18
3	Housing	7	8
4	Education	2	3
5	Health	5	7
6	Fuel	2	4
7	Festivals	12	13
8	Others	4	4
9	Total	100	100

Source: Household Survey 2011-12

The share of expenditure on food has declined from 52% in pre watershed to 43% in post-watershed period. However, out of the total household expenditures, the share of food is the highest both in pre and post watershed periods, followed by clothing, festivals and housing etc. On the other hand, the share of expenditure on other non-food items like clothing, housing, education, health, festivals and fuel has increased in post watershed period in comparison to the pre watershed period. The percentage share of miscellaneous items coming under the head others has remained constant at 4% in both pre and post watershed period.

As per the Report of the Expert Group on Estimation of Poverty (Tendulkar Committee, 2009) of Planning Commission, Government of India, poverty line is determined as a monthly expenditure of Rs. 407.78 for rural areas and Rs. 497.31 for urban areas in Orissa. The base year of calculation of poverty line was 2004. On the basis of this estimation, at the outset, all the sample households in the watershed area on an average lived below the poverty line during the pre-watershed period. In the post watershed period (2006-07), the average per month expenditure of 10 watersheds is above Rs. 408.00. That means the average per month expenditure of sample households of 10 sample watersheds are below the poverty line. It may be mentioned here that the above figures are projected with reference to expert group estimation of poverty taking 2004-05 as the base year, without making any adjustment taking into account the rate of inflation during these periods. But one thing becomes clear that there has been a positive change in the standard of living of the people living in sample watershed area, as a result of which about 50% of them have crossed the poverty line by post watershed period.

Food security refers to the availability of food and one's access to it. A household is considered as food secured when its occupants do not live in hunger or fear of starvation (Wikipedia). Food insecurity is one of the important issues in the tribal belt of Orissa particularly in the KBK (Koraput-Balangir-Kalahandi) districts. This area is known for prevalence of hunger and sometimes for the sale of child due to severe poverty and hunger. The food security aspect of the sample households has been projected and analysed in the following table.

TABLE 4: FOOD SECURITY OF SAMPLE HOUSEHOLD IN PRE & POST WATERSHED PERIODS

Sl No	Period	Pre watershed	% of total in pre w/s	post watershed	% of total in post w/s
1	Up to 3 Months	67	22.33	17	5.67
2	3-6 Months	146	48.67	104	34.67
3	6-9 Months	59	19.67	96	32.00
4	9-12 Months	28	9.33	83	27.66
	Total	300	100	300	100

Source: Household Survey 2011-12

Pre W/S-Pre Watershed, Post W/S- Post watershed

In the post watershed period (2006-07) about 28% of the total households were food secured for the whole year, 32% were secured for up to 9 months, 35% were food secured up to 6 months and the rest 6% were secured only up to 3 months. This shows that there is a positive impact of the implementation of the watershed programmes in a tribal dominated backward district of the state. A comparative analysis of food security in pre and post watershed period has been shown in table no 4.

One of the important findings of the study is that the gross savings of the sample households has considerably increased in the post watershed period as compared to the pre watershed period. The banking habit of the sample household has also improved in the post watershed period as people prefer to save their money with the banks rather than keeping it at home or with the post office. People now borrow money more from the institutional sources like the banks and other financial institutions. The importance of non-institutional sources of borrowing has declined during this period. It is pertinent to mention here that the institutions like the watershed committee and the self-help groups play an important role in linking their financial requirements to the banks. Another important finding of the study is that in the post watershed period the borrowed funds are mostly used for the productive purposes rather than for consumption purposes.

The data on minimum and maximum level of ground water table for the year 2002-03 and 2006-07 were collected from secondary sources. The data collected reveal that in most part of the district the water table in the minimum and maximum level has increased substantially in the year post project period (2006-07) with comparison to pre project period (2002-03). Out of the five blocks taken as sample only one block i.e Boipariguda has recorded a negative growth in the post watershed period. The other four blocks viz. Borigumma, Pottangi, Semiliguda and laxmipur have recorded an increase in the water table in the post watershed period as compared to the pre watershed period.

Another positive contribution of the implementation of watershed project is that in the sample watershed villages the availability of safe drinking water has improved. The data collected from the sample households reveals that in the sample watershed villages the availability of safe drinking water has increased in most of the watershed areas. In the pre watershed period the availability of safe drinking water for the entire watershed area was 270 days which has increased to 326 days in the post watershed period. In the pre project period there were only two watersheds which were getting safe drinking water throughout the year but in the post project period the same has gone up to eight.

Another important aspect to be noticed is that the area under tree cover has increased substantially in the post watershed period due to the block plantation by soil conservation, forest and horticulture departments. It was also found during group discussion with the watershed villagers that the number of water bodies in and around the watershed villages has also increased. The people of the area agreed that the soil, moisture and bio mass conservation of the sample watershed area has improved in the post watershed period than that of the pre project period.

With the initiative taken and incentives provided in the watershed area, there have been formation of a large number of user groups (UGs) and self-help groups (SHGs). Some of the SHGs are undertaking various economic activities like mushroom cultivation, dal processing, agricultural activities, pisciculture, sugarcane processing, small business etc. It is important to mention here that in the tribal dominated district of Koraput about 90% of the total SHGs are operated by the women. It is noteworthy to mention here that the SHG movement in the watershed area of the district has not only empowered the women of the area economically but also politically.

The beneficiaries of the sample blocks have admitted that on account of the implementation of the watershed programmes there has been an improvement in the field of employment generated and the value of their land has also gone up on account of an increase in irrigation facility. The community members admitted that the watershed programme has been successful in checking migration to a great extent.

The community members further opined that the water harvesting structures like nala bund, check dam, farm ponds, gully checks had helped in conserving the moisture and improving the water table of the area. Similarly, the bunds, block plantation, gully checks have contributed towards checking soil erosion to a great extent and also improved the soil health in the watershed areas.

The massive plantation Programme undertaken by the forest and soil conservation department through the convergence scheme has benefitted the sample villagers in many aspects. Among other benefits reaped by the villagers the above activity has created labour employment opportunity for the villagers, eased out their fuel problems and increased availability of fodder for the livestock population.

SUGGESTIONS

Few humble suggestions to make the watershed program perform better in a backward and tribal dominated locality like Koraput district are as follows:

- It is felt that the poor and landless farmers are not getting much of the benefits of the watershed projects. The externalities in the watershed programmes in the form of benefits received by various sections of the society should be so managed that the gap between the small and big farmers should be minimised. More attention should be given to the poor and landless to enable them to have access to resources they need.
- In order to make the participatory approach of development more meaningful the role of Non-Government Organisations (NGOs) is felt very important. The social organisation part like awareness creation in the field of education and health may be entrusted to the NGOs so that villagers can participate at different stages of project implementation.
- The watershed development fund (WDF) should be kept in the form of term (fixed) deposits from the first year onwards till the completion of the project so as to earn better rates of interest on the deposits.
- The local institutions and indigenous technologies of the tribal people of the area should be given respect while planning the development of that community.
- More emphasis should be given in the projects for development of social aspects like the education and health of the villagers particularly in the tribal areas like that of Koraput district. The economic development without the social development is meaningless to achieve the goal of overall development.
- Further, measures may be initiated for the increase in income of the beneficiaries through horticulture, livestock and pisciculture which is not yet fully exploited.
- It is felt that the banks should cooperate more with the SHG groups and farmers in providing loans in time for productive purposes.
- The marketing facility for the agricultural products in terms of process and storage facilities may be strengthened for the farmers so that they are not exploited by the unscrupulous traders.
- The project period of a watershed development project should be at least 10 years and people should feel that the project is for their own benefits. The villagers are to be convinced that the facilities extended by the watershed and capacity building programmes like improved farming, animal husbandry, bee keeping etc. are meant to make them stand on their own leg in the years to come.
- All departmental programmes implemented in the district should be mandatorily converged in the watershed area to saturate the development process.

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COMPARING MEAN RETURNS AND DETERMINING EXCHANGE RATE EFFECT IN INTERNATIONAL EQUITY INVESTMENT

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ABSTRACT

The “Goods market approach theory” suggests that individual investors will receive a similar expected return whether they invest in their domestic stock market or a foreign stock market. This is linked to the proposition that countries whose stock markets appreciate faster than the international average will experience exchange rate movements that the foreign investor counteracts any gain. Here, returns to a UK investor are simulated for a ten year investment window covering the period of 2002 to 2011. Returns are compared according to strategies of investing in the UK market or in each of the six overseas markets. There was no difference of statistical significance in returns between the sterling investment into the UK market and into the markets of the USA, Germany and Japan. However, significantly higher returns would have been obtained for the UK investor into the Australian market and the two emerging markets considered here, China and Mexico.

KEYWORDS

returns, exchange rate, equity, investment, stock markets.

INTRODUCTION

Over the years a number of studies, both academic and experiential, have been carried out to ascertain the link between returns and exchange rate. This research differs because it takes a simulated investment approach, whereas most previous studies concentrated on determining the statistical relationship between these two variables using regression and other models, for example Katechos (2011), Fletcher & Marshall, (2005), Errunza (1978) and Lessard (1976).

The exchange rate impact on stock returns for an international investor could be explained from two viewpoints. First impact is on the individual investor’s personal gain. Supposing a return is earned from international equity investment, what would become of the value of the money after conversion back to the investor’s home currency? This important factor is the basis of this research. For most foreign companies their domestic currency is usually the functional. Therefore, when a return is earned by either share sales or dividend there might be a need to convert the money into the investor’s home currency. For example, when a United Kingdom based investor receive a dividend of 1000 Yen from a Japanese firm and the yen value appreciates, the investor will receive more money when converted into pounds. Similarly, fewer pounds will be received if the Yen depreciates against the pound.

Secondly, exchange rate effect on stock values and subsequently on investors return could be viewed from a broader economic perspective. For the purpose of this research I am going to concentrate on one approach that was prominently documented in the work of Dornbusch and Fischer (1980) which he referred to as the “the goods market approach”. This explains that domestic equity prices should react either favourably or unfavourably according to increasing or decreasing domestic money. According to Oben et al (2006) the goods market theory suggest that this relationship basis runs from exchange rate to the share market prices. They hypothesize that fluctuation in foreign exchange influences profitability of multinational firms which is reflected in their equity prices.

However, I believe that whether exchange rate changes can significantly impact on equity prices depends on international balance of trade. The impact depends on whether the companies in a particular country are more of exporters than importers. Take an instance of import-base country; in a situation where the currency is appreciating this will inspire the equity market indices, while at the same time this currency appreciation will discourage the equity market for an export-oriented country.

EMPIRICAL STRATEGY

This research tests the null hypothesis of mean returns being equal between the investor’s home country and a number of foreign countries considered in this study and also simulates investment strategies to compare monetary gains between domestic and international investment.

EXISTING LITERATURE

According to Madura and Nosari, (1984) international equity portfolio ventures vary from domestic equity investment in many respects, but arguably the main distinction is the effect of fluctuations in currency. Worzala and Sirmans (2003) in their paper concluded that roughly all the studies conducted on potential gains from international portfolio diversification, concluded that diversification benefits are achievable but most of the time the gains are reduced if exchange rate is incorporated into the analysis. Moreover, Eun and resnick (1988) argued that erratic exchange rates could possibly reduce the potential gains from international diversification by making investment in foreign stocks riskier than domestic stocks. This goes further to show that exchange rate uncertainty, which is largely a non-diversifiable element, can affect the performance of international portfolios. A fall in the value of the investor’s domestic currency will add to any monetary gain of stock investment in foreign markets, but a domestic currency that is going up can have a negative impact on returns in foreign investments (Gagnon, 1993). Similarly, Huchet-Bourdon and Korinek (2011) proposed that a typical justification of the negative relationship between exchange rate volatility and international stock trade stems from transactions costs. The associated cost of converting one currency into another and the risk connected with likely changes in exchange rates have a negative effect on stock returns. Ma and Kao (1990) explained that the rate of return required of an equity investment in any foreign country should reflect both the domestic required rate of return and likely changes in the worth of the money in which the investment is denominated. This shows that international equity investment is intrinsically influenced by foreign exchange rate changes, which is primarily as a result of gains or losses arising from the completion of investment transactions stated in foreign currency terms.

Furthermore, Jochen (2010) in a paper prepared to review the benefits to international investors from hedging the currency exposure of international investments in equity portfolios, concluded by demonstrating the importance of currency risk hedging for international investors to benefit from the gains of international investment in stocks. The exchange rate fluctuations can result in irregular gains and losses when the returns of a stock investment are changed from the foreign currency into the home currency of the investor. Campbell et al (2007) in their research paper where they studied the connection of foreign exchange rates with stock returns over a thirty year period concluded that there is strong evidence to suggest that international stock investors can minimize their potential equity risk from exchange rate fluctuations by hedging against their exposure. Glen and Jorion (1993) in a study examining the benefits of currency hedging in the context of international stock portfolio concluded that hedging against foreign exchange fluctuations considerably improves the performance of portfolio both in return and risk variables. The fact that the above cited literary works acknowledged and advocated for hedging shows that exchange rate is a real concern in international equity investments.

DATA SOURCES

This research is conducted using historical data covering a ten year period on stock portfolio returns and exchange rates for the following countries: United Kingdom, United States of America, Japan, China, Mexico and Germany. The time series data consist of 8 national stock portfolio monthly returns. The stock portfolio for five countries (Australia, China, Germany, Japan and Mexico) is made up of well diversified share indices provided by Morgan Stanley MSCI ACWI index, all the share prices are in local currency except for China were it was provided in Hong Kong Dollar by the index. The S & P 500 is used as the stock market indices for United States of America and the FTSE All Share index for the United Kingdom. Same method was used by Burger and Maurer (1997). The monthly data for the spot exchange rate was obtained from the University of British Columbia's Sauder School of Business, a service provided by Professor Werner Antweiler for academic research and teaching, where the pound as the base currency is exchanged into the currencies of the countries used in the research.

DATA ANALYSIS

Simple bi-directional test was conducted to test the goods market approach theory. The research reported here focused, from the perspective of an investor resident in the UK, and the returns to stock market investment is sterling termed according to whether it is placed in the markets of the UK, the US, Germany, Japan, Australia, Mexico or China. The first three overseas markets included in the study for reasons of their scale and the last two as representative of emerging markets. The data covered calendar years 2002 to 2011. The following tests were conducted:

- (i) Tendency for a stock market index of a country and the value of a country's currency to move in opposite directions, as goods market approach predicts.
- (ii) Simulated investments where the UK investor places £1m into each market for ten years, repatriating funds into sterling at the end of the period in the case of foreign investment. Returns are compared between the UK and each of the foreign stock markets.

EMPIRICAL ANALYSIS AND RESULTS

A UK resident investor will place a £1,000,000 over the period of ten years (2002-2011) in the domestic market and in each of the foreign market. The strategy was to invest at the beginning of the period, sell at conclusion and repatriate the gain to pound sterling. The repatriated gain will be compared to the gain in the domestic market to ascertain, for this limited ten year long term investment, whether the sterling gain is similar to sterling gain in the overseas market

RESULT AND DISCUSSION

Table 1 assess the prediction from the goods market approach theory in the literature that changes in a domestic stock price index be in the opposite direction to the changes in the exchange rate measured here against the sterling. The table shows the value of each country's index at the beginning of the experiment which is 01/01/2002 and the index value at the end of the experiment 31/12/2011. The difference between these two values was the index change between the two periods which was expressed as a percentage under each country. Similarly exchange rate values for each country at the beginning and end of the experiment are shown and the difference between the two values is also reported. For the United Kingdom stock market index change is shown as the investor was located in the United Kingdom and the pound was the base currency in the exercise.

TABLE 1: GOODS MARKET APPROACH THEORY TEST

COUNTRY	UNITED KINGDOM	UNITED STATES	GERMANY	AUSTRALIA	JAPAN	MEXICO	CHINA
INDEX AT THE START OF EXPIREMENT	2496.02	1130.20	190.85	699.75	611.79	7548.75	15.25
INDEX AT THE END OF EXPIREMENT	2857.88	1257.60	125.86	822.60	446.19	34901.20	52.92
INDEX CHANGE	361.86	127.40	-64.99	122.85	-165.60	27352.46	37.66
PERCENTAGE CHANGE	14.49747999	11.27234118	-34.05379065	17.5562701	-27.0678154	362.3444559	246.921917
		USD INTO GBP	MARK INTO GBP	AUSD INTO GBP	YEN INTO GBP	PESO INTO GBP	HKD INTO GBP
EXCHANGE RATE AT THE START		1.41	3.17	2.79	132.66	13.12	7.80
EXCHANGE RATE AT THE END		1.55	2.32	1.52	77.80	21.45	7.78
CHANGE IN EXCHANGE RATE		0.13	-0.86	-1.27	-54.86	8.33	-0.02
PERCENTAGE CHANGE		9.38870808	-26.97497005	-45.51810685	-41.3508216	63.46593507	-0.2795266

A simple test is whether currency exchange rates against the sterling and stock market index tend to move in the opposite direction, they did in the USA market where the index percentage change over the period is a positive figure and the corresponding change in exchange rate of dollars into pound was a negative value. Secondly, for the German market the theory did not hold as the two percentages change of index and exchange rate are both negative values meaning that they moved in the same direction as against the prediction of the theory. Thirdly, the theory is accepted in the Australian market where the percentage in the stock market index and the percentage change in the exchange rates moved in opposite direction. The theory did not hold in the Japanese market as the two percentages changes of the index and that of exchange rates moved in the same direction. For the Mexican market the theory was rejected as the percentage changes of the index and exchange rate moved in the same direction. Lastly, the Chinese market accepts the theory as the percentage change in the index is a positive value and the percentage change in the exchange rate is negative value. It must be noted that the index percentage change for Mexico and China have experienced huge dramatic rise this might be due to the research experiment covering a limited 120 months, the result might have been different if it is outside the research's specified investment window of ten years. The broad conclusion derived from this table is that for the US, Australia and China the suggestion of the theory that there should a negative correlation between movements in local stock prices and the movement in exchange rate is accepted. However, for Germany, Mexico and Japan the prediction of the theory was rejected. This result could, however, be attributed to the time frame of ten years covered in the study.

TEST FOR MEANS EQUALITY BETWEEN UNITED KINGDOM AND UNITED STATES INVESTMENT STRATEGIES

Table 2 presents the first test of the null hypothesis that mean return for the United Kingdom market is equal to the mean return for the United States market. The test has 120 observations which correspond to the number of months in the investment period of ten years. The aim of this test here is to determine, over the ten year investment period, if the return means of the two alternative investment strategies in the two countries are statistically and significantly different. If the theory holds, investors could be advised that it does not matter whether they choose the home or an international stock market. However, if the theory is rejected then it does significantly matter which investment strategy the domestic investor chooses. I tested whether mean monthly return percentage in pound sterling is equal to the mean monthly return in US dollars.

TABLE 2: UNITED KINGDOM AND UNITED STATES MEAN RETURN TEST

NULL HYPOTHESIS MEAN MONTHLY RETURN UNITED KINGDOM EQUALS MEAN MONTHLY RETURN USA			
z-Test: Two Sample for Means			
	FTSE ALL SHARE UK	S & P 500 USA	
Mean	0.201332377	0.182948401	
Known Variance	19.30733	21.13629	
Observations	120	120	
Hypothesized Mean Difference	0		
z	0.031666865		
P(Z<=z) one-tail	0.48736886		
z Critical one-tail	1.644853627		
P(Z<=z) two-tail	0.97473772		
z Critical two-tail	1.959963985		

Table 2 shows that the mean return for the United Kingdom market during the ten year investment period (120 observations) is 0.201 while the mean return of the United States market during the same investment period is 0.183. The z critical two-tail value is 1.960. In order to accept the hypothesis, the z value must be in the region of -1.960 and 1.960. Similarly, to reject the hypothesis the z value must fall outside the acceptance region. In this case the z value is 0.032 which is in the acceptance region. The test establishes that based on mean returns there was no significant difference in returns whether the investor placed funds in the UK or in the USA. Looking at the variance in the two stock markets, although the simple measured mean return was higher in the home market than the US market, however, the difference did not prove statistically significant.

INVESTMENT NET GAIN COMPARISON UNITED STATES AND UNITED KINGDOM

Table 3 is the pair wise comparison of the investment gains for the two alternative investments between United Kingdom and United States. It presents an investment simulation by a United Kingdom based investor, over the period of ten years, in the domestic market and in the foreign market. This test shows what would have been earned from each strategy. The table shows the picture for long term investor who placed money in the United Kingdom or United States markets for ten years (2002-2011). The United States strategy was to invest at the beginning of the period, sell at the conclusion of the period and repatriate the gain to pound sterling as appropriate. The gain is for £1m investment in stocks.

TABLE 3: INVESTMENT GAIN COMPARISON TABLE UNITED KINGDOM AND UNITED STATES

PAIRWISE COMPARISON: UNITED STATES AND UNITED KINGDOM	
UNITED STATES	
DATE OF INITIAL INVESTMENT	01/01/2002
INVESTMENT DURATION	120 MONTHS
INVESTED AMOUNT JAN 2002 IN POUNDS	£ 1,000,000.00
INVESTED AMOUNT JAN 2002 IN DOLLARS	\$1,413,400.00
MONTHLY AVERAGE RETURN (120 MONTHS)	0.219538081
INVESTMENT RETURN FOR 10 YEARS IN DOLL	\$310,295.12
INVESTMENT VALUE IN DOLLARS (DECEMBER	\$1,723,695.12
INVESTMENT VALUE IN POUNDS (DECEMBER	£1,114,866.52
NET INVESTMENT GAIN IN POUNDS	£114,866.52
UNITED KINGDOM	
AMOUNT AVAILABLE FOR INVESTMENT	£1,000,000.00
DATE OF INITIAL INVESTMENT	01/01/2002
MONTHLY AVERAGE RETURN (120 MONTHS)	0.241598853
INVESTMENT RETURN	£241,598.85
INVESTMENT VALUE DECEMBER 2011	£1,241,598.85
INVESTMENT GAIN	£241,598.85

The initial amount available for investment in the domestic investor's home currency is £1m this amount was converted into US dollars at the prevailing exchange rate on the date of the investment which translated as \$1,413,400 (1/01/2002). The return for the 120 months of the investment duration is 0.220 percent. At this rate of return the investment would have earned \$310,295. By the end of the investment period the investment value would have been \$1,723,695 (31/12/2011). This amount would be the equivalent of £1,114,866 in the investor's home currency. By subtracting this value from the amount invested at the beginning of the experiment (£1,114,866-£1,000,000) the net gain would have been £114,866. On the other hand, the domestic investment's return for the 120 months is 0.242 percent; this domestic investment's rate of return would have earned the investor £241,598. The domestic investment would have yield slightly better return than its USA counterpart and this may be due to the domestic rate of return being higher and USD into Pounds exchange rate remaining fairly stable over the 120 months with the percentage change at 9% and the domestic investment offering better return.

TEST FOR MEANS EQUALITY BETWEEN UNITED KINGDOM AND JAPAN INVESTMENT STRATEGIES

Table 4 presents the test of the null hypothesis that mean return for the United Kingdom market is equal to the mean return for the Japan market. The test seeks to determine, over the ten year investment period, in the monthly returns for the two alternative investment strategies in the two countries are significantly different. If the theory holds, investors could be advised that it does not matter whether they chose the home or an international stock market. However, if the theory is rejected then it did significantly matter which investment strategy the domestic investor chooses. I tested whether mean monthly return in pound sterling was equal to the mean monthly return in Japanese Yen. The test has 120 observations which correspond to the number of months in the investment period of ten years (2002-2011).

TABLE 4: UNITED KINGDOM AND JAPAN MEAN RETURN TEST

NULL HYPOTHESIS MEAN MONTHLY RETURN UK EQUALS MEAN MONTHLY RETURN JAPAN		
z-Test: Two Sample for Means		
	<i>FTSE ALL SHARE INDEX</i>	<i>JAPAN MSCI INDEX</i>
Mean	0.201332377	-0.174035544
Known Variance	19.30733	27.40806
Observations	120	120
Hypothesized Mean Difference	0	
z	0.601613799	
P(Z<=z) one-tail	0.273715621	
z Critical one-tail	1.644853627	
P(Z<=z) two-tail	0.547431242	
z Critical two-tail	1.959963985	

This test seeks to determine if the two countries mean return is significantly different and that the assumed investor is deciding whether to invest in the domestic market or in the Japanese international market. For the 120 observations, which equals the number of the months in the ten year investment period the mean return for the United Kingdom market is 0.201 while the mean return of Japan is -0.174. The z critical two-tail value is 1.960, for the hypothesis to be accepted the z value must be in the region of -1.960 and +1.960. Similarly, to reject the hypothesis the z value must fall outside the acceptance region of the numbers -1.960 and +1.960. For this test the z value is 0.602 which falls in the acceptance region. According to this test the mean returns are not statistically different and as such it makes little or no difference whether to invest in the UK or in the Japan market means calculation. Given the volatility in each stock market, although the simple measured mean return was higher in London than the Tokyo markets, the difference did not prove statistically significant.

INVESTMENT NET GAIN COMPARISON JAPAN AND UNITED KINGDOM

Table 5 compares the gains of the two investments between United Kingdom and Japan. This strategy was to invest at the beginning of the period (2002), sell at the conclusion of the period (2011) and repatriate the gain to pound sterling as appropriate. The gain is for £1,000,000 million investment in stocks. The table presents an investment simulation by a United Kingdom based investor, over the period of ten years, in the domestic market and in the foreign market. This test shows what would have been earned in each of the countries. The table shows the picture for long term investor who placed money in the United Kingdom or Japan markets for ten years (2002-2011).

TABLE 5: INVESTMENT NET GAIN COMPARISON TABLE JAPAN AND UNITED KINGDOM

PAIRWISE COMPARISON: JAPAN AND UNITED KINGDOM	
JAPAN	
DATE OF INITIAL INVESTMENT	01/01/2002
INVESTMENT DURATION	120 MONTHS
INVESTED AMOUNT JAN 2002 IN POUNDS	£1,000,000.00
INVESTED AMOUNT JAN 2002 IN YEN	¥132,660,000.00
MONTHLY AVERAGE RETURN (120 MONTHS)	-0.208842653
INVESTMENT RETURN FOR 10 YEARS IN YEN	-¥27,705,066.31
INVESTMENT VALUE IN YEN (DECEMBER 2011)	¥104,954,933.69
INVESTMENT VALUE IN POUNDS (DECEMBER 2011)	£1,348,965.78
NET INVESTMENT GAIN IN POUNDS	£348,965.78
UNITED KINGDOM	
AMOUNT AVAILABLE FOR INVESTMENT	£1,000,000.00
DATE OF INITIAL INVESTMENT	01/01/2002
MONTHLY AVERAGE RETURN (120 MONTHS)	0.241598853
INVESTMENT RETURN	£241,598.85
INVESTMENT VALUE DECEMBER 2011	£1,241,598.85
INVESTMENT GAIN	£241,598.85

In the table the initial amount available for investment in the foreign currency was 132,660,000 million Yen, this is the equivalent of £1,000,000 at the exchange rate value on the investment date (2002). The Japanese market return for the 120 months of the investment duration is -0.209. This negative return would have seen the UK based investor suffer a loss of 27,705,066 million Yen. The loss would reduce the Yen value of the investment over the investment's 120 months' period to 104,954,934 million Yen (2011). However, even though the international investment would have resulted in a loss, the UK investor would have still made a gain of £348,965.78 over the investment period. The loss suffered due to negative rate return was compensated by the investor's domestic currency of pound sterling appreciating against the Japanese Yen. Alternatively, the domestic investment's total monthly return for the 120 months of 0.242 would have resulted in investment gain of £241,598. Although not significantly different the Japan investment would have offered slightly more return than the domestic investment. Therefore, in terms of reduced gains from the simulated strategies, it mattered very much over the ten year period whether or not the investor placed funds overseas. On the other hand, the tables show that the monthly return in each of the markets compared to the United Kingdom market displayed very high variance, suggesting that, while the investor in the experiment could have received substantial gain, these were gained in the presence of significant risk.

TEST FOR THE REMAINING COUNTRIES

The procedure followed for the remaining countries were similar to those reported in the United States and Japan. Results are displayed in Tables 6 to 13. The principal findings in these countries were that:

- (a) Mean returns were significantly different between the UK and the US, Germany and Japan.
- (b) However, there was a significant difference between the UK and Australia, Mexico and China
- (c) The ten year gains were close as between UK strategy and that of investing in US, Germany and Japan
- (d) But in the case of the two emerging markets of Mexico and China much greater gain has accrued to the investor placing funds abroad rather than the home market. Similarly, there was wide gap in gain between the UK strategy and that of Australia.

TABLE 6: UNITED KINGDOM AND GERMANY MEAN RETURN TEST

NULL HYPOTHESIS MEAN MONTHLY RETURN UK EQUALS MEAN MONTHLY RETURN GERMANY		
z-Test: Two Sample for Means		
	<i>FTSE ALL SHARE UK</i>	<i>GERMANY MSCI INDEX</i>
Mean	0.201332377	-0.216709181
Known Variance	19.30733	30.01656
Observations	120	120
Hypothesized Mean Difference	0	
z	0.652050783	
P(Z<=z) one-tail	0.257184206	
z Critical one-tail	1.644853627	
P(Z<=z) two-tail	0.514368413	
z Critical two-tail	1.959963985	

TABLE 7: INVESTMENT NET GAIN COMPARISON TABLE GERMANY AND UNITED KINGDOM

PAIRWISE COMPARISON: GERMANY AND UNITED KINGDOM	
GERMANY	
DATE OF INITIAL INVESTMENT	01/01/2002
INVESTMENT DURATION	120 MONTHS
INVESTED AMOUNT JAN 2002 IN POUNDS	£1,000,000.00
INVESTED AMOUNT JAN 2002 IN MARKS	3,172,200.00 €
MONTHLY AVERAGE RETURN (120 MONTHS)	-0.260051017
INVESTMENT RETURN FOR 10 YEARS IN MARKS	-824,933.84 €
INVESTMENT VALUE IN MARK (DECEMBER 2011)	2,347,266.16 €
INVESTMENT VALUE IN POUNDS (DECEMBER 2011)	£1,013,281.31
NET INVESTMENT GAIN IN POUNDS	£13,281.31
UNITED KINGDOM	
AMOUNT AVAILABLE FOR INVESTMENT	£1,000,000.00
DATE OF INITIAL INVESTMENT	01/01/2002
MONTHLY AVERAGE RETURN (120 MONTHS)	0.241598853
INVESTMENT RETURN	£241,598.85
INVESTMENT VALUE DECEMBER 2011	£1,241,598.85
INVESTMENT GAIN	£241,598.85

TABLE 8: UNITED KINGDOM AND AUSTRALIA MEAN RETURN TEST

NULL HYPOTHESIS MEAN MONTHLY RETURN UK EQUALS MEAN MONTHLY RETURN AUSTRALIA		
z-Test: Two Sample for Means		
	<i>FTSE ALL SHARE UK</i>	<i>AUSTRALIA MSCI INDEX</i>
Mean	0.201332377	0.220346527
Known Variance	19.30733	14.83248
Observations	120	120
Hypothesized Mean Difference	0	
z	-0.03564815	
P(Z<=z) one-tail	0.485781457	
z Critical one-tail	1.644853627	
P(Z<=z) two-tail	0.971562915	
z Critical two-tail	1.959963985	

TABLE 9: INVESTMENT NET GAIN COMPARISON TABLE AUSTRALIA AND UNITED KINGDOM

PAIRWISE COMPARISON: AUSTRALIA AND UNITED KINGDOM	
AUSTRALIA	
DATE OF INITIAL INVESTMENT	01/01/2002
INVESTMENT DURATION	120 MONTHS
INVESTED AMOUNT JAN 2002 IN POUNDS	£1,000,000.00
INVESTED AMOUNT JAN 2002 IN AUD	\$2,789,000.00
MONTHLY AVERAGE RETURN (120 MONTHS)	0.264415833
INVESTMENT RETURN FOR 10 YEARS IN AUD	\$737,455.76
INVESTMENT VALUE IN AUD (DECEMBER 2011)	\$3,526,455.76
INVESTMENT VALUE IN POUND(DECEMBER 2011)	£2,320,800.10
NET INVESTMENT GAIN IN POUNDS	£1,320,800.10
UNITED KINGDOM	
AMOUNT AVAILABLE FOR INVESTMENT	£1,000,000.00
DATE OF INITIAL INVESTMENT	01/01/2002
MONTHLY AVERAGE RETURN (120 MONTHS)	0.241598853
INVESTMENT RETURN	£241,598.85
INVESTMENT VALUE DECEMBER 2011	£1,241,598.85
INVESTMENT GAIN	£241,598.85

TABLE 10: UNITED KINGDOM AND MEXICO MEAN RETURN TEST

NULL HYPOTHESIS MEAN MONTHLY RETURN UK EQUALS MEAN MONTHLY RETURN MEXICO			
z-Test: Two Sample for Means			
	<i>FTSE ALL SHARE UK</i>	<i>MEXICO MSCI INDEX</i>	
Mean	0.201332377	1.770395855	
Known Variance	19.30733	44.83375	
Observations	120	120	
Hypothesized Mean Difference	0		
z	-2.146164479		
P(Z<=z) one-tail	0.015929929		
z Critical one-tail	1.644853627		
P(Z<=z) two-tail	0.031859858		
z Critical two-tail	1.959963985		

TABLE 11: INVESTMENT NET GAIN COMPARISON TABLE MEXICO AND UNITED KINGDOM

PAIRWISE COMPARISON: MEXICO AND UNITED KINGDOM	
MEXICO	
DATE OF INITIAL INVESTMENT	01/01/2002
INVESTMENT DURATION	120 MONTHS
INVESTED AMOUNT JANUARY 2002 IN POUNDS	£1,000,000.00
INVESTED AMOUNT JANUARY 2002 IN PESO	\$13,122,000.00
MONTHLY AVERAGE RETURN (120 MONTHS)	2.124475026
INVESTMENT RETURN FOR 10 YEARS IN PESO	\$27,877,361.29
INVESTMENT VALUE IN PESO (DECEMBER 2011)	\$40,999,361.29
INVESTMENT VALUE IN POUND (DECEMBER 2011)	£1,911,392.13
INVESTMENT GAIN IN POUNDS	£911,392.13
UNITED KINGDOM	
AMOUNT AVAILABLE FOR INVESTMENT	£1,000,000.00
DATE OF INITIAL INVESTMENT	01/01/2002
MONTHLY AVERAGE RETURN (120 MONTHS)	0.241598853
INVESTMENT RETURN	£241,598.85
INVESTMENT VALUE DECEMBER 2011	£1,241,598.85
INVESTMENT GAIN	£241,598.85

TABLE 12: UNITED KINGDOM AND CHINA MEAN RETURN TEST

NULL HYPOTHESIS MEAN MONTHLY RETURN UK EQUALS MEAN MONTHLY RETURN CHINA		
z-Test: Two Sample for Means		
	FTSE ALL SHARE UK	CHINA MSCI INDEX
Mean	0.201332377	1.292177383
Known Variance	19.30733	65.83682
Observations	120	120
Hypothesized Mean Difference	0	
z	-1.295019367	
P(Z<=z) one-tail	0.097656774	
z Critical one-tail	1.644853627	
P(Z<=z) two-tail	0.195313549	
z Critical two-tail	1.959963985	

TABLE 13: INVESTMENT NET GAIN COMPARISON TABLE CHINA AND UNITED KINGDOM

PAIRWISE COMPARISON: CHINA AND UNITED KINGDOM	
CHINA	
DATE OF INITIAL INVESTMENT	01/01/2002
INVESTMENT DURATION	120 MONTHS
INVESTED AMOUNT JANUARY 2002 IN POUNDS	£ 1,000,000
INVESTED AMOUNT JANUARY 2002 IN HKD	HK\$7,798,900
MONTHLY AVERAGE RETURN (120 MONTHS)	1.55
INVESTMENT RETURN FOR 10 YEARS IN HKD	HK\$12,093,075
INVESTMENT VALUE IN HKD (DECEMBER 2011)	HK\$19,891,975
INVESTMENT VALUE IN POUNDS (DECEMBER 2011)	£ 2,557,762.49
INVESTMENT GAIN IN POUNDS	£ 1,557,762.49
UNITED KINGDOM	
AMOUNT AVAILABLE FOR INVESTMENT	£1,000,000.00
DATE OF INITIAL INVESTMENT	01/01/2002
MONTHLY AVERAGE RETURN (120 MONTHS)	0.241598853
INVESTMENT RETURN	£241,598.85
INVESTMENT VALUE DECEMBER 2011	£1,241,598.85
INVESTMENT GAIN	£241,598.85

CONCLUDING REMARK

This research paper has investigated the effect of exchange rates on returns from international investment from a view point of an individual investor. Similarly it determines which stock investment strategy, between domestic and international offered more monetary gain to a stock portfolio holder. The research investigated returns to alternative strategies of investing into the UK stock market or into each of the five overseas markets for the duration of the period 2002 to 2011. No strong tendency was detected for it to matter much whether a UK investor had placed fund into London or into markets in other developed economies. However, substantially superior returns were available in the two emerging markets of China and Mexico. Exposure to these two emerging markets would have considerably benefitted the UK investor over the period. Considering international strategies is therefore important but, the deterrent is risk, month to month volatility was exceptionally high in both the indices for emerging markets and the high return would have been at the cost of greater risk.

LIMITATIONS OF THE STUDY

This research cannot by itself claim to be a comprehensive guide to investors in choosing an investment strategy between domestic and foreign stock. This is due to lack of enough time to handle data and capability to include many countries. Another limitation is the investment time frame being ten years; the result could have been different outside the ten year window covered.

RECOMMENDATIONS FOR FURTHER RESEARCH

I believe there is a significant benefit to be derived from this research area in general and in this topic in particular, therefore there is need for this research to be expanded to cover more countries and investment windows.

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