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STATEMENT OF THE PROBLEM
OBJECTIVES
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REWARD MANAGEMENT PRACTICES AND ITS IMPACT ON EMPLOYEES MOTIVATION: AN EVIDENCE FROM SOME SERVICE ORGANIZATIONS IN LUCKNOW

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ABSTRACT
In the post-liberalized business environment, every organization be service organization or manufacturing are facing tough competition for enhancing competitiveness, profitability and the wellbeing of employees. The various practices like staffing, retention of people, reward management, performance management, talent management, change management, and taking care of exits from the organization are the key factors are taken care to raise the motivation of the employees and enhance their competitiveness. The present paper aims to analyse the reward management practices and its impact on employee's motivation. It examine the various reward management practices like Compensation Management Practices Job Recognition at Work Career advancement policies and practices Work Autonomy Job security at Work place in motivation employees. Descriptive statistics of various reward management practices indicates that Job Recognition at Work in the organisation has scored highest mean (m=3.9615) is the most important dimension of reward management practices influencing employees to performance better. Further regression analysis confirms that linear regression explains 76.4% of the variance in the data. Job security and compensation practices of the organization has significant impact on employee's motivation. Some of the suggestion based on survey are also suggested to improve employee's motivation.

KEYWORDS
reward management practices, employees performance, human resource management practices, employees motivation, social security policy, job security.

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INTRODUCTION
In the present global competitive business environment, every organization be service organization or manufacturing are facing tough competition for enhancing competitiveness, profitability and the wellbeing of employees. The development of Human resource management practices are the key for motivating people and their collective skills, abilities and experience, coupled with their ability are now recognized as making a significant contribution to organizational success and as constituting a significant source of competitive advantage. Looking at the global competitiveness index, India has been ranked the 40th most competitive economy on the list of 137 economies. In the latest Global Competitiveness Report, India has slipped from the 39th position to 40th while neighbouring China is ranked at 27th. Other ranking include infrastructure (66th rank), higher education and training (75) and technological readiness (107). Service sector in India has witnessed a significant growth in the last few decade. Since these organizations are most labour intensive, the human resource management become a strategic and coherent approach for the management to keep its employees happy and motivated. The various practices like staffing, retention of people, reward management, performance management, talent management, change management, and taking care of exits from the organization are the key factors that must be taken care to raise the motivation of the employees and enhance their competitiveness. This means that the people working in the organization are to be supported financially and socially by adapting the various practices to keep them motivated.

Reward management practices have emerged as an important topic in the fields of human resource management, industrial relations, as well as industrial psychology. The management within the firm or organizations are primarily responsible to ensure that employees are properly compensated for the task they perform in the organization and it should be competitive at par with other similar organization. To achieve this, these managers must ensure that they have a competent personnel department for the recruitment of the best employees that are capable to do the job, keep them upto date by providing suitable training and development program, keep them motivated by providing financial and non-financial incentives and finding the continuous mean to keep them happy and engaged. The work on reward management practices and its relationship with employee's motivation argue that motivated employees are required to keep the organization alive, and to keep the organisation alive, managers need to understand what motivates employees within the context of the roles they perform, motivating employees through introducing appropriate reward and recognition programs and other benefits. Other author argue the benefit of reward management practice like compensation systems, legal compliance, labour cost control, perceived fairness towards employees and enhancement of employee performance raises the high level of productivity and customer satisfaction. Looking the relationship between reward management practices and employees motivation some author suggested that, pay is directly related with productivity and reward system depends upon the size of an organization. Firm's reward system plays a critical role in motivating employees to perform creatively. Effective reward and recognition system can be a good motivator but inappropriate reward and recognition program increase de-motivation of the employees. Other benefits are the program an employer uses to supplement cash compensation that employee receives. the use of Human Resource management Practices, including comprehensive employee recruitment, selection procedures, compensation, performance management systems, extensive employee involvement and training can improve the knowledge, skills, and abilities of a firm's current and potential employees, increase their motivation, reduce shirking, and enhance employee retention while encouraging non-performers to leave the firm (Maire and Nick 2002, Bishop 1987, Decenzo and Robbins 2002, Chaubey D.S., Khugshal, Richa & Rawat, Babita 2014, Jones & Wright, 1992; U.S. Department of Labor, 1993). Economy is totally moved towards service sector. It is once again expected to lead in GDP growth within service segment, trade, hotels, transport and communication will repeat its good performance. Financial institutions are the backbone of any economy even banks play a pivotal role. New information age has posed many challenges in front of management. Even the instability caused by the globalization pattern has led the business organization to discover new ways of motivating employees and keep them connected together. This is realized that out of various factors of competitiveness like technology, capital, land etc., only Human resource is the factor that help firm in generating sustainable competitive advantage. As the business environment facing competition firm's human resource become more and more important for its survival.

REWARD AND EMPLOYEES MOTIVATION

Employee motivation is one of the most essential parts in a company's development and success. In order to maximize the overall performance of the company it is vital for an employer to understand what motivates the employees and how to increase their job satisfaction. It might however be challenging for a company to find out what motivates its employees, especially because different people are motivated by different things. A well-designed and functional reward system is an efficient way to increase employee work motivation. The appropriate type of reward is developed in accordance to the company's reward philosophy, strategies and policy. However, it might be challenging to find the right way to combine the company's integrated policies and practices together with the employee's contribution, skill and competence. (Armstrong, 1999, p. 569- 570).Empirical study on reward and employees motivation indicates that nature of rewards that an employees get in the organization are the important part of the understanding of motivation. Over the last few years, there has been large number of research carried out on this domain and it is observed that s there has been a shift from a stiff competitive work environment to a workplace where employee motivation and engagement is a key area to stand out in the industry. Today organizations have started focusing on team building. A recent study by Dale Carnegie Training shows the determination of Indian companies on improving the mentor-mentee relationship and consequently, the level of engagement in Indian employees (46%) has surpassed that of their global counterparts (34%). Despite such encouraging figures, workplace stress still exists at an un-ignorable level. Constant engagement initiatives permit the employees to be more relaxed & creative, which only means good things for the company. Carraher et al (2006) advocates that there should be an effective reward system to retain the high performers in the organization and reward should be related to their productivity. A lot of work has been done on evaluating the relationship between rewards and employee motivation and there exist a large number of studies in the literature describing impact of reward on employee motivation. In order to maximize the performance of the employees organization must make such policies and procedures and formulate such reward system under those policies and procedures, which increase employee satisfaction and motivation. Today an organizations result is highly dependent on the employees work motivation. It is therefore important for a company to find out what motivates its employees so that it can plan a suitable reward system and gain better results. The right combination of immaterial and material rewards can boost up the employees' work motivation and enhance their commitment to the company.

EFFECTIVE REWARD SYSTEMS

A motivated workforce can be a significant factor in organizational success. When employees are motivated to work at higher levels of productivity, the organization as a whole runs more efficiently and is more effective at reaching its goals. This is in contrast to an unmotivated workforce, who can negatively disrupt an organization and distract employees from their work. For this reason, it is imperative that managers understand the power of reward systems and how they are used to influence employee behavior.

Rewards are positive outcomes that are earned as a result of an employee's performance. These rewards are aligned with organizational goals. When an employee helps an organization in the achievement of one of its goals, a reward often follows. There are two general types of rewards that motivate people: intrinsic and extrinsic.

INTRINSIC REWARDS

Intrinsic motivation is internal to the person in that it is something that you have to offer yourself and is driven by personal interest or enjoyment in the work itself. Because intrinsic motivation exists within the individual, achieving it does not depend on others. Some people believe that the most powerful rewards come from inside a person. Think of that sense of accomplishment you feel once you have overcome a significant challenge or completed an assignment or work project that required a good deal of effort. Intrinsic motivation provides that personal pat on the back or natural high that reflects a person's ability, competency, growth, knowledge and self-control over their endeavors. Employees who are intrinsically motivated tend to work at higher levels of productivity and strive to develop professionally. Intrinsic rewards include things such as: personal achievement, professional growth, sense of pleasure and accomplishment.

In a knowledge economy where the greatest asset an employee can offer an organization is their intelligence, experience, problem solving ability and change-savvy persona, intrinsic rewards are especially important to workers. In fact, Frederick Herzberg, who is one of the leading theorists of workplace motivation, found intrinsic rewards to be much stronger than financial rewards in increasing employee motivation. This is not to say that employees will not seek financial rewards in addition to intrinsic rewards, rather it just means that money is not enough to maximize motivation in most employees. People want to feel like their contributions matter. For example, an employee might want to reach a sales quota set by his manager to earn the bonus that is attached to it, but unless the employee feels a sense of accomplishment as part of making those sales, the motivation to achieve the quota is less powerful. To help employees with their intrinsic motivation, managers should:

- provide meaningful work
- allow workers to make choices through a high level of autonomy
- provide opportunities for employees to show their competence in areas of expertise
- facilitate professional development so that employees can expand on their level of knowledge
- offer frequent opportunities for employees to reward themselves
- allow employees the opportunity to connect with those with whom they serve to obtain valuable feedback
- give them a path to monitor their progress with milestones along the way

EXTRINSIC REWARDS

Extrinsic motivation is based on tangible rewards. Unlike intrinsic motivation that is self-administered, extrinsic motivation is external to the individual and is typically offered by a supervisor or manager who holds all the power in relation to when extrinsic rewards are offered and in what amount. Extrinsic rewards are usually financial in nature, such as a raise in salary, a bonus for reaching some quota or paid time off. However, extrinsic rewards can also be as simple as getting the better office, verbal praise, public recognition or awards, promotions and additional responsibility. This idea of money being the ultimate or sole motivating force was first proposed by Taylor (1911). With such misconception, certain managers either focus or tend to have a bias for monetary rewards. However, Shanks notes that monetary compensation motivates only to a point; that is, when compensation isn't high enough or is considered to be inequitable, it is a de-motivator. In contrast, when it is too high, it also seems to be a de-motivator… and results in individual performance being tempered to protect the higher compensation level' (2007:32). Further, Atchison argues that 'as soon as money is predictable, it is an entitlement, not a motivator' (2003:21).

REVIEW OF RELATED LITERATURE

Most organizations view rewards as a means of motivating certain behaviour in employees. Specifically, rewards are intended to motivate employees to perform effectively and efficiently towards achieving organizational goals. Malhotra et al. (2007:2095) note that no matter the kind of organization one looks at, 'rewards play an important role in building and maintaining the commitment among employees that ensures a high standard of performance and workforce stability'. Shanks (2007:24) however argues that; 'while rewards may serve as incentives and those who bestow rewards may seek to use them as motivators; the real motivation to act comes from within the individual'. This is because managers can only influence employees with a combination of rewards to motivate them to perform but cannot force them. The onus therefore lies on the individual to choose to perform or act. To this effect, it is essential that with the issue of management and motivation, both managers and employees play a critical role in the process of motivation. Effective motivation can therefore only be achieved when both managers and employees act in partnership.

According to Beer et al (1984), traditionally, reward and recognition programmes were uncertain and there was a lack of set standards to measure outstanding performance. There has been great changes since the 1980's, where in current organisational settings, reward and recognition is linked to the business strategy because organisations have a good understanding of the great gains being achieved (Flynn, 1998). Rewards influence working effectiveness by providing a means of recognition of achievement, particularly by motivating and improving engagement; financial rewards are not automatically effective as motivators hence the use of total rewards (Armstrong 2012). It does have a direct effect on the level of absenteeism. If an employer is considered to be fair in rewarding its workforce, it can make the employer attractive to work for, thus building a distinctive employer's brand (CIPD, 2008).

The use of rewards (especially monetary rewards and benefits) as motivation for employee performance is seen to have certain drawbacks, which can undermine the purpose for its use. Key in this area is the fact that monetary rewards yield temporary compliance and fails to act as a permanent or long term motivation. Other authors have noted that in the long term employees tend to view monetary rewards such as benefits and bonuses as entitlements thereby losing its motivation effect. Moreover, because such rewards are only temporary and do not induce long term motivation, employees end up getting stuck in a constant cycle of agitating for more to satisfy their immediate wants (Shanks 2007). Finally, rewards fail to tap into individual initiatives or their free will and in most cases, assume that without them, the individual cannot be innately motivated to perform. With such assumptions, managers end up emphasizing the extrinsic rewards to the detriment of the intrinsic ones.

Pınar Güngör (2011) in his study on "The Relationship between Reward Management System and Employee Performance with the Mediating Role of Motivation: A Quantitative Study on Global Banks" analysed the relationship between the reward management system applications and employee performance of bank employees on global banks in Istanbul. The result indicates that t both Extrinsic and Intrinsic Motivation have an impact on Employee Performance. Study bring out the bring out a positive relationship between the perceived features of the reward system and extrinsic motivation. According to their findings similar with the results of this study, Intrinsic motivation is not affected by the design of monetary compensation, but by promotion opportunities.

Reward Management practices includes both Financial and Non-Financial Rewards, which are also considered as Extrinsic and Intrinsic Rewards. Financial rewards are salary increase, bonus system, perquisite etc. On the other hand there are non-financial rewards which are; promotion and title, authority and responsibility, education, appreciation and praise, certificate and plague, participation to decisions, vacation time, comfort of working place, social activities, feedback, flexible working hours, design of work, recognition, social rights etc. Yazıcı, (2008), in their work on title" 'The Effect of Reward System Applications On Employee Performance In Service Sector'', (2008), "concluded that effectiveness of an organization's performance and reward management have an impact on moral and productivity. Review of literature raises certain questions like

a. What motivates the employees engaged in service sector organizations in lucknow?
b. Which reward system does the employees perceive the most motivating?
c. How can the reward systems be further developed?

OBJECTIVES

Present research work has been taken up with the following objectives

1. explore the impact of reward management practices on employees' motivation
2. to investigate and analyze how well the current reward system helps generate employee motivation.

RESEARCH METHODOLOGY

Present research is exploratory as well as Descriptive in nature. Research is based on primary as well as secondary data. Secondary data was collected from different sources like: books, magazine, journals, research paper etc. Primary data was collected by using survey method; a structured questionnaire is designed covering different dimension of reward management practices and its relationship with employee's motivations. The reward management practices promoting employees motivation was rated on the following variable like compensation practices, Comprehensive Benefits Package, Management Recognition of Good Work, Opportunities for Advancement, Interesting and Challenging Work, Job Security, Participation in Setting Professional Goals, Freedom to Work Independently, Having Respect for the Organization, Open Communication Between Managers/Employees and the way the employees is recognized and his success is measured. The employees motivation was measured on his feeling towards his Concern for Doing a Good Job in the organization, his involvement in innovation process, willingness to Take Responsibility for Difficult Jobs, Sense of Belonging, Acceptance of Changes, utilizing his ability, enjoying job in the organization, nature of challenges accepting while performing job in meeting company's comprehensive goals, ready to work in different working condition and overall his happiness in the organization. Construct were developed on the basis of review of the literature and research by the different authors. The questionnaire was piloted on a sample of 250 respondents working in the different service sector organization situated in and around Lucknow. Almost 221 responses were received and taken for the study. Reliability check was carried out using SPSS and found to be .896, which indicates that data is reliable one. The Mean, Standard Deviation, and regression analysis was carried out to analyse the employee reward management practices and their motivation. Table 1 shows the demographic profile of the respondents.

TABLE 1: DEMOGRAPHIC CHARACTERISTICS OF RESPONDENTS

	Categories	*Count*	*Percentage*
		221	100
Age	Upto 25 Years	65	29.4
	25-35 Years	120	54.3
	35-45 Years	25	11.3
	45 to 55 Years	9	4.1
	55 to 65 Years	2	.9
Gender	Male	156	70.6
	Female	65	29.4
Marital Status	Married	107	48.4
	Unmarried	114	51.6
Education Level	Upto Matric	22	10.0
	Under graduate	113	51.1
	Graduate	63	28.5
	Post Graduate	23	10.4
Income Level	Upto Rs. 15000 PM	4	1.8
	From Rs. 15000 to Rs. 25000 PM	20	9.0
	Rs. 25000 to Rs. 40000 PM	143	64.7
	Rs. 40000 PM to Rs. 60000 PM	38	17.2
	Rs. 60000 to Rs. 150000 PM	14	6.3
	Above Rs. 150000 PM	2	.9

The demographic profile of the employees in the organization are the key indicator for measuring the reward management practices and its impact on employees motivation as demographic characteristic of respondents influence the employees motivation and affect their job performance The demographic characteristics of the respondents presented in the above table reveals that out of total 221 respondents 29.47% respondents were found in the age group upto 25 years. 54.3% respondents were in the age group 25-35 Years, 11.3% respondents were in the group of 35-45 and 4.3% respondents were in the age group of 45-55 years. 9% respondents were in the age group of above 55 years. For a research dealing with reward management practices and its influence on employees motivation it is important to know the gender categories of respondents as several studies projects that reward management practices have different impact on each gender. The table depicts that 70.6% were Male and the rest that is 29.4% were female. The information pertaining to Marital Status of respondents shows that 48.4% were married and the rest were unmarried. It is found in the survey that more than 60% respondents are under graduate and earning upto Rs. 4000000 PM.

TABLE 2: LEVEL OF EXPERIENCE

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0-1 years	36	16.3	16.3	16.3
	02-5 Years	92	41.6	41.6	57.9
	6-10 Years	29	13.1	13.1	71.0
	11 to 15 Years	49	22.2	22.2	93.2
	More than 15 Year	15	6.8	6.8	100.0
	Total	221	100.0	100.0	

Employee level of experience are linked to their performance and retention with the organization. Several research to this topic reveals that **employees** who **experience** a sense of belonging, purpose, achievement, happiness and vigor are more likely to perform at higher **levels** and contribute "above and beyond" **expectations**. For analyzing the suitability of reward management practices, employees experience profiling become essential. Survey indicates that sample is dominated by the respondents having 02-05 years of experience in the organization as it was indicated by 41.6% respondents in the sample. Another 13.1% respondents indicated that they are having 6-10 years of experience in the organization. 22.2% indicated that they are having 11-15 years f experience with the organization. Very less 6.8 % employees indicated that they are having more than 15 years' experience in the organization. This signifies that majority of the employees are possessing rich experience with the organization.

REWARD MANAGEMENT PRACTICES: A DESCRIPTIVE STATICS

In any organization, Reward system exists with the intention to motivate the employees and encourage them to perform better and work towards achieving strategic goals, which are set by business entity. **Reward management** is not only concerned with pay and **employee** benefits but it is equally concerned with non-financial **rewards** such as recognition, training, development and increased **job** responsibility as well as job security. A good manager can encourage an **employee** to work harder and better from time to time, but a **reward** can go a long way toward building **employee** self-**motivation**. With this into consideration, several statement related to reward management practices were constructed and employees were asked to rate on a scale of 1 to 5 (1- strongly disagree and 5 strongly agree) confirmatory factor analysis was carried out by clubbing the various into factor and descriptive statistics was calculated using SPSS software and is presented below:

TABLE 3: REWARD MANAGEMENT PRACTICES: A DESCRIPTIVE STATICS

	Reliability	Mean	Std. Deviation
Compensation Management Practices	.819	3.7749	.77932
High Compensation		3.7104	1.06486
Comprehensive Benefits Package		3.9095	.95867
Bonuses should not be part of the company policy		3.8552	.94235
Rewards should be based on performance		3.6244	.89906
Job Recognition at Work	.785	3.9615	.87496
Management Recognition of Good Work		3.8778	.91875
My boss recognizes the extra effort I put at work		4.0452	1.00803
Career advancement policies and practices	.754	3.8733	.80217
Opportunities for Advancement		3.8552	.98481
Participation in Setting Professional Goals		3.8824	.96045
I know how my success was measured		3.8824	.99302
Work Autonomy	.747	3.6855	.84044
Interesting and Challenging Work		3.8869	.87949
Freedom to Work Independently		3.4842	.99817
Job security at Work place	.617	3.4630	.76888
My job is secure at my present organization		3.8009	.96587
Having Respect for the Organization		3.0814	1.00121
Open Communication Between Managers/Employees		3.5068	1.09387
Valid N (listwise)	221		

The results of descriptive statistics presented in the above table indicate that **reward management practices like Job Recognition at Work in** the organisation has scored highest mean (m=3.9615) **is the most important dimension of reward management practices influencing employees to performance better.** It is followed by **Career advancement policies in the organisation with mean of 3.8733 and SD =**.80217**. Compensation Management Practices** of the organisation has scored mean of 3.77498521 and standard Deviation of .77932. **Work Autonomy** in the organization has scored mean of 3.6855 and SD of .84044. Another important reward management practices like **Job security at Work place** has scored mean of 3.4630 and SD =.76888. Reliability of all the reward management practices has been found to be higher than the .6 indicating that all assessment tool produces stable and consistent results. This indicates that better the **Job Recognition at Work in the organisation will leads to the better employees performance in the organization**

WORK PLACE MOTIVATION: A DESCRIPTIVE STATISTICS

Employees motivation at the work place has gained enormous importance in the process of success of the organization. Without identifying the key indicators in the motivation of employees, their commitment towards the work cannot be achieved. Therefore, while going through the survey, an attempt was directed rate the some selected statement related to work place motivation of the employees. Descriptive statistics (Mean and SD) was carried out to find out the relative importance of various indicators of work place motivation of the employees working in various organization. The information in this respect is presented in the table below:

TABLE 4: WORK PLACE MOTIVATION: A DESCRIPTIVE STATISTICS

	N	Mean	Std. Deviation
I am always Concern for Doing a Good Job in the organization	221	4.4480	.77651
I am Looking Out for New Ideas to perform job in this organisation	221	4.6154	.74562
Willingness to Take Responsibility for Difficult Jobs	221	4.5339	.75376
I have strong sense of Belonging with this organization	221	3.8235	.85843
I am ready to accept the changes of future	221	4.1493	.84765
I have full scope of utilizing my ability in this organization,	221	4.2398	.43844
I am enjoying my job in the organization,	221	3.5520	.49841
I am ready to accept challenges while performing job in meeting company's comprehensive goals,	221	3.8778	.72520
I always ready to work in different working condition	221	3.6335	.79003
Overall I feel very happy in the organization and does not intend to leave in near future.	221	3.3167	.46626
Valid N (listwise)	221		

Descriptive statistic are the summary statistics that quantitatively describe or summarize features of a collection of information, Descriptive statistics enables us to present the data in a more meaningful way, which allows simpler interpretation of the data. The results of descriptive statistics presented in the above table indicate that **statement like** I am Looking Out for New Ideas to perform job in this organization has scored highest mean (m=**4.6154**) **is the most important indicator of work place e motivation.** It is followed by **with mean of 4.5339.** Statement like I have strong sense of Belonging with this organization has scored highest Standard deviation. This shows that employees are of the opinion on this is heterogeneous.

DETERMINING THE LEVEL OF MOTIVATION

Measuring employee's motivation in the present business environment has become difficult and challenging. Most of the organization in the present situation has become dynamic and passing through fast changes, which require prompt responses from the management. Setting the standard and deciding how to determine the level of work force motivation is the challenge before management. Some of the variable related to measuring work place motivation were developed on the basic of literature survey and employees were asked to choose as per their choice about how the work place motivation reflected in them. Multiple response thus received is processed through SPSS and is presented in table below:

TABLE 5: REFLECTION OF WORK PLACE MOTIVATION

		Responses		Percent of Cases
		N	Percent	
$MOtivation[a]	The quality of work you produce	90	18.0%	44.8%
	The standard of work that is produced	73	14.6%	36.3%
	Your concentration levels	47	9.4%	23.4%
	The amount of time spent on tasks	69	13.8%	34.3%
	Engagement and willingness to do work	119	23.8%	59.2%
	Learning new things and Intellectual challenges overcome	101	20.2%	50.2%
Total		499	100.0%	248.3%
a. Group				

Inference: Motivation of an employee's is an important mean through which an employee derives work satisfaction and its occurs when a person finds a task interesting. The motivation from within when the work environment, task and other related factors become interesting. Multiple response related to the various factor driving employees motivation as presented in the above table indicates that employees engagement and their willingness to do work are the most important factor motivating employees at the work as it was indicated by 23.8% respondents in the sample. Passion of Learning new things and Intellectual challenges overcome are another factor through which employees derives motivation for work. as it was indicated by 20.2.8% respondents in the sample. Another 18.0%, 14.6%, 9.4%, and 13.8% respondents respectively indicated that they derive satisfaction and work motivation from the quality of work they produce, the standard of work that is produced, their concentration levels at work and the amount of time spent on the tasks. This signifies that Engagement and willingness to do work are the most important through employees derive motivation at work.

TABLE 6: EMPLOYEES REFLECTION OF WORK PLACE MOTIVATION ACROSS THE LEVEL OF EXPERIENCE

			Level of Experience					Total
			0-1 years	02-5 Years	6-10 Years	11 to 15 Years	More than 15 Year	
$MOtivation[a]	The quality of work you produce		17	33	12	20	8	90
	The standard of work that is produced		13	28	8	16	8	73
	Your concentration levels		7	21	7	11	1	47
	The amount of time spent on tasks		15	28	11	12	3	69
	Engagement and willingness to do work		17	56	15	25	6	119
	Learning new things; Intellectual challenges overcome		18	40	12	23	8	101
Total			87	206	65	107	34	499

Percentages and totals are based on responses.
a. Group

REWARD MANAGEMENT PRACTICES AND ITS IMPACT ON EMPLOYEE MOTIVATION: A REGRESSION ANALYSIS

Regression analysis is used to model the relationship between a response variable and one or more predictor variables. Regression is a generic term for all methods attempting to fit a model to observed data in order to *quantify the relationship* between two groups of variables. The fitted model may then be used either to merely *describe* the relationship between the two groups of variables, or to *predict* new values.

TABLE 7: MODEL SUMMARY

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.793[a]	.629	.621	.25881

a. Predictors: (Constant), job security, work autonomy, Career advancement, Recognition, Financial

The above table shows the R, R-Squared, Adjusted R Square, Std Error. R denotes the correlation between observed and predicted values of the dependent variable. The value of R ranges from -1 and 1. Small values indicate that the model does not fit the data well. In this case, R = 0.793. The above table shows the model summary and overall fit statistics. We find that the adjusted R^2 of our model is 0.629 with the adjusted R^2 =.621 that means that the linear regression explains 62.1% of the variance in the data.

ANOVA

Another outcome of regression analysis is the ANOVA presented in the table below. ANOVA table reports how well the regression equation fits the data (i.e., predicts the dependent variable). SPSS allows multiple models in a single regression command. Looking at the breakdown of variance in the outcome variable, there three categories i.e. Regression, Residual, and Total. The Total variance is partitioned into the variance which can be explained by the independent variables (Model) and the variance which is not explained by the independent variables (Error). Another outcome of ANOVA table is Sum of Squares which are the sum of squares associated with the three sources of variance, Total, Model and Residual. The Total variance is partitioned into the variance which can be explained by the independent variables (Regression) and the variance which is not explained by the independent variables (Residual). Another outcome of table is df which are the degrees of freedom associated with the sources of variance. Other outcome of ANOVA table is Mean Square which is the Sum of Squares divided by their respective DF. The values of F-statistic is the Mean Square (Regression) divided by the Mean Square (Residual). The p-value is compared to some alpha level in testing the null hypothesis is that all of the model coefficients are 0.

TABLE 8: ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	24.459	5	4.892	73.027	.000[b]
	Residual	14.402	215	.067		
	Total	38.860	220			

a. Dependent Variable: Motivation

b. Predictors: (Constant), job security, work autonomy, Career advancement, Recognition, Financial

The F statistics presented into the table 8 shows the regression mean square divided by the residual mean square. The linear regression's F-test has the null hypothesis that there is no linear relationship between the two variables With F = 73.027 and 220 egrees of freedom the test is highly significant, thus we can assume that there is a linear relationship between the variables in our model.

Another outcome of regression analysis is the **B**, which are the values for the regression equation for predicting the dependent variable from the independent variable. The regression equation is presented in many different ways, for example:

Y(Motivation) predicted = b0 + b1*x1 + b2*x2 + b3*x3 + b4*x4+b5*x5

TABLE 9: COEFFICIENTS[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.271	.094		24.207	.000
	Compensations Management Practices	.126	.048	.233	2.597	.010
	Job Recognition at work	.059	.042	.123	1.423	.156
	Career advancement schemes of the organization	.086	.043	.164	2.001	.047
	work autonomy at work place	.063	.031	.127	2.042	.042
	job security	.137	.034	.250	4.012	.000

a. Dependent Variable: Motivation

Employees Motivation = 2.271+.0126* Compensation Management Practices +.059* Job Recognition at work +.086* Career advancement schemes of the organsiation +.063* work autonomy at work place +.137* job security

DISCUSSION AND CONCLUSIONS

In this study, the relation between Reward Management practices and employees motivation was investigated. Confirmatory factor analysis and reliability analysis showed the adequacy of the sample size. So the descriptive statistics results of the factor and reliability analysis were appropriate with the number of the items and sample size. In terms of the results of the statistical tests, the hypothesis supported through the regression analysis. According to the findings, it is founded that job security and compensation management practices have positive effects on Employee motivation. The findings of the study is consistent with the previous studies which, Herpen, Praag, Cools, (2005), have investigated empirically the effects of pay on performance. They mentioned that some theories predict that the practice of a compensation system affects the motivation of employees. The results of their study bring out a positive relationship between the perceived features of the reward management system and employees motivation. The limitation of the study is the response rate of the employees as well as the limited number of response. It would be more appropriate and be more informative for the researchers to explore more number of construct related to reward management including internal as well as external factors (such as technology and modern appliances, industry trend) in enhancing employee motivation and improving job performance in organizations.

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ACTIVITY CATALOG IN CUSTOMER PROSPECT - A PATHWAY TO E-TAILING EXCELLENCE

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ABSTRACT

E-tailing is making a fast headway in India with unrestrained growth rate for underlying reasons of market-enabling conditions, favorable ecosystem creation, young demographic profile and internet penetration. This spectacular growth contributes to the addition of Indian economy and offers enormous advantages to the consumers. While the retailers in the field are putting-forth their innovative methods and novel ideas to expand their business, the customers' participation is not matching up to the mark due to some basic apprehensions and lack of a comprehensive awareness of e-tailing. This paper aims to understand the exact reasons behind this state and analyze various solutions. It is found that a suitable and effective catalog of activities on the part of consumers is one of the viable solutions. In order to substantiate this presumption a study has been conducted with the help of a self-administered questionnaire and the data obtained from 448 respondents has been considered for analysis on the basis of simple random sampling using SPSS V20 with ANOVA method. Based on the results of the study, a catalogue of activities in an orderly manner indicating the right approach for consumers' adoption and implementation, has been prepared, which leads to the customer satisfaction, mutual benefits, and the e-tailing business as a whole towards success.

KEYWORDS
electronic retailing, e-tailing, e-commerce, e-business, catalog of activities of consumers.

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L81

1. INTRODUCTION

The rapid spread of e-commerce over the past few years is quite evident, thanks to deep internet penetration, changing the dimensions of customer experiences beyond any doubt and as a consequence, the process of how customers buy and marketers sell has attained a new definition oriented towards the enhancement of satisfaction levels of both sellers and buyers, besides generating revenues on the part of sellers. Electronic retailing which forms a lion's share of e-commerce process has been emerging as a powerful marketing tool delivering right message to right person with a right product at the right time. Electronic retailing deals with the motivation to start with, making the customers choose the product/service, though they are devoid of touch & feel experience, addresses their needs whether pragmatic or psychographic. It comes handy especially for those who are hard-pressed for time to enjoy shopping, provides hassle-free transactions, save money & energy, access to multiple product line and several other benefits including competitive pricing, the facility of purchasing with a single click, and the ease with which goods can be returned or exchanged. To aid the smooth conduct of the e-tailing process the retailers play a large part in generating the revenues and to derive the customer satisfaction has high as possible and customers too have a major role in performing their transactions effectively and ethically. The customers need proper guidelines in this direction.

2. SCOPE OF THE STUDY

While, there has been a compelling need for a proper checklist in the perspective of e-tailers with an ample scope for giving numerous suggestions in all the activities of e-tailing process, there are no clear directives available in customer prospect mainly due to its subtlety in nature because of the involvement of human behavior. It is rather an uphill task to alter the human mindset and requires a high task and motivation in handling. No doubt, the participants in e-shopping are increasing manifold day-by-day giving a considerable boost to e-tailing industry. With the help of an effective catalog of defined activities, the customer can develop a clear ideology on e-tailing process and can render efficient transactions in e-shopping in an orderly manner curtailing time, expenditure and any kind of botherations. This paper critically examines the role of customer in the entire retailing process and has helped in designing an effective, efficient and most workable activity catalog in pursuit of getting the right product/service at the right time with smooth transactions leaving minimal or no scope for returning the merchandise.

3. LITERATURE REVIEW

With a view to acquire a broad and multi-faceted perception of the e-tailing trend in India and thereby, deriving the customers' role, their deliberations and compulsions in particular, the researcher has made an exhaustive study of the literature containing several surveys, scholarly articles, books, dissertations, conference proceedings and other resources which are relevant to the area of research (Greenfield T, 2002). This has also included research papers, conference reports, online journals, business magazines, newspapers, annual reports, industrial survey data, e-tailing journals (IMRB, IAMAI), previous research theses, statistical reports, reviews, abstracts, and electronic media. Some of the important ones are mentioned below:

Yashaswi (2012) in his research work "e-Retailing: Is India ready for it?" mentioned that the ultimate aim of the e-retailer is to develop a sustainable competitive advantage. Further, he has discussed various advantages and disadvantages of e-retailing from consumer side and various challenges faced by service providers such as e-customer retention, customer service, and secure payment. He has also addressed the issue of infrastructure, which is required for providing e-retailing facility from service provider side like architecture of the website-payment system, supply chain management, troubleshooting help desk, customer data base management and so on. However, this has provided the researcher a clear understanding on customers' role.

Jush and Ling, (2012) suggested that e-commerce experience, product perception and customer service have important relationship with inclination towards online shopping. According to them consumers who purchase online are more likely to buy clothes, books and make travel booking.

Michal Pilik, (2012) stated that logistics, security and privacy of information, timeliness, availability, convenience, customer service were criteria looked into by the customers at the time of online shopping. The study widely helped the researcher in conceiving the idea of customer's rights and their entitlements in a nut shell.

Gurleen (2012) focused to identify the demographic profile of adopters and non-adopters of online shopping and also the various reasons for adoption and non-adoption of online shopping. Perceived benefits like price consciousness, convenience, variety and easy payment option are the four significant factors of online shopping. Respondents of age group 36-45 years were adopters of online shopping.

Ahmadi (2011) proposes a new model for evaluating e-customer on the conceptual insights based on Electronic Customer Life Time Value. With real option analyses, the above study predicts all the future customer cash flow in e-retailing.

Eid, M. (2011) studied determinants of e-commerce customer satisfaction, trust and loyalty in Saudi Arabia. The objective of the study was to identify the factors that influence the extent to which Saudi consumers trust, are satisfied with, and are loyal towards B2C e-commerce. It is also perceived from the paper as to how customers have to support the e-tailers in gaining their trust and loyalty to their satisfactory levels.

Forouhandeh Behnam et al. (2011) in their research demonstrated that the commercial terms viz. warranty, assurance, website maneuverability and enjoyment are essential elements, which largely contribute to the progressing growth of online business. This requires an appropriate strategy and implementation of the above commercial parameters suitably wherever required since these involve a quantum of expenditure.

Moore and Taylor (2011) studied the effect on payment mode on willingness to spend. Their experiment presented evidence that payment via credit card is much higher than the cash payment. Studies also found that credit card fosters increase of non-essential purchases (Soman, 2003); and that it acts as lifestyle facilitator (Bernthal, Crockett, & Rose´s, 2005). A suitable strategy in this direction has to be drawn by the e-tailers to promote cashless transactions.

N.Delafrooz. L, H. Paim and A. Khatibi (2011) studied the areas of trust and consumer attitudes and observed that they have direct effect on buying online intention; while the convenience, price, broader product selection, and earnings have indirect effect. This exposure also can help the customer in changing their attitudes in the positive direction with respect to e-shopping.

Rofiq, A., Mula, J. (2010) studied The Effect of Customers' Trust on E-Commerce: A Survey of Indonesian Customer B2C Transactions. The objective of the study was to analyze the effect of vendor's ability, benevolence and integrity towards e-commerce customers' trust.

Dolatabadi and Ebrahimi (2010) examined the effect of individual characteristics on consumer online buying decision and factors that influence the trust in online shopping. They developed a model with seven antecedents (Perceived reputation, Perceived size, Perceived trustworthiness of the Internet merchant, Perceived privacy protection, Perceived security protection, Perceived risks and Perceived benefits of trust). But the result showed that perceived risk, perceived security protection and perceived reputation were significant predictors of the consumer trust in online shopping.

Sahney, S., Shrivastava, A., Bhimalingam, R. (2008) studied consumer attitude towards online retail shopping in the Indian context. The objective of the study was to look into the various aspects of online shopping in modern day environment and to identify those factors that affect the development of their attitudes towards online shopping.

Delafrooz Narges et al., (2009) found that utilitarian orientations, convenience, price and wider selection are a significant determinant of consumer's attitude toward online shopping. Consumers are looking for more convenience (time and money saving), cheaper prices and wider selection when they shop online. Consumers who value the convenience, prices and wider selection of internet shopping tend to purchase more online and more often. From this the researcher has also gained knowledge on how the behavioral patterns yielding to the situations shape the customers' needs at micro level.

Q. Su, Z. Li, Y. T. Song and T. Chen, (2008) showed that, online consumers are more concerned with the a) attributes associated with the resulting quality and b) customer service over web transactions. There are six perceptions of the quality perceived by customers: (1) information ease of use; (2) quality; (3) consumer service; (4) websites design; (5) process controllability; and (6) outcome quality. Based on the above perceptions it is noted that the confidence in the brand affect decisions to buy online as so to enhance the online sales.

Kierkegaard, P. (2008) in his paper "Fear of e-shopping – anxiety or phobia?" focused on finding the reasons behind the reluctances from consumers to purchase online. He found that a number of people fear online shopping and mistrust the technology. So service providers must develop the trust to reduce the perceived risk. In the angle of consumers, the above study aided the researcher in finding grounds for allaying such fear/phobia in the minds of consumers.

Kim et al., (2008) defined knowledge as consumer's degree of acquaintance with selling entity, which includes vendor information and understanding relevant procedures such as searching for products, information and ordering through website. Knowledge based trust occurs when internet users are familiar to one another to interact frequently.

Araghchi, S. (2007) studied service quality, customer satisfaction, customer experience and behavioral intention in Iranian retail store. The objective of the study was to investigate and determine the nature of service quality construct and its relationship with these of customer satisfaction, customer-experience and behavioral intention. The study also aim to identify which dimension is best predictor of service quality in terms of generating the outcome.

Brown, B., Oleksik, G., Bisdee, D (2007) in their publication "Consumer attitudes review, internet shopping" established as to how consumers perceive the internet as a sales channel & the reasons for using it or not, how consumers use the internet to purchase goods/services and their experiences of such use. The study investigates the factors affecting internet purchasing behavior such as consumer attitude, belief, personality, nature of website and so on.

Zhou et al., (2007) identified nine types of consumer factors, including demographics, Internet experience, normative beliefs, shopping orientation, shopping motivation, personal traits, online experience, psychological perception and online shopping experience affect consumer online shopping.

Catherine Demangeot, Amanda J. Broderick, (2006) used a theory-building approach to understand how consumers perceive their experience of the navigation of an online shopping environment and identify the facets which make up their experiential intensity. The paper first reviews the literature on the experiential attributes of web sites. It then outlines the methodology and explains the use of a "shopping with consumers" approach to uncover consumer perceptions.

Min-yang Wang, Hui-Ming Kuo & Sheue-Ling Hwang (2002) have made an extensive study on B2C consumer behavior and developed a viable model with 10 step approach towards motivation known as preliminary B2C consumer behavior model. The purpose of this study was to develop a complete and detailed consumer behavior model for B2C electronic transactions. They have indicated that the service providers must focus from the consumer's point of view instead of seller's point of view. This study amply supported the researcher to frame his mindset in going about to understand the customers' role and to proffer certain suggestions.

Walsh and Godfrey (2000) suggest that analogies can be drawn from the approach that e-retailers take in building customer loyalty and satisfying customer need. An e-retailer builds the relationship over time by demonstrating an interest in the customer, listening to and understanding the customer. There is an interaction with the customer one-on-one. In turn the customer grows to trust the e-retailer. Once the relationship is established the customer needs to have a strong reason not to continue with it. The researcher finds that the customers also should deliberate their candid views sans duality and ambiguity to the e-tailers enabling understand them in right perspective.

Newe" (2000) highlighted that companies must leverage customer information for the effective management of customer relationships on the Internet. Seybold and Marshak (1998) made similar points, again focusing on the need for customer-focused strategies that engage customers and build communities of loyal customers. Such strategies suggest something much more radical than the basic e-commerce brochure-ware approach adopted by many businesses at the moment.

Palumbo and Herbig (1998) The typical Internet user of the twentieth century is young, professional, and affluent with higher levels of income and higher education They value time more than money which automatically makes the working population and dual-income or single-parent households with time constraints better candidates to be targeted by non-store retailers (Burke, 1997). Actually, both demographics and personality variables such as opinion leadership or risk evasiveness are very important factors that are considered in studies trying to determine the antecedents of Internet purchases (Kwak et al., 2002). Confirmatory work shows that income and purchasing power have consistently been found to affect consumers' propensity to shift from brick-and-mortar to virtual shops (Co-mor, 2000). The researcher makes out from the study that the affluence alone is not the incumbent factor for online buying habit but the affinity and interest together with the will that matter. As such the Middle/Lower class also can resort to online purchase based on their interests.

Gallaugher (1997), envisaged that the typical Internet consumer would be better educated and more affluent than the average shopper. Burke (1997) suggested that Internet shopping might be most appealing to those consumers who didn't have much time or desire to go shopping. Other authors predicted that in an Internet world, the balance of power may shift to the consumer (Bakos, 1991; Hagel & Armstrong, 1997), and in so doing, this would make Internet shopping appeal to those who wanted to get the best value from their retail spend (McWilliam et al, 1997).

By and large, the literature review has facilitated the researcher in many ways in studying and understanding the role of consumers in e-tailing business, their woes and happiness in e- shopping, drivers of motivation, circumstances, the propensity and inclination towards online shopping. The above elements & needs apart, the psychology that matters.

4. STATEMENT OF THE PROBLEM

With all the advancements and manifold proliferation taking place in the area of e-commerce, with a special reference to electronic retailing, proper hints, indications and clues guiding the customers to take a step forward towards online shopping are not available in an appropriate format. Of course, this is complex in nature as it is to deal with the psychology and behavior of the consumers to make their mindset amenable to e-shopping and handling the aspect needs a great tact. Besides, a catalogue of activities in an orderly manner, depicting the ease of use on the part of consumers, is sure to come handy to them to proceed further to draw benefits from the online shopping.

5. OBJECTIVES OF THE STUDY

1. To inculcate general awareness on internet penetration, fast growth of e-commerce business and its advantages to the citizens, developing a passion for e-commerce in general, and suggesting methodical way to operate & practice of e-shopping in the easiest way, in particular with sustained interest.
2. Advocating the consumers in the angle of reaping the peripheral benefits from e-tailing, for which the e-commerce offers and immense scope, such as improving knowledge, awareness, broadening their vision, communication skills and so on.
3. Considering the above two objectives, design a structured and practicable catalog of activities involved in e-shopping indicating its ease of use for their easy operations.

6. METHODOLOGY

Designing an effective and efficient catalog of activities in the prospect of consumers calls for a meticulous study, taking care of the minute elements associated there with. As the most part of the study has to deal with the human behavioral aspect, tackling the complexity involved with tact & care is essential. Under these circumstances, the researcher has found that the quantitative method of research would be more apt to elicit the required data for meeting the objectives of the study. Accordingly a well-structured questionnaire was designed keeping the sensitivity intact to extract genuine information from the respondents, addressing various factors affecting online shopping viz. demographic, Internet skills & usage, frequency of e-shopping, selection of website, product category, website credibility, motivation towards to shop online, after sale services, aversion towards online shopping, terms and conditions, complaints and grievance handling & redressal, comparison of online vs. offline shopping and average monthly spend towards online shopping. 13 strategic questions consisting of 34 pertinent factors covering the e-tailing practices in India and growth have been posed, to draw the attention of the respondents and extracting the authentic information from them.

For deploying simple random sampling technique, a sample size of 1200 people across the country has been selected and questionnaires sent and obtained responses from 840 participants out of which only 448 responses were considered for data analysis. The rest are eliminated due to lapses like incomplete information, vagueness, irrelevance etc. The data obtained has been categorized into five core factors viz. organizational, technological, e-commerce strategies, consumer behavior and external factors and thorough statistical analysis was made by using SPSS V20 with ANOVA method, the outcome of which amply supported in designing an efficient and workable catalog of activities for the benefit of e-shoppers.

7. DATA ANALYSIS

ANALYSIS OF THE DEMOGRAPHICS

Gender: Out of 448 respondents, 75 per cent male (336) and 25 per cent female (112).

Age: The respondents are divided into six different age groups (15 – 20, 21 – 30, 31 – 40, 41- 50, 51 - 60 and 60 plus). Major chunk includes 47.76 per cent (241) of the age group 21-30 years followed by 28.12 per cent (126) of the age group 31-40 years.

Education: The education levels are divided in to 6 categories (Schooling, Junior College / Diploma, Graduation, Post-Graduation, M.Phil./Ph.D and Others). Major portion comprises 54.01 per cent (242) post graduates and 34.37 per cent (154) graduates. The balance 11.62 per cent (52) forms the other educational levels.

Income: Classified into six groups (Dependent, Rs. < 10,000, 10,000 - 25,000, 25,000 - 50,000, 50,000 - 1,00,000 and More than Rs. 1,00,000). Major portion consists of 33.13 (135) per cent are of Rs. 10,000 – 25,000 followed by 25.00 (112) per cent are of Rs. 25,000 – 50,000.

Occupation: Respondents in respect of occupation (Business, Professionals, Manager/Officer, Clerical, Sales, Operator, Labor, Social Worker, Retired Home maker, Student, Unemployed, Others) have been critically analyzed and found that the majority represents the Professionals (28.34 per cent -127) followed by the functional executives i.e., Manager/Officer category (14.28 per cent - 64).

ANALYSIS OF INTERNET USAGE

100 percent of respondents are the internet users of which 64.50 per cent (289) have mediocre skills and 27.40 per cent (123) are experts. Since technological advancements result wide internet access, out of 448 respondents 60.49 per cent (271) are connected with broadband and 80.80 per cent (362) are on mobile net.

ANALYSIS OF E-SHOPPING ACTIVITIES

It is found that 85.7 per cent (384) respondents are engaged in electronic shopping and 14.30 per cent (65) respondents are not associated with online shopping. The frequency quotient of online shopping among respondents shows that 15.63 per cent (60) more than once a week, 16.93 per cent (65) just once a week and 41.15 per cent (158) are shopping online once a month. The rest is insignificant.

CORE FACTORS ANALYSIS

For micro level analysis, part by part, of the entire data collected has been divided in to five categories, which act as the core contributing factors and corresponding sub elements. The significance levels (considered 0.05) achieved though the statistical analysis with the help of SPSS using ANOVA method adequately proved the consistency of the results obtained through the analysis. This has necessitated the researcher in devising appropriate catalog of activities in chronological order, which not only helps the consumers to follow the right approach in their transactions, but encourages them to go in for the online shopping also.

Detailed analysis of the core factors mentioned in the methodology consisting of:

TABLE 1

S. No	CORE FACTORS	SUB FACTORS
1.	Organizational	a. Brand Image b. Corporate Image c. Organization/Website Policies and d. Age of website
2.	Technological	a. Mobile application compatibility b. Security c. User-friendly environment d. Accessibility e. Speed f. Website design (Time saving, Internal search, Multimedia content)
3.	E-Commerce Strategies	a. Link with other credible websites b. Quality of website c. Manufacturer information d. Detailed offers e. Terms and Conditions f. Payment methods g. Delivery methods h. 24/7 Services i. Feedback j. Grievance Handling k. After sales services: (Product installations, Warranty, Product returns, Money refunds, Maintenance, Periodic checks)
4.	Consumer Behavior	a. Trust b. Convenience c. Product quality d. Price e. Payment methods f. Product and price comparisons g. Reviews and opinions
5.	External	a. Government Support b. Legal Framework c. Banking services d. IT Infrastructure e. Competitors f. Culture

1. ORGANIZATIONAL FACTORS

TABLE 2

ANOVA						
Organizational Factors		**Sum of Squares**	**df**	**Mean Square**	**F**	**Sig.**
Brand Image	Between Groups	15.834	1	15.834	14.604	.000
	Within Groups	412.012	380	1.084		
	Total	427.846	381			
Corporate Image	Between Groups	10.293	1	10.293	10.514	.001
	Within Groups	373.955	382	.979		
	Total	384.247	383			
Age of Website	Between Groups	11.817	1	11.817	15.033	.000
	Within Groups	301.851	384	.786		
	Total	313.668	385			
Website / Organization Policies	Between Groups	11.413	1	11.413	13.389	.000
	Within Groups	327.333	384	.852		
	Total	338.746	385			

2. TECHNOLOGICAL FACTORS

TABLE 3

ANOVA						
Technological Factors		**Sum of Squares**	**Df**	**Mean Square**	**F**	**Sig.**
Mobile application compatibility	Between Groups	15.834	1	15.834	14.604	.000
	Within Groups	412.012	380	1.084		
	Total	427.846	381			
Security	Between Groups	16.248	1	16.248	15.738	.000
	Within Groups	392.309	380	1.032		
	Total	408.558	381			
User Friendliness	Between Groups	12.960	1	12.960	12.948	.000
	Within Groups	380.370	380	1.001		
	Total	393.330	381			
Speed	Between Groups	11.121	1	11.121	11.114	.001
	Within Groups	382.213	382	1.001		
	Total	393.333	383			
Website Design						
Internal Search	Between Groups	10.776	1	10.776	10.643	.001
	Within Groups	386.763	382	1.012		
	Total	397.539	383			
Time Saving	Between Groups	11.413	1	11.413	13.389	.000
	Within Groups	327.333	384	.852		
	Total	338.746	385			
Accessibility	Between Groups	10.533	1	10.533	10.253	.001
	Within Groups	392.426	382	1.027		
	Total	402.958	383			
Multimedia Content	Between Groups	12.914	1	12.914	12.936	.000
	Within Groups	379.330	380	.998		
	Total	392.243	381			

3. E-COMMERCE STRATEGIES

TABLE 4

ANOVA						
E-Commerce Strategies		**Sum of Squares**	**Df**	**Mean Square**	**F**	**Sig.**
Link with other credible websites	Between Groups	15.834	1	15.834	14.604	.000
	Within Groups	412.012	380	1.084		
	Total	427.846	381			
Quality of Website	Between Groups	.294	1	.294	.257	.613
	Within Groups	436.515	381	1.146		
	Total	436.809	382			
Manufacturer Information	Between Groups	16.248	1	16.248	15.738	.000
	Within Groups	392.309	380	1.032		
	Total	408.558	381			
Detailed Offers	Between Groups	16.668	1	16.668	15.824	.000
	Within Groups	400.267	380	1.053		
	Total	416.935	381			
Terms and Conditions	Between Groups	.553	1	.553	.598	.440
	Within Groups	352.272	381	.925		
	Total	352.825	382			
Payment Methods	Between Groups	16.773	1	16.773	15.927	.000
	Within Groups	400.203	380	1.053		
	Total	416.976	381			
Delivery Methods	Between Groups	31.974	1	31.974	19.376	.000
	Within Groups	681.511	413	1.650		
	Total	713.484	414			
24/7 Services	Between Groups	10.804	1	10.804	8.875	.003
	Within Groups	530.805	436	1.217		
	Total	541.610	437			
Feedback	Between Groups	10.678	1	10.678	10.315	.001
	Within Groups	395.444	382	1.035		
	Total	406.122	383			
Grievance Handling	Between Groups	5.568	1	5.568	5.785	.017
	Within Groups	365.774	380	.963		
	Total	371.343	381			
After Sales Services						
Product Installations	Between Groups	8.298	1	8.298	8.166	.005
	Within Groups	388.178	382	1.016		
	Total	396.477	383			
Warranty	Between Groups	.397	1	.397	.495	.482
	Within Groups	305.660	381	.802		
	Total	306.057	382			
Product Returns	Between Groups	10.533	1	10.533	10.253	.001
	Within Groups	392.426	382	1.027		
	Total	402.958	383			
Money Refunds	Between Groups	10.923	1	10.923	10.439	.001
	Within Groups	399.702	382	1.046		
	Total	410.625	383			
Maintenance	Between Groups	2.238	1	2.238	2.332	.128
	Within Groups	365.673	381	.960		
	Total	367.911	382			
Periodic Checks	Between Groups	5.134	1	5.134	5.593	.019
	Within Groups	348.858	380	.918		
	Total	353.992	381			

4. CONSUMER BEHAVIOR FACTORS

TABLE 5

ANOVA						
Consumer Behavior Factors		**Sum Squares**	**df**	**Mean Square**	**F**	**Sig.**
Trust	Between Groups	11.121	1	11.121	11.114	.001
	Within Groups	382.213	382	1.001		
	Total	393.333	383			
Convenience	Between Groups	11.413	1	11.413	13.389	.000
	Within Groups	327.333	384	.852		
	Total	338.746	385			
Product Quality	Between Groups	10.776	1	10.776	10.643	.001
	Within Groups	386.763	382	1.012		
	Total	397.539	383			
Price	Between Groups	16.879	1	16.879	15.951	.000
	Within Groups	402.118	380	1.058		
	Total	418.997	381			
Payment Methods	Between Groups	16.986	1	16.986	16.217	.000
	Within Groups	398.012	380	1.047		
	Total	414.997	381			
Product and Price Comparisons	Between Groups	11.214	1	11.214	13.544	.000
	Within Groups	317.946	384	.828		
	Total	329.161	385			
Privacy	Between Groups	12.960	1	12.960	12.948	.000
	Within Groups	380.370	380	1.001		
	Total	393.330	381			
Reviews and Opinions	Between Groups	10.008	1	10.008	10.178	.002
	Within Groups	375.614	382	.983		
	Total	385.622	383			

5. EXTERNAL FACTORS

TABLE 6

ANOVA						
External Factors		**Sum of Squares**	**df**	**Mean Square**	**F**	**Sig.**
Government Support	Between Groups	14.926	1	14.926	189.963	.000
	Within Groups	2.750	35	.079		
	Total	17.676	36			
Legal Framework	Between Groups	11.174	1	11.174	21.077	.001
	Within Groups	18.556	35	.530		
	Total	29.730	36			
Banking	Between Groups	14.505	1	14.505	80.514	.001
	Within Groups	6.306	35	.180		
	Total	20.811	36			
IT Infrastructure	Between Groups	14.715	1	14.715	144.848	.000
	Within Groups	3.556	35	.102		
	Total	18.270	36			
Competitors	Between Groups	12.688	1	12.688	51.904	.001
	Within Groups	8.556	35	.244		
	Total	21.243	36			
Culture	Between Groups	9.586	1	9.586	18.329	.000
	Within Groups	18.306	35	.523		
	Total	27.892	36			

8. FINDINGS & CONCLUSIONS

1. The major participants are in the age group of 21-40 and mainly post graduates and to certain extent graduates also, under the income level of Rs. 10k to 50k consisting of more professionals.
2. While all the respondents have exposure to internet, majority of which posses mediocre skills. Most of them are using broad band and mobile net.
3. Huge part of the respondents is the net-shoppers. Nearly half of them shop at least once in a month, around 17 per cent weekly once and 16 per cent are frequenters.
4. A large part of respondents prefers to shop with the renowned e-tailers like amazon, flipkart, snapdeal, paytm, jabong etc., and due preference is given to the reputational aspects of the retailer with regard to brand image (not product), corporate image, age of website and website/organizational policies.
5. The e-shoppers mainly consider mobile application compatibility, security, user friendliness, accessibility and speed while initiating the purchases. They do not bother much about website features like time saving, internal search option and multimedia content.
6. The e-shoppers often look for the manufacturer information, detailed offers, terms and conditions, delivery methods, 24/7 services, feedback, grievance handling displayed on the website and its link with other credible websites.
7. The consumers particularly check for the retailers' terms in respect of product installations, warranty, product returns, money refunds, maintenance and periodic checks while doing online shopping.
8. The consumers are very particular about trustworthiness and mutual trust factor of the retailer, convenience, product quality, cost-effectiveness, easy payment methods, product features and price comparisons with other e-tailers, privacy, reviews and opinions from other customers.
9. Now-a-days consumers are developing awareness towards the general aspects like the role of government, legal framework, banking services, competitors' information, IT infrastructure and culture in the process of e-tailing business.
10. Generally the net-shoppers are attracted towards the aesthetics of the e-tailers website which goads them to shop online.

9. SUGGESTIONS & RECOMMENDATIONS (CATALOG OF ACTIVITIES)

Whatever the business be, its prime motto has to be "customer satisfaction and delight" which calls for a perennial effort, besides striving to generate revenues for enhancing the market share and profit. It is simply not once sided. Customers should also contribute to this ideology and support the seller in running the business for overall benefit of the society. The current study has brought out a catalog of quality added activities for e-customers to adopt, for achieving excellence in e-tailing business which reflects a conspicuous variance compared to the conventional buyers. For effective implementation of the said catalog, the customers need to:

- develop an ardent passion towards internet operations and enhance their skills from time to time 'to be at home' with the any kind of transaction.
- spend some time to study the e-tailing scenario which helps them to get themselves logically convinced about the advantages of e-shopping. This habit is sure to make them well conversant with the digital literacy that is required in the conduct of e-tailing.
- be well acquainted with the operation of digital devices such as smartphones, tablets, laptops and desktop PCs for purposes of communication, expression, collaboration and advocacy.
- be more patient in selecting website for ordering the product/service and not just go by brand of the product or image of the company.
- have a comprehensive understanding of website/organization policies to avoid ambiguity of any sort and for conducting effective transactions enabling the retailer to offer better services.
- acquire proficiency in English language, as it is the common medium for the interactions.
- keep their eyes and ears open to the cyber threats and offences happening often. They are advised to look for the padlock icon (https://) displayed left to the URL to ensure security and privacy of the website.
- meticulously check for the credibility aspects of the website and its related links, as it is the prime source of trust, before placing an order for any product/services. They have to ensure that a) website is visually appealing, b) whether it is updated from time to time, c) has link with other credible websites, d) availability of e-tailer contact information, e) whether the policies are indicated without any ambiguity, f) whether professional affiliations and memberships are highlighted, g) indication of social media contacts, h) speed and accessibility, i) whether the site is maintaining blog etc.
- verify various offers/deals given by various e-tailers, not just be carried away by an attractive offer found in the first sight, as it so happens that many a time the others might provide more lucrative and beneficial offers.
- have a critical understanding of terms and conditions because of the legality involved, in order to ward-off unpleasant implications.
- have ample knowledge on various payment methods and processes stipulated by the vendor, though COD (Cash on Delivery) is attractive. They are suggested to evaluate thoroughly various advantages provided by the bankers like reward points system, cash back and discounts. This is because the payment is related to effective financial management.
- learn and understand different delivery methods and logistic support rendered by the vendor in terms of fast, timely, convenient and comfortable delivery leading to utmost satisfaction.
- develop their knowledge concerning the commercial aspects of the transactions such as after sales services which include installations, warranty/guarantee clauses, returns & refunds, periodic checks by vendor regarding functioning of the product and whether the customer is happy with the product/service, maintenance etc.
- aim always at promoting the mutual trust (consumer vis-à-vis e-tailer) as it creates a decent bonding and solves many problems present and future.
- be quality conscious always as quality is perennial and has no cap. They have to also give importance to aesthetics keeping in mind "the thing of beauty is joy forever".
- prepare a comparative chart in respect of specifications, price, delivery, warranty and guaranty, offers & discounts the other vendors are offering before proceeding with ordering a product/service.
- necessarily go through all the reviews and opinions of the other customers regarding the product/service in order to get a right product at right time.
- acquire adequate knowledge on the online banking process which helps them in many ways in dealing with transactions of all kinds i.e., from placement of order till receipt of the product and tackling subsequent consequences, if any.
- develop familiarity with the mobile commerce. It is incidental that all the websites offer better discounts and other benefits compared to desktop operations.
- look for the advantages of the multimedia of various kinds published by the e-vendors which make an imprint in their minds. Always keep in mind that a good photo can be worth a thousand words (and maybe a million rupees).
- not to be carried away by the high discounts offered by the e-vendors, but know more about the product worth and such discounts are feasible. Perceive the abnormality at the first sight itself.
- keep the information of the product like model number and specifications ready with them, to look for the exact/near alternate, when they find it difficult to get their product of their choice.
- be necessarily within the limits of their set budget for the product they desire to buy, not yielding to the tempting advertisements; lest it becomes a psychological obsession. They should understand that they are going-in for virtual shopping but is spending the real money.
- be clear about when to cut their losses when shopping online for a particular product, otherwise they can be entangled in the time-wrap which leads to nowhere and in such cases it is better to log off and try again later--or simply go for conventional shopping.
- make it a point to register their complaints, if any, in case of any problem with the transactions. They should be never hesitant in this aspect because it is retailers duty to offer hassle-free transactions not only to help the consumer but to themselves also in promoting their goodwill as well as business. It is also an alert to the other consumers to be on right path and get the reparation in case of a valid issue.
- never resort to unethical practices of any kind like cheating the vendors with acts like fraudulent & undue returns, deliberately misleading the sellers with ambiguous communications, willful non-payment, posting malicious comments/reviews tarnishing the image of the e-tailer and so on.

10. CONCLUSION

India is witnessing a speedy advancement of e-tailing business with leaps and bounds across the country over the last few years with proportional increase in customers. The participation of customers in e-tailing business plays a predominant role without which the very purpose of business ceases to exist. Although, the customers are adequately knowledgeable on the aspects of e-shopping, their approach often lacks proper direction. The specific dos & don'ts on the part of customers' activities have not been stipulated so far anywhere and are left to individual's jurisprudence. The effective contribution of customers makes the business complete in all respects. The outcome of the current study has deliberated the researcher to design an efficient catalog of activities on the part of customers for adoption, which is believed to lay a path towards the excellence in e-tailing business. The study leaves enough space for further research due to its role in behavioral dynamics of the humans expected to suit the fast changing trends in e-tailing business.

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BUSINESS ETHICS AND INFORMATION SECURITY IN THE DIGITAL WORLD

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ABSTRACT
In recent years, technology development has progressed rapidly. Technology has transformed business activities. The development of technologies has brought with it a great number of benefits to the organization and its customers. Technology makes business highly competitive because of which there is a tendency for an organization to indulge in illegal and unethical practices. There are many ethical implications due to the rapid development of technology and furthermore there is no adequate law or the laws are not comprehensive to deal with misuse of technology. The objective of this research is to explore the issues in business ethics with regard to the security of online information. Ethical issues are likely to increase with the increase in the use smart technologies for business purpose. Every organization using technology must have health security based on ethics, which play an important role in the misuse of technology. The data is collected from published journals, articles, reports and books on business ethics and information security. The researcher's suggestion will assist the business concern to instill strict code of ethics to keep information safe and secured.

KEYWORDS
business ethics, information security, technology.

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INTRODUCTION
In recent years technology development has progressed rapidly. In the past few decades, technology has spread to every area of life and society. For instance, nowadays almost every ordinary person uses internet and every business uses online services. The current generation has created a trend and ease of access has capture almost every modern man to browse the World Wide Web and forced business to establish an online presence and utilize online services. The development of technologies has brought with it a great number of benefits to the organization and its customers. Some experts say that the digital technology makes business highly competitive because of which there is a tendency for an organization to indulge in illegal and unethical practices (Marshall, 2016). There has been an increase in the number of identity thefts, unlawful pirating, internal theft frauds, money making schemes, reliability on information provided and how the information is used**.**

NEED OF THE STUDY
Organization's that collect customers data using a software; put the customers in dark of the data collected and how it is used. According to a leading information and technology research and advisory company, it is projected that by 2018 there will be 50 percent violation of business ethics due to improper use of big data analytics (Hasselbalch, 2016). They argue as how this can be controlled and the limitation on organization collecting the information. There are many ethical implications due to the rapid development of technology and furthermore there is no adequate law or the laws are not comprehensive to deal with misuse of technology.

OBJECTIVE OF THE RESEARCH
It is quite natural that the technology development and transformation will bring with it ethical issues which organization's have to deal with. The objective of this research is to explore the issues in business ethics with regard to the security of online information.

RESEARCH METHODOLOGY
The study is based on secondary data. For the purpose of study, the data is collected from published journals, articles, reports and books on business ethics and information security.

DEFINITION OF TERMS
BUSINESS ETHICS
Menezes (2016) in his study on business ethics and its importance defined 'Business ethics' as a relationship of business techniques and goals to individual needs. It includes responsibilities accepted by an individual when he is part of commercial world. It comprises of decisions, situations and activities that addresses issues of right and wrong. Business ethics is related to business goals and practices to definite human requirements. He discussed Business ethics viewpoint of employee, customer and management. According to Menezes, different people's viewpoint of business ethics is different. For the organisation it is loyalty, for professionals it is faith while for the employees it is justice. Menezes (2016) reported the main features that implies to business ethics are that it generates trustworthiness with people, provides management credibility with employees, it helps management in decision making, ethics can protect society, to outline an acceptable behaviour, to encourage ethic practice of high standards, to set a benchmark for self-appraisal and to create basis for profession responsibilities and behaviours. According to the study maximisation of profits and business ethics go hand in hand without any problems.
Research firm Gartner defined "digital ethics as a system of values and moral principles for the conduct of digital interactions between businesses, people and things." (Buyetendijk, 2016). Buyetendijk (2016) say that ethics existed long before, however in the recent years awareness of ethics is getting critical, as the public doubt the security of their information and its used without their knowledge. All business concerns have ethical responsibility and are liable from the consequences of its actions. Business gains reputation and success by maintaining high ethical standards. In recent time, due to the competitive market there is an increase in corruptions and moral dangers.
Ethics is a moral standard as to what a person chooses between 'Right' and 'Wrong' for a given situation Reynolds, (2016). It deals with what is good and bad. It is a measure of integrity, which assesses the norms, values and rules that creates a relationship with individual and people, from a moral viewpoint. As risks due to inappropriate action in the use of information technology have increased and is likely to have a negative impact. Reynold (2016) claimed that it is important to promote ethics among employees, as this will help to gain goodwill, operate business consistently, foster moral practices in the organisation, protect the organisation against legal action and evade development of negative publicity
INFORMATION SECURITY
Information security is a set of tactics in order to manage process, tools and policies that are needed for protection, detection, prevention, documentation and hindrance of risk to digital and non-digital information. It also includes management duties to protect information from modifying, changing, editing, transferring and storing information (Schnedl & Schweizer, 2000).

Petlier (2004) claims that business information is one of the essential asset of the organization whether it is spoken, handwritten, typewritten, printed, filmed or computer generated. Hence, information needs to be protected against security threats and risks with comprehensive security programs in order to ensure continuity and success of the business.

All organizations use information and many need it for various purpose. Information is an important asset of the business and like the other asset, it must be well protected. With the increase in the threat and vulnerabilities, security of information must be give importance and the required practices and measures be put in place. Whitman & Mattord (2012) stated that the need information security began with the introduction of computers. They also stated that Information Security was required during the early years of introduction of computers to secure the physical location, hardware, software against the possible threats and at that time the security of information was simple and easy which included physical security and organization of documents. However, by close of the twentieth century, computer networks became very common forming global network of networks to store large amount of data that is unsecured as attackers want to steal, sabotage or corrupt it and therefore there is a need to increase protection, integrity and value of organizations' information. Protection of the confidential information in all organizations has become a business and ethical requirement in recent years.

ETHICAL ISSUES IN INFORMATION TECHNOLOGY

Technology has transformed business activities. Businesses large and small take advantage of technology and use computers, e-commerce and internet. Technology is developing much faster compared to the development of the legal system. It has open doors to computer misuse and intrusion. Moreover, it has brought in evils of crime and there is a need for legal laws to protect the business information.

Some of the ethical issues include control of electronic information and access to information, confidentiality and misuse of information, and international aspects. Ethical issues are likely to increase with the increase in the use smart technologies for business purpose. Ethical issue is a problem, condition or occasion, which requires business concern to make a choice from numerous action that is right or wrong (Ethical Issues, 2015). There is increase in the external pressure faced by business in order to improve their ethical record in the market. It is the stakeholder that pressurizes the business organization.

Most of the organizations permit their employees to check their email while at work and control other activities of the internet like chat, discussion, and browsing. All efforts are made to ensure that employees make best of the working hours to the company. This state of control has given rise to ethical issues. On one side, the companies claim that their control system is in place to check use of employee's time, however on the other hand there is the moral right to privacy. There has been increase in computer security attack each year. The most recent one is in May 2017 the WannaCry ransomware attack (Newman, 2017). It spread around the world attacking information in health services. Hospitals, airlines and even universities. It attacked more than 300 thousand computers in 150 countries demanding ransom payments. There have been many such attacks by malicious software stealing personal financial information.

While attacks by malicious software can take the form of viruses, adware and spyware, it is found that most strains are new Panda Trojans. Trojan wreak havoc by looting the personal financial information. There has been massive attacks and threats to confidential information of bigger business concerns by Trojan, PUPs (Potentiall Unwanted programs) and Cryptolocker in the year 2015. (Pandalabs Report, 2015). Every year the hackers come with new tricks and innovative malware to attack digital information.

In an uncertain and difficult economic climate, organisation's face a big challenge to maintain profits and revenue (Reynolds, 2016). In a highly competitive environment, there is pressure from cutthroat suppliers, aggressive competitors, tight deadlines, demanding quota and unrealistic budgets. In order to maintain profits some organisations resort to unethical practices. According to Luyendijk (2016) such organisations are not immoral but amoral. Amoral mean that right and wrong has nothing to do in decision making. Their belief is they have to do such things to make money for the shareholders. Furthermore, the information security personnel do not have adequate knowledge and strong understanding of the modern technology crimes (Philip, 2002). These legal experts are not able to make judgement and decisions when called for (Philip, 2002).

The operation of business in recent time have become so complex and sophisticated. The products and services are offered online is becoming more and more intricate. It is observed that many aspects of such business are less transparent and not expressive. For example, the confidentiality of the business, client's data, credit policies and procedures etc. In contrast to the other organisation, the development rate in organizations doing online business is too fast. As a result, these organizations tend to ignore a numerous issues in directing the society towards commonweal. There are also concerns on financial businesses that deal with money. These organizations have to take all precautions and care to handle money in the right way. Money can be used for various purpose good as well as bad. They have to protect and grow people's money that is maximise clients' investment. Furthermore, they should not charge high rates and enforce partial advantage for themselves. Therefore, there must implement investment and lending policies in order to prevent wrong or offensive practices

Businesses in financial institutions like bank is the clients do not receive the necessary information of kind of their investment. Many a time, these business concerns are involved in speculative investments because of which the client suffers losses while the management receives huge amount compensation and bonuses (Ethical issues, 2015). Such huge loss of client's wealth and generation of wealth of management is an ethical concern. Financial organisation like banks, insurance and securities have ethical policies, which have to be followed. The ethical polices comprise of human rights, social responsibilities, global trade, customers consultation and social enterprise. However, it is observed that these are not followed.

With the online services provided, companies information face problems caused by hackers. Hackers hack the database of those business concerns doing online business like financial and retail business to steal customer information and use it for their own personal gain. Hackers access information by using Trojans. The client face some of the ethical issues as there are no specific ethic for online services provided. This may cause huge financial impact and moreover it can cause damage to the reputation and weaken the customers confidence. According to The Symantec Internet Security Threat report 2016, the attacks by hackers "can do serious harm to a company's reputation and credibility."

Most of the developing and underdeveloped countries have a trend to move or follow the western culture. It is not only that workforce travel from developing countries to western countries, moreover they copy the west by using pirated software used in the west. The BSA Global Software survey 2016 finding shows that in year 2015, 39 percent of software installed are unlicensed, while in 2013 it was 43 percent as per BSA's global study in 2013. According to the survey, the installation of unlicensed software rate is the highest in South Africa that is 34 percent.

It is critically important for a company to be aware of what software is on the company network. Yet there is a significant awareness gap concerning the extent of unapproved and unknown software that employees are installing. Moreover, in most companies there is awareness gap of the unlicensed software installed on the network by employees. It is mostly the employees in the organization that download the unlicensed software and they do it without company's knowledge. It is estimate that 15 percent of the employees download software without their company knowledge (BSA global study, 2013). Moreover, almost 49 percent of the security threats are from the malware coming from unlicensed software. The survey found that the use of unlicensed software worldwide rate is 39 percent (BSA global study, 2016), while 25 percent is from insurance, banking and securities businesses. The software is a major threat to security and according to the BSA global study 2016 the security threat from unlicensed software globally is 49 percent. Furthermore, even in insurance, banking and security businesses where in there are strong internal controls the use of unlicensed software is high and BSA global study 2016 record show it is 25 percent.

The development of technology is so fast that the legal system set for the protection against misuse is lagging. The development of technology has made it difficult to find the vulnerabilities in the systems and with this, it is even more difficult for the information security professionals to know its existences until it is found. Therefore, it is important for every organization using technology to have health security based on ethics, which play an important role in the misuse of technology.

RECOMMENDATIONS

There will be rise in new ethical issues with the development of information technology; consequently, organizations should take measures to mitigate. In every organization, the ethical concern should be clear and, moreover the management and employees should accomplish their responsibility in best interest of the company.

Companies need to develop new roles focusing digital ethics and all employees must adhere to digital ethic guidelines to be successful. Researchers support that moral development of people in the organization takes place through proper training programs (Reynolds, 2016). Hence, code of ethics must be communicated to all levels of employees by conducting formal training programs. Such training would enhance awareness of code of ethics and its application. It can reduce company's legal liability and legal action against the employees and the organization.

All organization should have a compliance department, internal and external audit to keep a check on the wrong doings and actions of the management and employees (Financial Services Industry Compliance Benchmark Study, 2012). Although it is difficult to set correct ethics for every behaviour, however the organisation can provide strict code of ethics that act as guidelines and, penalties for the employees based on values and standards of the organisation. This would help in understanding the expected behaviour and following correct pathway. There can surveillance cameras installed for the purpose of monitoring physical availability of the employees in using software monitoring computer activities.

Financial institutions dealing with people money should be very cautious in handling the money and making investment decisions for investor. They should avoid massive loss of wealth on investments to investor. Financial institution like banks should take a responsible approach in lending and investment. These organisations should protect the clients 'information and should collect data of the client that is required for the purpose. The confidentiality and security of the client information must be maintained at all time.

'Just policies is not sufficient and even the best of are likely to fail if the employees are not educated of it (BSA Global Software Survey, 2016)). Organisation should provide ethical training and awareness on regular basis on the implications and preventative measures to all employees. The training should include guidelines, rules to follow and how to handle data. The Information technology professionals should encourage all employees to adhere to it. This will streamline the important business values and make the company safer, efficient and cost effective. Subsequently if the information security personnel do not have adequate knowledge and strong understanding of the modern technology crimes, the organizations should either take service of trained expert attorney or provide the required training to their legal personnel with required expertise to face the computer security (Philip, 2002).

The government also should take measures for the security of information. It should implement policies and procedure to permit distribution and data analysis for the purpose of fighting the security threat to information. There is a need to fight the hackers and attacker to information security. There should be policies in a country for the business organization and government should work together to minimize risk and threats to information.

The management should clearly understand the network installed and that the software installed is genuine and licensed. The illegitimate and unlicensed software are more likely to be exposed to risk and attacks by malware is much higher (Ronald Chan, 2016). Companies can mitigate information security risk from unlicensed software installed on network by purchasing legitimate and licensed sources. Employees 'installing software on company network should be controlled by implementing strict policies for employees not to download or use unlicensed software. Additionally, security software should be updated to protect the confidentiality of the information and also regular backup of the computer files kept at secured location.

CONCLUSION

Technology has brought development and transformation of business. With the increased use of smart technologies in business we can only expect the ethical dilemmas to grow in frequency and complexity. Information security professionals and the management have to understand the persuasiveness and magnitude of the problems. Organisation must develop and implement heathy business ethics to reduce internal and external risks to information and punish offenders. Organizations must recognize that there is no single approach that will fit in as code of ethics and the ethics will vary from one organisation to another. Organisations need to apply compassion, empathy and sheer common sense to resolve each of the ethical dilemmas.

This research articles provided an overview of the ethical issues in information technology. The study shows that with the fast development of technology there are increase in unethical and illegal practices which result in risk and threat to information security. The suggestion will assist the business concern to instill strict code of ethics to keep information safe and secured. The finding of the current study proposed research in several directions. Further research can be carried out on ethical challenges in banks, hospital, universities and even in financial marketing industry. The study can be made to a particular country. The researcher is confident that this study has laid a strong foundation for future research.

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DETERMINANTS OF CAPITAL STRUCTURE: A CASE STUDY OF AUROBINDO PHARMA LIMITED

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ABSTRACT
This study aims to explore the various factors that determine the choice of financing sources of Aurobindo Pharma Ltd. The effect of firm's Liquidity, Profitability, Debt Service Capacity, Tangibility, Non Debt Tax Shield and Cost of Debt on firm's Capital Structure have been analysed for the period of sixteen years from 2000 to 2015. Panel data of a company is studied through regression analysis. It is found that Capital Structure is negatively related with Profitability, Debt Service Capacity, Tangibility, Non Debt Tax Shield and Cost of Debt and positively correlated with Liquidity. The econometric analysis shows that the selected variables Liquidity, DSC and COD strongly determine the capital structure.

KEYWORDS
NDTS and Cost of Debt, liquidity, profitability, debt servicing capacity, tangibility.

JEL CODES
G31, G32, G39.

INTRODUCTION
Capital structure consists of debt and equity used to finance the firm. Capital structure in finance term means the way a firm finance its asset across the blend of debt, equity or hybrid securities. Capital structure decisions are vital for the financial soundness of the company. Inappropriate decisions about the capital structure may lead to financial distress and eventually to bankruptcy. The Pharmaceutical industry is one of the key drivers of Indian economy, accounting for around 4 percent of India's GDP.

The determinants of capital structure have been widely discussed subject in the finance literature. The purpose of this paper is to determine the relationship between the firm's capital structure and its industrial Liquidity, Profitability, Debt Servicing Capacity, Tangibility, Non Debt Tax Shield and Cost of Debt.

REVIEW OF LITERATURE
A survey of literature shows that a large number of researchers have carried out extensive research in the field of capital structure. Some of them are as per following:

DAVID DURAND VIEWS

Net Income Approach: According to David Durand the cost of capital (Cost of Debt and Cost of Equity) is assumed to be independent of the capital structure. The Weighted Average Cost of Capital declines and the total value of the firm rise with increased use of average. Net Income Approach proposes that there is a definite relationship between Capital structure and value of the firm.

Net Operating Income Approach: Net Operating Income position has been advocated meaningfully by David Durand, that the market value of a firm depends on its Net Operating Income and business risk. The change in the degree of leverage employed by a firm cannot change these underlying factors. It merely change the distribution of income and risk which influence the market value of the firm.

MODIGLIANI AND MILLER THEORY (1958): According to this theory, the market value of a business is based on its earnings power and by the potential risk of its main assets. Moreover, the value of the business is not dependent on the way, it selects to finance its investment or distribute dividend. It offered the behavioral support for the independence of the total valuation and the cost of capital of the firm from its capital structure.

MYERS AND MAJLUF (1984): Pecking Order Theory (POT) is proposed by Myers and Majluf, in which they argue that equity is a less preferred means to raise capital. According to Pecking Order Theory, it does not take an optimal Capital Structure as a starting point, but instead asserts the empirical fact that firms shows a distinct preference for using internal finance. If internal funds are not enough to finance investment opportunities, firms may or may not acquire external financing by choosing among the different external finance to minimize additional cost of asymmetric information.

KIBROM MEHARI FISSEHA (2010): He discovered the determinants of Capital Structure by selecting six firm level explanatory variables such as profitability, tangibility, size, growth, age and tax shield for sample of seven Ethiopian Commercial Banks by using multi variant regression analysis over the study period of nine years (2000-2009). His findings indicate that profitability, size, age and tax shield are the significant determinants of capital structure in Ethiopian Commercial Banks.

RIYAZ AHMED (2012): He analyzed the capital structure determinants of Indian Automobile Manufacturing Companies listed in NSE by employing Multi Regression Model to access influence the defined explanatory variables like size, business risk, earning rate, dividend payout, debt servicing capacity and operating leverage. Out of six explanatory variables he found that business risk, dividend payout, Debt servicing capacity and degrees of leverage are statistically significant determinants of financial leverage.

Md.FARHAN IMTIAZ (2016): He analyzed the determinants of capital structure of listed pharmaceutical firms in Bangladesh for the period of 5 years (2009-2013) by employing correlated panels corrected standard error model using six variables i.e, profitability, tangibility, growth, size, liquidity and operating leverage. He found that tangibility, profitability and operating leverage were found to be statistically significant determinants of capital structure.

STATEMENT OF THE PROBLEM
The determinants of capital structure still remains elusive despite much research done over the past three decades. The relationship between a firm's capital structure and its Profitability and other similar operating characteristics has gained a considerable importance. As a result of debt dominated Capital Structure the Indian corporate are expected to a very high degree of total risk as reflected in high degree of Capital Structure, only a few researches undergone in identifying the factor that determine Capital Structure decision in Indian Pharmaceutical sector. Keeping in view an attempt is made to seek the extent up to which the factors are related to Capital Structure.

RESEARCH METHODOLOGY

DATA COLLECTION
Secondary data is used to conduct this research. Sources of data includes
i) Data from CMIE Data Base maintained by Centre for Monitoring Indian Economy, Mumbai.
ii) Company's website, Journals and Internet.

PERIOD OF STUDY
The present study covers a period of sixteen years from 2000-2015.

SAMPLE DESIGN
There are 134 leading private pharmaceutical companies in India, among these companies Aurobindo Pharma Ltd. have been considered as sample for the study under case study method.

OBJECTIVES OF THE STUDY
The present study is intended to examine the Determinants of Capital Structure of Aurobindo Pharma Ltd.

HYPOTHESES
Based on the literature review and theoretical implications of capital structure, the following hypotheses were framed and tested.
H_{01}:- There is no significant relation between Liquidity and financial leverage.
H_{02}:- There is no significant relation between Profitability and financial leverage.
H_{03}:- There is no significant relation between Debt Servicing Capacity and financial leverage.
H_{04}:- There is no significant relation between Tangibility and financial leverage.
H_{05}:- There is no significant relation between Non Debt Tax Shield and financial leverage.
H_{06}:- There is no significant relation between Cost of Debt and financial leverage.

SCOPE AND LIMITATIONS OF THE STUDY
- The study is restricted to a single company in the pharmaceutical sector.
- The study covers a period of 16 years (2000-2016) only.
- The study considered six explanatory variables only.

MODEL SPECIFICATION
Multiple regression analysis have been applied to measure the effects of the selected independent variables on the Capital Structure. The following regression models were applied to study the factor determining the Capital Structure.
$DER = \alpha + \beta_0 + \beta_1 LIQ + \beta_2 PRO + \beta_3 DSC + \beta_4 TAN + \beta_5 NDTS + \beta_6 COD + \mathcal{E}$. –Model 1
$DCER = \alpha + \beta_0 + \beta_1 LIQ + \beta_2 PRO + \beta_3 DSC + \beta_4 TAN + \beta_5 NDTS + \beta_6 COD + \mathcal{E}$. –Model 2
$DTAR = \alpha + \beta_0 + \beta_1 LIQ + \beta_2 PRO + \beta_3 DSC + \beta_4 TAN + \beta_5 NDTS + \beta_6 COD + \mathcal{E}$. –Model 3
Where,
Dependent Variable:
DER = Debt Equity Ratio
DCER = Debt to Capital Employed Ratio
DTAR = Debt to Total Asset Ratio
Independent Variable:
LIQ = Liquidity
PRO = Profitability
DSC = Debt Servicing Capacity
TAN = Tangibility
COD = Cost of Debt
α = Regression constant value
Ɛ= standard error.

TABLE 1: DEFINITION OF VARIABLES

Name of the Variable	Definition	Supported by
Debt to Equity Ratio	Debt / Shareholders' Equity.	Maryam Mansoor (2014), Rakshmi Soni (2015), Kibrom Mehari Fisseha (2015).
Debt to Total Asset Ratio	Short term Debt + Long term Debt / Total Assets.	Rajan & Zingales (1995), Booth et al (2001), Tariq N Awan (2011)
Liquidity	Current Assets / Current Liabilities.	Maryam Mansoor (2014), Kausik Basu (2013), Neha Poddar (2014).
Profitability	Earnings before Interest and Tax / Total Asset.	Tariq N Awan (2011), Tunga bas et al (2009), Riyaz Ahmed (2012).
Debt Servicing Capacity	Operating Income / Total Interest Charges.	Riyaz Ahmed (2012), Prateek Bedi (2015).
Tangibility	Fixed Asset / Total Asset	Sarune sidlauskien (2009), Tariq N Awan (2011), Paulo f Peraira Alves (2011).
Non Debt Tax Shield	Total Depreciation on Charges / Total Asset.	Kausik Basu (2013), M S Ramaratnam (2013), Kibrom Mehari Fisseha (2015).
Cost of Debt	(Interest /Debt)*(1-tax).	Rakshmi Soni (2015), Hina Agha (2015), Nguyen (2006).

EMPIRICAL ANALYSIS
In order to assess the factor determining the Capital Structure three regression equation have been developed and panel data have been run. The result of regression analysis have been presented below:

TABLE 2: SUMMARY OF CORRELATIONS AND REGRESSION ANALYSIS
$DER = \alpha + \beta_0 + \beta_1 LIQ + \beta_2 PRO + \beta_3 DSC + \beta_4 TAN + \beta_5 NDTS + \beta_6 COD + \mathcal{E}$. –Model 1

Model	Indep Var	Corr	Dep Var	R Square	F Value	Sig	Co-efficients		
							Var	t Value	Sig
I	LIQ	0.092	DER	0.837	7.693	0.004	Cons	-1.256	0.241
	PRO	-0.685***					LIQ	2.491**	0.034
	DSC	-0.532*					PRO	-3.220*	0.010
	TANG	-0.279					DSC	2.863*	0.019
	NDTS	-0.309					TANG	-1.365	0.205
	COD	0.129					NDTS	-2.524**	0.033
							COD	2.433*	0.038

***** - 10% level of significance ** - 5% level of significance * - 1% level of significance.**

The empirical results of model 1 shows that Profitability, DSC, Tangibility and NDTS negatively related with Debt Equity Ratio whereas, Liquidity and Cost of Debt positively associated with DER not statistically significant.

From the regression analysis, it is found that Liquidity, DSC and COD have positive and significant impact on Capital Structure. Whereas, Profitability and NDTS have negative and significant impact on DER. The analysis R^2 is 83.7% and the F value that the model is highly significant.

The regression result of Model 2 is presented below:

TABLE 3: SUMMARY OF CORRELATIONS AND REGRESSION ANALYSIS

DCER = $\alpha + \beta_0 + \beta_1$ LIQ + β_2 PRO + β_3 DSC + β_4 TAN + β_5 NDTS + β_6 COD + Ɛ. –Model 2

Model	Indep Var	Corr	Dep Var	R Square	F Value	Sig	Co-efficients		
							Var	t Value	Sig
	LIQ	0.030					Cons	-0.890	0.397
	PRO	-0.742**					LIQ	2.822**	0.020
	DSC	-0.598*					PRO	-3.793*	0.024
II	TANG	-0.253	DCER	0.903	13.922	0.000	DSC	3.513*	0.007
	NDTS	-0.378					TANG	-1.869***	0.094
	COD	0.116					NDTS	-3.769**	0.004
							COD	3.523*	0.006

***** - 10% level of significance ** - 5% level of significance * - 1% level of significance.**

The correlation co-efficient between dependent variable and independent variable shows that the explanatory variables Profitability and DSC have negative and significant relationship with leverage ratio (DCER). Whereas, the other variables Liquidity, Tangibility, NDTS and COD have insignificant relationship with DCER.

From the regression results it has been found that Liquidity, DSC and COD have positive and significant impact on Capital Structure. Whereas, Profitability, Tangibility and NDTS have negative impact on Capital Structure. The adjusted R^2 90.3% and F value shows that all the selected independent variables explains 90.3% of the variations with the Capital Structure.

The result of the correlation and regression analysis for model 3 has been presented below:

TABLE 4: SUMMARY OF CORRELATIONS AND REGRESSION ANALYSIS

DTAR = $\alpha + \beta_0 + \beta_1$ LIQ + β_2 PRO + β_3 DSC + β_4 TAN + β_5 NDTS + β_6 COD + Ɛ. –Model 3

Model	Indep Var	Corr	Dep Var	R Square	F Value	Sig	Co-efficients		
							Var	t Value	Sig
	LIQ	0.078					Cons	0.138	0.893
	PRO	-0.692**					LIQ	3.406*	0.008
	DSC	-0.538*					PRO	-3.896*	0.004
III	TANG	-0.278	DTAR	0.911	15.399	0.000	DSC	3.754*	0.005
	NDTS	-0.451					TANG	-2.371**	0.042
	COD	-0.005					NDTS	-4.131*	0.003
							COD	3.491*	0.007

***** - 10% level of significance ** - 5% level of significance * - 1% level of significance.**

The empirical results of model 3 shows that Profitability and DSC have negatively related with Debt to Total Asset Ratio and significant. Whereas, other variables like Liquidity, Tangibility, NDTS and COD have insignificant relationship with DTAR.

From the regression results, it has been found that Liquidity, DSC and COD has positive and significant impact on Capital Structure at 1% level of significance. Whereas, Profitability, Tangibility and NDTS have negative impact on Capital Structure.

The Adjusted R^2 91.1% and F table value shows that the model is highly significant.

FINDINGS OF THE STUDY

- From the correlation analysis, the linear relationship between selected explanatory variables (Profitability and DSC) and Capital Structure (DER, DCER & DTAR) are found to have significant relationship.
- Significance F at (α = 0.05) is below 0.004 suggests that overall model is good.
- With regard to regression results of the determinants of Debt Equity Ratio (DER), Debt to Capital Employed Ratio (DCER) and Debt to Total Asset Ratio (DTAR), R square is found to be 0.837, 0.903 and 0.911 respectively indicating that 83 percent to 91 percent of variations in the capital Structure of Dependent Variable are well explained by the selected explanatory variables like Liquidity, Profitability, DSC, Tangibility, NDTS and COD.
- It is found that in regression analysis, the six explanatory variables Liquidity, Profitability, DSC, Tangibility, NDTS and COD are statistically significant both positive and negative relationship in all the three models.

CONCLUSION

The present study analysed the factors determining the Capital Structure behavior of Aurobindo Pharma Ltd for the period of sixteen years (2000-2015). Correlation and Multiple Regression Analysis is carried out for the study. Debt Equity Ratio, Debt to Capital Employed Ratio, Debt to Total Asset Ratio has been used as dependent variable. Liquidity, Profitability, Debt Servicing Capacity, Tangibility, NDTS and Cost of Debt have been used as independent variable. The result shows that Liquidity, DSC and COD found to be an important variable that determine the Capital Structure behavior of selected sample company.

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A STUDY ON RISK PERCEPTION OF COMMERCIAL BANK TOWARDS AGRICULTURAL FINANCE WITH SPECIAL REFERENCE TO ALAPPUZHA DISTRICT

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ABSTRACT
Agriculture is the foundation of a country like India where Kerala especially Kuttanad in Alappuzha district is called the rice bowl of Indian economy. Most of the agricultural land in Kerala is dying due to the non-availability of finance to support farming activities and due to lack of interest of local community towards agrarian activities. Only 30% of local community approaches commercial banks and organised financial institutions to avail credit facilities, rest are still under the clutches of local moneylenders. It is mainly because of lack of awareness of farmers towards various schemes of finance offered through banks or due to poor service of commercial banks. Banks always classify agricultural loans and credit under high-risk category or Non-performing category from their experience of default in payment of interest and principal from the part of farmers. The present study is an attempt to study the risk perception of commercial banks towards agricultural finance and perception of farmers towards various finance related matters in connection with agriculture.

KEYWORDS
agriculture, commercial banks, finance, risk perception.

JEL CODE
A14

INTRODUCTION
Indian economy is an agricultural based economy as it provides food, clothing and other basic necessities for the entire society. It plays a crucial role in the economic life of the Indian society. In the Indian economy, agriculture contributes one-third of the national income. 50-70 percentage of export directly or indirectly originates from agriculture sector and it provides employment to around 60 percent of the workforce. It plays an inevitable role in the economic development and planning of the Indian economy.

To meet the various credit requirements of the farming community, the Government of India has initiated several policy measures and support schemes that are disbursed through multi-agency network consisting of Commercial Banks, Regional Rural banks and cooperatives. Before making any financial decisions, credit analysis should be done by banks and institutions as part of the screening process. The risk profile of borrowers that is trust worthy borrower with low credit risk would be granted loans while a high-risk borrower would be denied. A good pre-credit risk assessment helps financial institution on loan pricing, determining the loan amount, credit risk management and ensuring prompt and timely loan repayment by the borrower. Pre- Credit analysis also includes determining the financial strength of the borrower, estimating the probability of default and reducing the risk of non-payment to an acceptable level.

Realizing the importance of agriculture finance in fostering agricultural growth and promotion, the emphasis on the institutional framework for agricultural finance is being emphasized since the beginning of planned development era in India and still working on it.

REVIEW OF LITERATURE
Prasad (1969) in his study on, "Capital Investment in Agriculture-A Study in Regional Variations" classified the factors responsible for variations in the investment pattern into internal and external factors. The internal factors included those on which the individual has control like cropping pattern, type of farming, the resource position and the progressive nature of the cultivator. External factors are those that create opportunities or the necessary infrastructure conducive to the individual for investing capital in agriculture such as, construction of irrigation projects and provision of cheap credit.

Paradhasarathi (1978) in his work "Agricultural Finance by Commercial Banks Technicalities" stated that over dues had to be analysed by finding the reasons, which forced the loan to become overdue or debt. The causes might be the factors, which were controllable in nature as unsound lending policy, inadequate supervision by bank personnel, poor management by the farmers, or factors, which are uncontrollable in nature such as crop failure due to natural calamities.

Ashok Kumar, Pandey and Sushita Kaul (1987) in their article "Study of Growth and Disparity in Agricultural Advances by Commercial Banks" stated the number of commercial bank branches and their advances to agriculture in Kerala have growth with a compound growth rate of 10.5 per cent and 28.49 per cent respectively during 1969 and 1982. They also found that the per hectare flow in agricultural credit from commercial banks in Kerala increased from Rs. 28.70 during 1969 to Rs. 714.11 during 1982.

Bhat (1995) in his article "Agricultural Borrowers from Banks - A Profile and Policy Implications" has made and attempt to present the profile of the agricultural borrowers from commercial banks, RRBs and cooperative credit societies in Dakshina Kannada District of Karnataka. A high degree of inequalities exists in the ownership of land. The data reveals that 64.2 per cent of the sample beneficiaries are small farmers and 9.2 per cent are big farmers. The study shows that the inequality in the distribution of income is greater 127.8 than the distribution of land 90.4 among beneficiaries. He has suggested that, the cost of institutional credit to the target group should be lower than the cost of credit to the non-target group of borrowers, non interest cost of institutional credit to the target group should be reduced and it is essential to device new measures and schemes of lending to the target group against securities other than land.

S. Gandhimathi and S. Vanitha (2010) in their study "Determinants of Borrowing Behaviour of Farmers – A Comparative Study of Commercial and Cooperative Banks", analysed that the preference of farmers between commercial and cooperative banks for borrowing has been studied with the objectives of finding distribution of institutional credit across various categories of farmers and to assess the coverage and quantum of credit and socio-economic factors which tell on the borrowing behaviour of farmers towards commercial and cooperative banks. In the study, based on 100 farmer borrowers, the discriminant analysis has been carried out. The study has offered some suggestions also for a better access of farmers to institutional credit.

SIGNIFICANCE OF THE STUDY
To insulate farmers against the risks in agriculture, government has launched several schemes such as National Agricultural Insurance scheme and Weather index based crop insurance scheme. But their coverage seems to be limited among the farmers due to lack of full information. Likewise institutional finance is instrumental in acquiring productive form assets and development of irrigation facilities. But the recovery of loans granted through various institutions is become a difficult task which requires collective effort of banks and loaners.

STATEMENT OF THE PROBLEM
'Agriculture is the back-bone of Indian economy'. The agricultural sector is important for food security, employment generation and economic growth. But it is showing a downward trend. Green revolution in the early stage did augmented the food grain production but became a cause for unsustainable agriculture due to lack of knowledge base. In kerala, especially in Alapuzha District agriculture and farming activities are the most overriding sectors of the economy.

Intuitional support is essential for the promotion and development of agricultural sector. Farmers approach banks and cannot get loan from the banks due to the reason of holding small sized land. Due to non availability of credit, lack of institutional support and substandard inputs, farmers have committed suicide at the age of 40-50.At the time of independence the most important source for agricultural credit was money lenders. Money lenders accounted for as much as 71.6 percent of rural credit during this period. The almost total dependence of the farmers on the money lenders, enabled them to dictate terms and exploit farmers in a number of ways like money lenders charged high rate of interest and also forced the farmers to sell their produce to them at lower prices.

The government of India mandated commercial banks to give credit facilities to the agricultural sector of the country in order to expand the scope of farm operations, adoption of new technologies, enhance optimal use of farm inputs and increase agricultural production and hence increase attainment of food self-sufficiency. Unfortunately inspite of the importance of loan in agricultural production, its repayment is fraught with a number of problems especially in the small holder farming. The poor repayment of loan has affected so many financial institutions to the extent of causing them to liquidate. Over the years, farmers have been found to be insensitive or unresponsive on repayment of agricultural loan obtained from the banks.

Because of the above cited importance, it is worthwhile to conduct a study on credit risk faced by commercial banks in Kerala with respect to agricultural finance with special reference to Alapuzha district.

RESEARCH OBJECTIVES

1. To analyse the risk perception of commercial banks towards agricultural finance with reference to Alapuzha district.
2. To study the socio-economic condition of the farmers availing agricultural loans from banks through various schemes.
3. To analyze whether there is any difference in the perception of commercial banks regarding agricultural finance and other form of finance.
4. To identify the various credit schemes followed by the commercial banks and the loans sanctions under various schemes.
5. To understand the risk mitigation measures implemented by the Government.

METHODOLOGY

The following methodology is adopted for conducting the present study. The study is an analytical one based on primary as well as secondary sources of data

SOURCES OF DATA

Both primary and secondary data are to be used for the study. Primary data is to be collected directly from commercial banks and farmers in Alappuzha district by using questionnaire and interview schedule. Secondary data is to be collected from published books, journals, magazines and websites.

POPULATION

The population for the study consists of commercial banks and farmers of Alapuzha District, Kerala.

SAMPLE

Random sampling method is adopted for selecting the sample population. There are 20 different kinds of commercial banks and around 122 branches in Alapuzha district. 5 branches of 12 banks ie.60 banks have been selected, representing different kinds of banks and data have been collected from 240 respondents (12 banks*20 framers).

TOOLS FOR ANALYSIS

For the purpose of analyzing and interpreting the data, percentages are to be used.

RESULTS AND DISCUSSIONS

Data collected from the commercial banks were

1. State bank of India
2. Bank of India
3. Canara Bank
4. Corporation Bank
5. Indian Overseas Bank
6. Central Bank of India
7. Bank of Baroda
8. Punjab National Bank
9. Syndicate bank
10. Union Bank of India
11. Oriental bank
12. UCO bank

TABLE 1: NATURE OF FARMERS

Type of farmers	Below 10 years	10-20 years	Above 20 years	Total
Traditional	20	120	20	160
Non traditional	20	45	15	80
Total	40	165	35	240

Source: Primary data

Interpretation: out of 240 farmers 160 are traditional farmers and rest are non-traditional.

TABLE 2: NATURE OF OWNERSHIP

Nature of land	Below 5 acres	5-10 acres	Above 10 acres
Own land	60	10	10
Leasehold	70	20	30
Tenant farming	10	10	-
Share cropping	20	-	-

Source: Primary Data

Interpretation: The above table shows the categorisation of farmers on the basis of nature and size of agricultural land

TABLE 3: SIZE OF CULTIVABLE LAND

Size of land	Below 2.5 acres	2.5-5 acres	Above 5 acres
Own land	40	30	10
Leasehold land	80	10	22
Teanant farming	10	10	-
Share cropping	20	-	-

Source: Primary Data

Interpretation: Table shows the size of cultivable land on the basis its nature.

TABLE 4: CROPPING PATTERN

Pattern	Below 2.5 acres	2.5-5 acres	Above 5 acres
paddy	100	30	30
vegetables	10	20	25
Tuberous	20	10	10

Source: Primary Data

Interpretation: Paddy is the main crop cultivated by the farmers

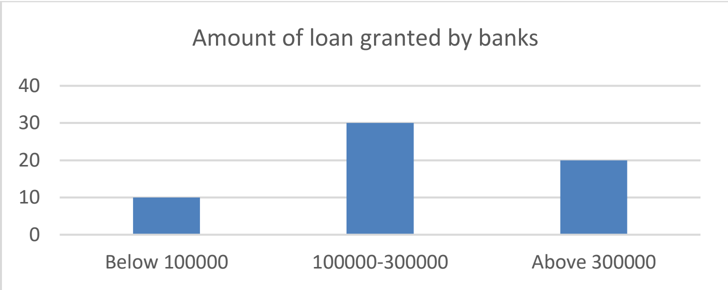
TABLE 5: REMEDIES TO AVOID DEFAULT PAYMENT

Remedies	Number	Percentage
Prior assessment of borrower	20	33
Collateral security	20	33
Crop insurance	16	28
Reminder	2	3
penalty	2	3
rewards	-	-
Total	60	100

Source: Primary Data

Interpretation: Banks can reduce the possibility of non payment of dues by resorting remedial measures

FIGURE 1



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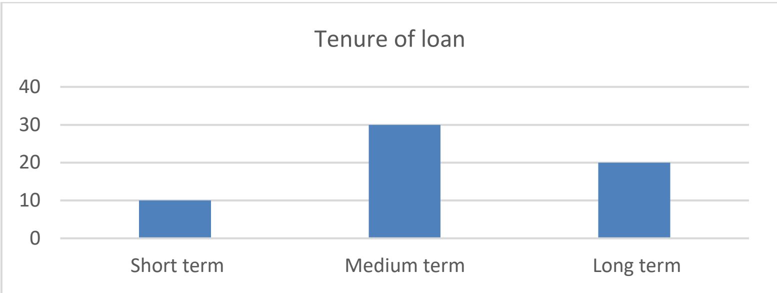

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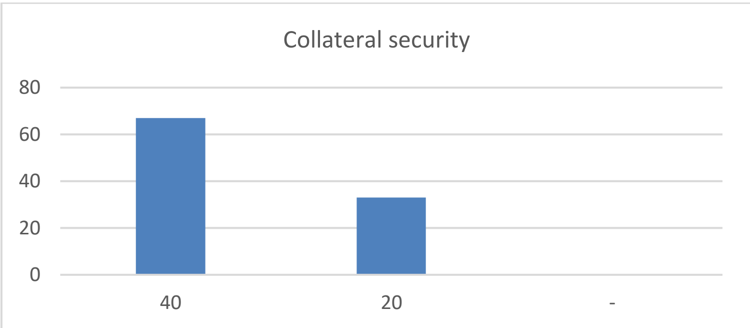

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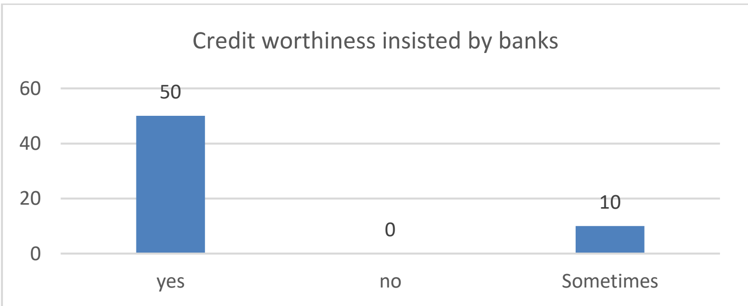

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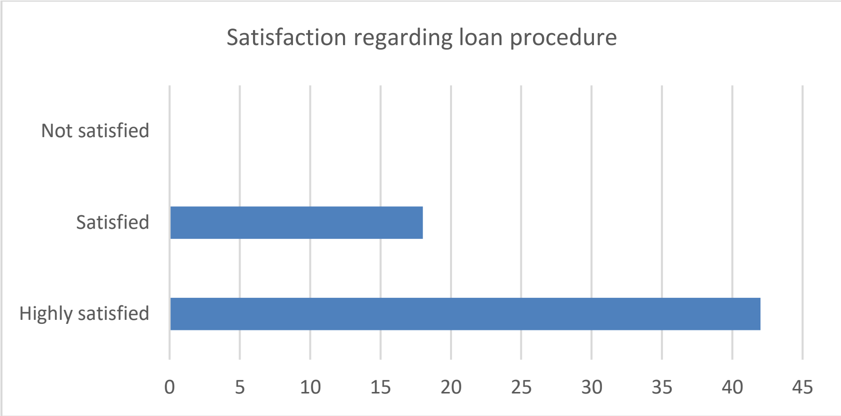

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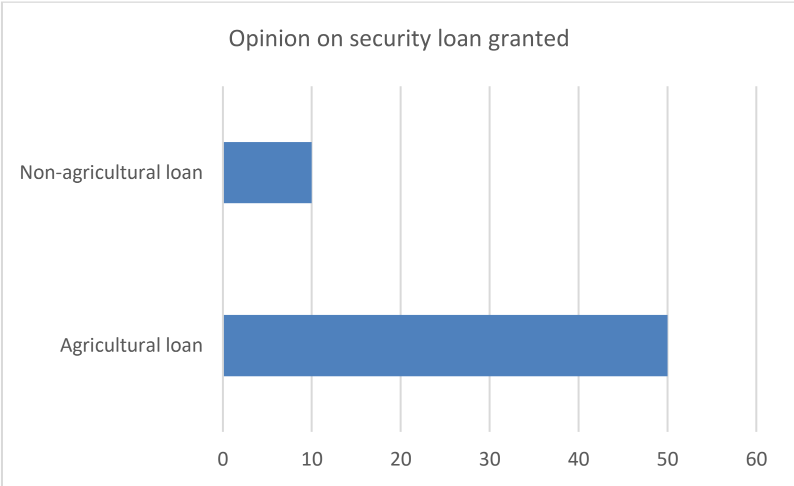

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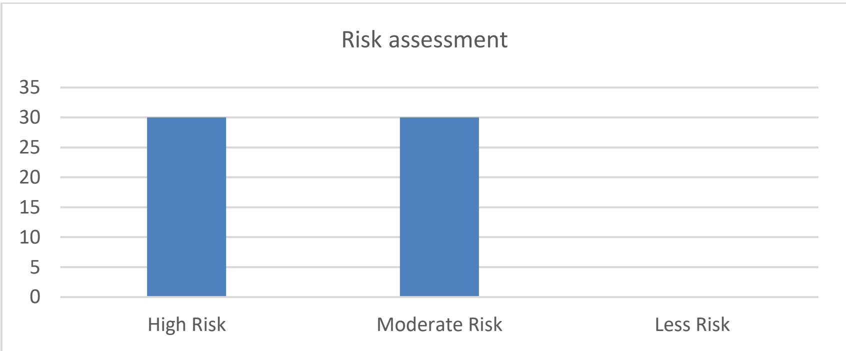

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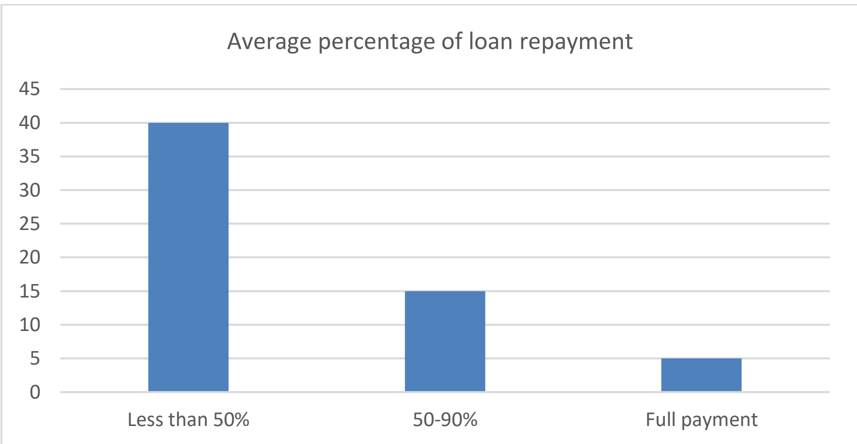


FIGURE 9

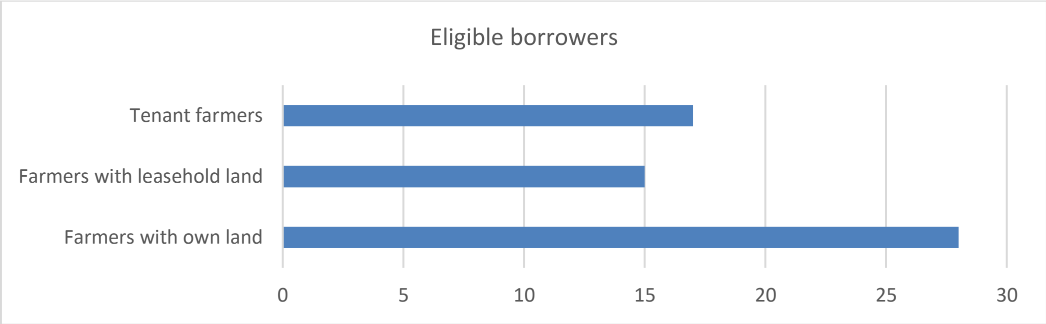
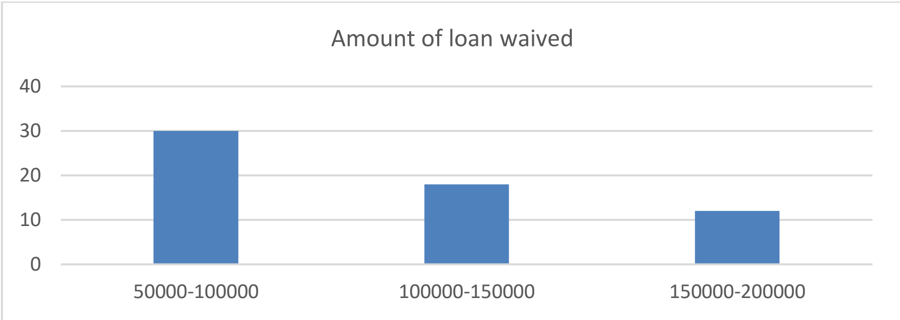


FIGURE 10



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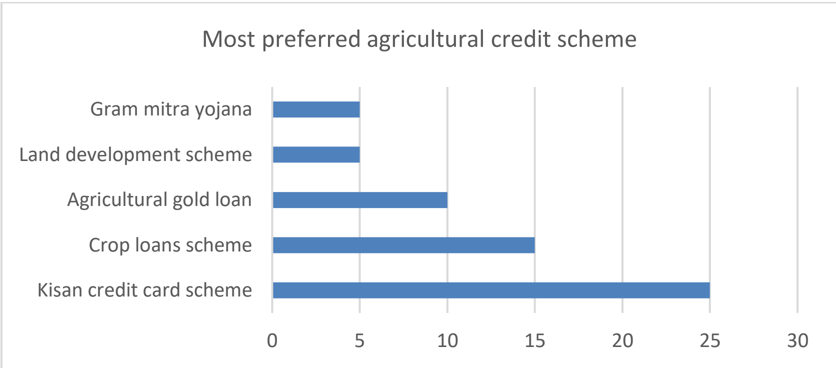

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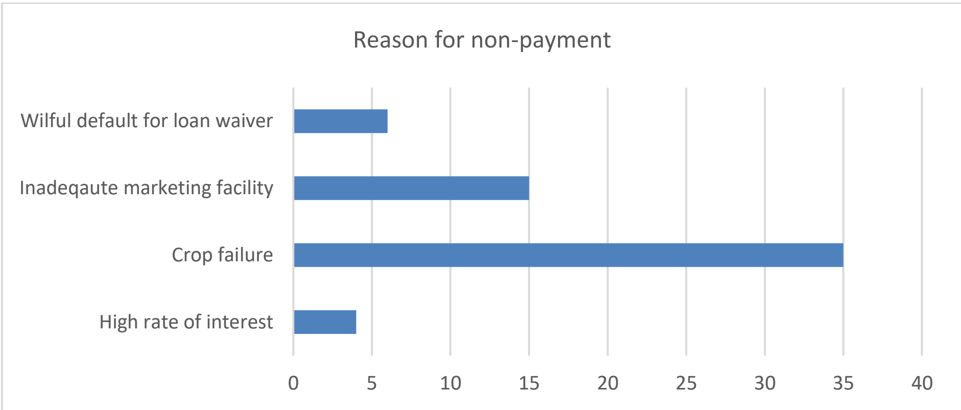

FINDINGS

The study was conducted among 60 branches of 12 banks. Among the 122 branches of 20 commercial banks and among 240 farmers. 5 branches of 12 banks were selected for the study to ease the availability of data

1. 5 branches of SBI, Bank of India, Canara Bank, Corporation Bank, Indian Overseas Bank, Central Bank of India, Bank of Baroda, Syndicate Bank, Union Bank of India, Oriental Bank of Commerce, UCO bank, were selected for the study.
2. 50% of banks prefer to give Rs. 100000-300000 as agricultural loan and 33% has given loan exceeding Rs. 300000.
3. Medium term loans are preferred by most of the commercial banks to secure their loan amount.
4. 67% of banks charges below 5% interest for most of the agricultural credit schemes offered.
5. 83% of banks always prefer to insist on bringing margin money for raising loans.
6. 67% of banks prefer collateral security at the time of availing loan, if loan amount exceeding Rs. 50000 and sometimes it is not mandatory for those farmers who have good track record with the bank.
7. 83% of banks assess credit worthiness of borrowers before granting agricultural credit.
8. 83% of banks are of the opinion that farmers are well aware about various schemes offered by the banks, 17% thinks that awareness level is nil.

9. 70% of banks thinks that farmers are satisfied with the loan procedures followed in their banks it is because most of the banks offer ‘Help Desk ‘facility for ill-literate farmers.
10. 83% of banks think that Non-agricultural loans are much secured than agricultural credit and 50% of them thinks that agricultural loans are highly risky and the other half thinks that they have moderate risk.
11. In the opinion of banks, very less percentage of farmers makes full settlement of their dues in time.
12. Banks grants loans mainly for development of agricultural alns. 13% grants for purchasing the agricultural land, 35% grants loan for purchasing fertilizers and seeds. Some banks grants loans even for paying-off the earlier debts of farmers.
13. 47% banks secure their loan by granting credit to farmers with own land, 28% grant loans to leasehold tenants, 25% to tenant farmers.
14. 50% are of the opinion that farmers sometimes make prompt payment which will depends upon the amount of loan and risk factor associated with their farming activities.
15. 50% of banks thinks that farmers are satisfied with the interest rates charged on various schemes, 33% thinks that farmers are highly satisfied in the interest rate offered on various agricultural credit schemes.
16. 92% banks undertake follow-up actions to secure their loans from becoming Non-performing asset.in order to avoid these banks always sends reminders and notices to ensure prompt and timely payment.
17. Most of the banks have waived agricultural loan once in 10 years.
18. 42% of banks thinks that their customers are highly satisfied in their services.
19. Banks thinks that crop failure is the main reason for non-payment of agricultural credit
20. Majority of the banks charge penal arte of interest from the default farmers.
21. 75% of banks have availed assistance from government in connection with agricultural credit.
22. 33% of banks thinks that prior assessment on credit worthiness of borrower and by means of collateral can reduce agricultural loans to become NPA. 28% thinks that farmers themselves can secure from losses by means of crop insurance. Reminders and rewards can reduce willful default of farmers to an extent.

SUGGESTIONS

From the findings drawn from the study, Followings suggestions are made.

SUGGESTION TO BANKS

1. The agriculture finance should be provided to fairly long period and it should be provided at lower rate of interest.
2. The finance should be granted against collateral security of borrowers.
3. Banks should make effort to establish a close relation with the borrowers.
4. Banks should conduct meeting in the villages of farmers to educate them regarding the various schemes offered by the banks.
5. Bank officers should render necessary advisory services to the borrowers. This post finance follow up action act as a check on finance utilisation.
6. Farmers should be provided guidance for improved farming techniques, balanced fertilisation, use of water saving devices and proper plant protection measures.
7. Viable schemes for soil and water conservation on water-shed basis should be formulated and implemented through bank finance in order to bring more area under cultivation and to increase the productivity of land.
8. The loans should be advanced only to the needy and deserving farmers who have high degree of integrity and are equipped with honest sense of financial management.
9. Publicity of agricultural finance schemes should be arranged through media like radio, television etc.
10. Banks should take efforts to send reminders and notices to ensure the prompt payment of borrowers
11. Banks should simplify their loan procedures so that farmers get access to Banks.
12. Banks should insist margin from borrowers while granting loans.
13. Prior assessment of credit worthiness and previous track record of borrowers can reduce risk in connection with agricultural credit.
14. Banks should advice farmers to undertake crop insurance policy to hedge them against crop failures.
15. Banks should waive loans of only trustworthy and high indebted farmers to avoid suicide and other life threatening issues.

CONCLUSION

The present study was conducted to analyse the attitude and perception of commercial banks in Kerala, particularly in Alappuzha district towards various credit facilities offered to farmers. It has been recognized that banks considers credit assistance for farming activities attract a substantial amount of risk from their earlier experience. Due to various factors such as crop failure, lack of availability of rain, lack of adequate marketing facilities farmers are unable to make prompt payment of their dues, which may ultimately increases their indebtedness and finally results in suicides, which is a social injustice to the mankind. Banks are taking efforts to avoid such evil effects through loan waiver scheme, crop insurance etc. It is to be concluded that government should redefine agricultural and credit policies such a way that farmers are get benefitted through various subsidies and concessions.

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A STUDY ROLE OF SIDBI's IN GROWTH AND DEVELOPMENT OF SSI & MSME IN INDIA

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ABSTRACT

The SIDBI Banks being an important Nerve of Modern organized society can play an important role in the SSI transformation. They provide the infrastructure on which agriculture industries and trade of nation depend. They can allocate available resources by Mobilizing Deposits and advancing credit into the best possible uses according to national priorities. The small – scale sector today has to face competition not only from multinationals but also from large domestic producers. The WTO regulation and removal of quantitative Restriction have further mitigated the problems of small – scale industries. They need of the hour in Technology upgradation. This paper is an attempt to explain the rule of the SIDBI in development SSI. It also includes an overview of New Scheme of SIDBI.

KEYWORDS
SIDBI, RBI, small-scale industries, export promotion.

JEL CODES
O16, O17.

INTRODUCTION

Small Industries Development Bank of India (SIDBI) was established on 2 April 1990 under an SIDBI Act, 1989 passed in parliament. The charter establishing SIDBI envisaged SIDBI to be "the principal financial institution for the promotion, financing and development of industries in the small scale sector and to coordinate functions of other institutions engaged in similar activities." SIDBI started its operations by April 2, 1990, through taking over the outstanding portfolio and actions of IDBI pertaining to the small-scale sector. In pursuance of the SIDBI (Amendment) Act, 2000, and as approved by the Government of India, 51.1 per cent equity shares of SIDBI held by IDBI have been transferred to public sectors banks, LIC, GIC, and other Institutions owned and controlled by the central government. Beginning as a refinancing agency to banks and states level financial institution it has expand its activities, including direct credit to the SME through 100 branches in all major industrial cluster in India. Presently SIDBI has 35 banks, insurance companies, investment and financial institutions as its shareholders in addition to IDBI, which continues to hold 49 percent share in SIDBI. Besides, it has been playing the development role in several ways such as support to micro finance institution. SIDBI has also floated with several other entities like Credit Guarantee Fund Trust for Micro and Small enterprises, SIDBI Venture Capital ltd., etc.

Four basic objectives of SIDBI are: financing, promotion, development, and coordination for orderly growth of the small-scale industries.

SIDBI plays a significant role in promotion, financing and development of SSI and coordinating the functions of institutions busy in similar actions. Its field of actions comprises:

- Direct finance operations to SSI, MSMEs and Service Sectors besides Infrastructures.
- Indirect finance through resource support to the banks, NBFCs SFCs and other central financing/Development Agencies, Development of Micro Credit Institutions.
- Promotion of other Associate Institutions like Venture Capital, Rating Agency, Credit Guarantee Fund, Asset Reconstruction Company and so on; and
- Nodal Agency for Government of India MSME schemes like Technology Up gradation Fund Scheme (TUFS), Credit Linked Capital Subsidy Scheme (CLCSS), Integrated Development of Leather Sector Scheme and Development of Infrastructure Development Projects etc.

SIDBI retained its position in the top 30 development banks of the world in the latest ranking of he bankers, London. SIDBI has permitted to raise finances up to Rs. 2730 cr. onwards by RBI. The business domain of SIDBI consists of MSMEs, which contribute significantly to the national economy in terms of production, employment and exports. MSME sector is an important pillar of Indian economy with a vast network of around 3 cr. Units, creating employment of about 7 cr., manufacturing more than 6000 products, contributing about 49% to gross value output and about 45% of exports, directly and indirectly.

MANUFACTURING ENTERPRISE

The enterprises engaged in the manufacturing or production of goods pertaining to any industry specified in first schedule of the Industries Development and Regulation Act 1951 or employing plant and machinery in the process of value addition to the final product having a distinct name or character or use.

SERVICE ENTERPRISE

The enterprise engaged in providing or rendering of services.

TABLE 1: INVESTMENT IN PLANT & MACHINERY

Enterprises	Manufacturing Sector	Service Sector
Micro	Up to Rs. 25 lacs	Up to Rs.10 lacs
Small	More than Rs. 25 Lacs but up to Rs. 5 crore.	More than Rs. 10 Lacs but up to Rs. 2 crore.
Medium	More than Rs. 5 crore but up to Rs. 10 crore.	More than Rs. 2 crore but up to Rs. 5 crore.

As an apex institution SIDBI bring into play the network of the banks and state financial institution, which have retail outlets for coordinating the development of the small-scale sector. SIDBI has entered into Memorandums of Understanding (MOUs) with 18 banks, government agencies, international agencies development institutions, and industry associations to make possible a coordinated approach for the development of the small-scale sector.

In Endeavour of SIDBI towards the development of MSMEs, it adopts a credit plus approach wherein, the bank also facilitates grant support for the promotion and development of sector to make it strong, vibrant and competitive. The promotion and development activities of the bank also include Micro Enterprise promotion, Entrepreneurship development, cluster development, capacity building of MSME sector and promoting Responsible Finance among Micro Finance Institutions.

RESEARCH METHODOLOGY

Research design is descriptive in nature. The study is based on secondary data. The required information is collected from various past studies and other sources like magazines, newspaper, reports and websites, which are qualified as reliable.

OBJECTIVES OF THE STUDY

1. To study about the new schemes of SIDBI for the development of SSI and MSMEs.
2. To aware readers and public about the various schemes of SIDBI.

NEW SCHEMES AND RECENT TRENDS OF SIDBI

Trade Finance Scheme (TFS) / Raw Material Assistance (RMA): Various MSMEs source their raw material from large Corporate /PSUs, whose terms are mostly on "cash on delivery (COD), i.e. no credit period is available to the MSMEs on their raw material purchases. This adversely affects the liquidity position of the MSMEs since they also have to provide credit on their sales. The scheme envisages financing such MSMEs for procuring raw materials / inventory which would ease the liquidity position of the MSMEs. The scheme would also help MSME units in availing benefits of bulk purchases such as cash discounts, etc. from their suppliers.

Green Loan Scheme: The main objective of this scheme is to provide assistance to MSMEs to meet capital expenditure, non-operational and intangible expenditure for improving energy efficiency / adopting cleaner production, measures / waste recycling, waste treatment and disposal, ISO certification, green rating, etc.

MSME Receivable Finance Scheme (MSME RFS): To mitigate the problem of delayed payments to MSMEs in respect of their credit sales to large purchase companies by offering finance against bills of exchange / Invoices arising out of such sales. The scheme covers discounting of bills of exchange / invoices arising out of sale of indigenous components / parts / sub-assemblies / accessories / intermediates by an MSME unit. Services provided by an enterprise in the services sector (eligible service provider) to purchaser companies are also covered. The scheme helps the MSMEs in :- (a) Quicker realization of receivables. (b) Discounting at competitive rates. (c) Efficient Cash Management.

Energy Efficiency/ Clean technology financing Scheme: This scheme is launched to encourage customers to upgrade technology to reduce energy consumption, enhance energy efficiency, reduce CO2 emissions and improve the profitability of the Indian MSMEs in the long run. Under different lines of credit (LOCs).

Direct Discounting Scheme (Equipments) [DDS (E)]: The scheme enables the purchase / sale of indigenous machinery / capital equipment by purchaser / manufacturer in the MSME sector through deferred payment facility by discounting the bills of exchange with SIDBI.

Scheme for facilitating payments to MSMEs in Construction Sector: (CRE): Construction sector is one of the biggest business providers to MSME suppliers and service providers. Timely payment from construction entities is one of the major problems faced by these MSME vendors. The scheme will facilitate timely payments to such MSME vendors. The scheme is intended to cover Commercial Real Estate [CRE] exposures in construction sector case, where the revenue will be by way of sale of [excluding solely residential projects].

PROMOTIONAL & DEVELOPMENTAL INITIATIVES OF SIDBI

Being the apex financial institution for the MSME sector, SIDBI adopts a „Credit Plus‟ approach under which Promotional & Developmental (P&D) activities are initiated with the twin strategy of creation of enterprises and strengthening of existing enterprises. SIDBI has benefitted the MSME sector through P&D activities which helped in setting up of over 1 lakh enterprises, generating employment of around 3 lakh and benefitting around 4 lakh persons.

An important P&D initiative of the Bank is the Micro Enterprises Promotion Programme (MEPP) which aims at promoting viable micro enterprises in rural areas leading to rural employment generation. Cumulatively, upto March 31, 2012, MEPP has been implemented in 121 districts in 24 States, thereby promoting more than 38,000 rural enterprises. Similarly, Entrepreneurship Development Programme (EDP) aims at promotion of self-employed ventures capable of generating employment opportunities, especially targeting less privileged sections of the society like Women, Scheduled Castes / Scheduled Tribes, minorities and the rural poor. As on March 31, 2012, cumulatively number of EDPs supported by the Bank for various target groups was 2894, benefitting more than 72,850 participants.

Similarly, the total number of Skill-cum-Technology Up gradation Programmes (STUPs) and Small Industries Management Programmes (SIMAPs) supported by the Bank since inception, till March 2012, were 1,504 and 295, respectively benefiting about 39700 participants. STUP aims at enhancing technology profile of MSME units and SIMAP targets qualified unemployed as well as industry-sponsored candidates, with the overall objective of providing competent managers to the MSME sector.

SIDBI also accords special attention to the development of North Eastern Region (NER) through a package of micro finance, rural industrialisation, entrepreneurship development, marketing support, etc.

The special initiatives being pursued in the NER encompass MEPP in 22 districts, 39 Cluster Development Programmes (CDP) and various vocational training programmes, marketing activities, seminars, etc. These programmes have so far promoted more than 2500 units in NER. To accelerate industrial development in the north eastern part of the country, the Bank has enlisted North Eastern Development Financial Institution (NEDFi) as an eligible primary lending institution for refinance of loans to micro and small enterprises and a refinance limit of ₹50 crore was sanctioned to it during FY 2011-12. Your Bank has also set up Counselling Centres Shillong (Meghalaya), Silchar (Assam), Aizawl (Mizoram), Gangtok (Sikkim) and Agartala (Tripura). In 2012-13, the financial institution provided loans to Micro, Small and Medium Enterprises (MSMEs) directly (term loan under direct credit schemes, MSME receivable finance, bulk credit & Venture capital finance) and indirectly (Refinance, Equity assistance, Micro Finance including

P&D assistance Resource support to institutions) had disbursed Rs 41,160 crore. SIDBI had identified four niche areas - risk capital, receivable financing, financing services sector and sustainable financing - where MSMEs need support. In the current fiscal, SIDBI set a 10 per cent higher disbursement target.

CONCLUSION

The biggest problem of MSMEs is the unduly delayed payments by large industry players. The other problems are lack of infrastructure inputs and banking support. Now it is obvious that Indian MSMEs are striving to be on par with their counterparts in technology development. While in countries like China, North Korea and Taiwan, apart from hand-holding by the Government and banks, large corporates support them through prompt payments. A strong business model was nurtured in these countries instead of a subsidy mindset adopted in India.

The MSME sector is yet to realize fully the benefits of liberalisation and deregulation. There is a need to uplift the MSMEs not only technologically, but otherwise too. MSMEs still face the problem of obtaining the timely and affordable credit. The sector is still neglected by the Banks and Financial Institutions in the Private Sector, which are neglecting the mandatory 40% priority sector lending. The proposed SME Stock Exchanges should take initiative to raise capital from the public. SIDBI would continue to identify the gaps in the MSME clusters and address those gaps through innovative solutions viz. loan syndication, capacity building of MSME sector, common facility centre, cluster diagnostic studies, credit facilitation centre, credit counseling and advisory services including market information, supporting skill development institutes, supporting incubation and innovation centres, setting up of website to address information asymmetry for the prospective and new entrepreneurs, coming out with various studies / reports / web-based solutions to address information gap, etc. These developmental initiatives would not only address the emerging needs of the sector, but also will create employment opportunities in this productive sector of the economy.

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IMPACT OF TRAINING, RISK PERCEPTION AND EXPECTED INCOME TOWARDS STUDENTS' INTENTION TO INVEST IN CAPITAL MARKET

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ABSTRACT

This research aimed to explain about impact of traning, perception of risk and expected return to stundents' intention to invest in capital market. Research involved 100 economics and business students in various university in Palembang. The result show that training, perception of risk and expected return are influenced to intention on the capital market. The dominant variable that influenced intention to capital market is dominant variable is expected return. Students interested in capital market that provide a high profit gain. Evaluation of educational materials and approaches to capital market training workshops can be done to develop more interesting and interactive educational materials.

KEYWORDS

capital market training, risk perception, student' intention at capital market.

JEL CODE

A11

INTRODUCTION

Capital markets have an important role in economic development of a country. This is due to the capital market, investors both individual investors and business entities can channel the excess funds to be invested, while entrepreneurs will get additional capital to expand its business network of investors (Yuliana, 2010). Indonesia had the second position as the world's investment destination by 2015 (The Economist, 2016). Indonesia is the country that the highest capital return in the world to invest in capital market during 1999 to 2015. Indonesia is the first ranked ahead India, Russia, Brazil and China (Metrotvnews.com, 2016).

The growth of domestic investors shows a significant increase from year to year. But the percentage of people who invest in the capital market is just 0,002 of the entire population of Indonesia. This shows that investment in the capital market is very small and not been an investment choice for the majority of Indonesia's population.

The majority investor Indonesian capital market is young investors, which are 25 to 35 years old. In the age range below 25 years are young generation to invest in capital market. On the younger age, students are not yet aware of investment in the stock market. Only few of students interested to invest in stock market because they not understand about capital market, profit gain, loss profit, perceive risk and high return.

Indonesian government is trying to increase student as the young generation investor to invest in stock market. This done by provide stock market education on the campus, BEI goes to campus, stock exchange competition for students, establishing the Indonesian Stock Exchange on the campus, the movement to invite students to save stocks, etc.

Based on the above description, authors are interested to explain about Impact of Traning, Risk Perception and Expected Income Towards Student Intention in Capital Market Investment.

BASIC THEORY

The Capital Market Training (PPM) is one of the educational programs organized by the Indonesia Stock Exchange in cooperation with PT Kustodian Sentrak Efek Indonesia and PT Kliring Penjaminan Efek Indonesia (KPEI) (Bursa Efek Indonesia, 2016). Applied Bachelor Degree Program Business Management Department of Business Administration Sriwijaya State Polytechnic in cooperation with Indonesia Stock Exchange Palembang Branch and PT Ipot routinely organize capital market training in campus environment to educate students, lecturers and administration on investment in Indonesian capital market. Training materials are given around

investment types, initial investment techniques, fundamental and technical analysis. If possible, bring in experienced and reputable resource persons nationally. The ultimate goal of Capital Market Training is to attract participants to start investing.
Riyadi (2016) measured that the socialization undertaken, the existence of a capital market school program is a very important form of training and helps to increase investment policy. Nelson et. al (2003) conducted research on the importance of logic training in detecting audit error considerations. The results show that students given logic training have better results than students who are not given logic training in identifying whether or not valid decision-making.
There are a direct correlation between return and risk (Malik, 2017). The higher expected profit so the higher risk to head. So investor must balance the risk level and return (Siahaan, 2011). Risk can be difine into unexpected risk if can not predicted and unexpected risk if we can predict risks in trading (Malik, 2017). There are three types of investor involving preference, as risk seeker, risk neutral and risk averse (Halim 2005).
According to Tandio and Widanaputra (2016) capital market training and return significantly affect intention to invest. But percetion of risk is not affecting intention to invest.
Intention can be interpreted as a high tendency towards a desire. While buying interest can be interpreted as the stage of consumer tendency to act before the purchase decision is actually done. Buyer intention can be identified through indicators (Ferdinand, 2014) transactional intention, referential intention, preferential intention and explorative intention. Transactional intention is the tendency of someone to buy the product. Referential intention is the tendency of someone to refer the product to others. Preferential intention are interests that describe the behavior of a person who has a primary preference for the product. Explorative intention is an interest that describes the behavior of a person who is always looking for information about the product of interest and seek information to support the positive characteristics of the product.

RESEARCH METHODOLOGY

RESEARCH LOCATION

Research held on Business and Economics Faculty in Palembang. There are five universities involved, as State Polytechnic of Sriwijaya University, Musi Charitas Economics College, Raden Fatah Islamic Institute, and Muhammadiyah University.

POPULATION AND SAMPLE

Students that being capital market investors as research respondents. So this research include to non probability sampling, that is saturated sample where entire population become respondent in research. Based on data from the Indonesia Stock Exchange Palembang Branch the number of investor students is as follows (Indonesia Stock Exchange Palembang Branch, August 2017):

1. Business Management Studies Program Department of Business Administration State Polytechnic of Sriwijaya, amounting to 80 people
2. Faculty of Economics Sriwijaya University, amounted to 20 people
3. High School of Economics Musi Charitas Palembang, 200 people
4. Faculty of Economics Universtas Muhammadiyah Palembang, 10 people
5. Faculty of Economics and Business of Raden Fatah State Islamic University, 20 people
6. Palembang School of Economics MDP Palembang, 10 people

Total of population are 340 students. In this research there are 100 students conduct to be respondent as follow:

1. Business Management Studies Program Department of Business Administration State Polytechnic of Sriwijaya, 30 students
2. Faculty of Economics Sriwijaya University, amounted to 8 students
3. High School of Economics Musi Charitas Palembang, 30 students
4. Faculty of Economics Universtas Muhammadiyah Palembang, 7 students
5. Faculty of Economics and Business of Raden Fatah State Islamic University, 25 students

RESEARCH INSTRUMENTS

Research intrument that used in this study is used questionnaires. All question in dependent and independent variables used 5 point of Likert Scale. Research variable can be differentiated into independent and dependent variables. Independent variables are training, risk perception and expected income. Dependent variable is student intention to invest to capital market. The statement instrument can be shown in this table:

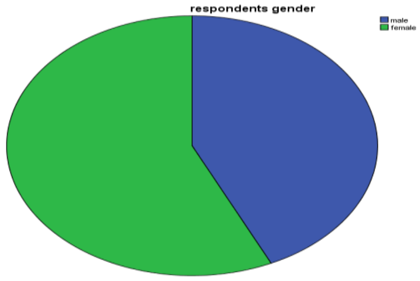
TABLE 1: VARIABLE AND RESEARCH INDICATOR

No	Variable	Indicator
1	Training (X_1)	Investment training Socialization Basic training Intermediate training Credible instucture Intstucture motivated audience
2	Perceive risk (X_2)	Profit gain Profit gain appropriate risk Higher profit the higher risk State company smaller risk Goodwill company smaller risk
3	Expected income (X_3)	Fixed income Profit gain Future profit gain Prosperous gain Competitive profit
4	Student intention to invest	Search information from internet Join stock exchange community Search information from stock exchange community Information search Give suggestion to friends Give suggestion to environment Increase Assets Stronger economics ability Increase future assets

ANALYSIS AND RESULTS

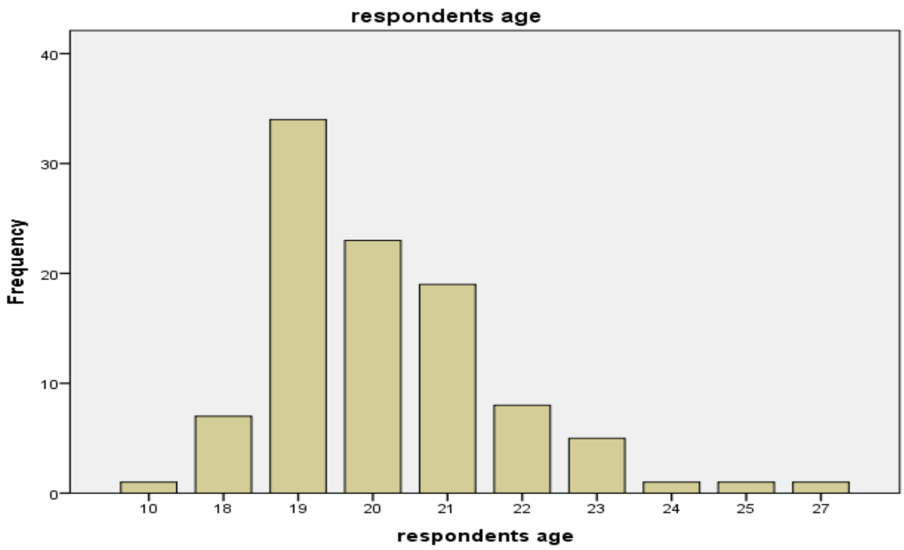
Respondents in this research are 100 students that majority female student (53 respondents) and male 47respondents as Graphic 1. Age of students that investor at capital market are 19 years (Graphic 2).

GRAPH 1: RESPONDENTS AGE



Blue: Male, Green: Female

GRAPH 2: RESPONDENTS AGE



Before regression analysis, data operated with data validity and reliability test. Validity and reliability test are process of testing the items of questions in a questionnaire, whether the contents of the item is valid and reliable question. If the items are valid and reliable the items are already able to measure the factor. Indicator reliable if Cronbach's alpha is above 0.5. Indicator valid if corrected item- total correlation value is greater than r table. where r table for 100 respondents is 0,1946. The result of reliability and validity test results then all items reliable and valid.

TABLE 2: RELIABILITY

No	Variable	Cronbach's Alpha
1	Training (X_1)	0,835
2	Perceive risk (X_2)	0,738
3	Expected income (X_3)	0,815
4	Student intention to invest (Y)	0,887

TABLE 3: VARIABLE AND RESEARCH INDICATOR

No	Variable	Indicator	r_calculated
1	Training (X_1)	Investment training	0,566
		Socialization	0,536
		Basic training	0,652
		Intermediate training	0,674
		Credible instucture	0,653
		Intstucture motivated audience	0,576
2	Perceive risk (X_2)	Profit gain	0,524
		Profit gain appropriate risk	0,565
		Higher profit the higher risk	0,497
		State company smaller risk	0,471
		Goodwill company smaller risk	0,500
3	Expected income (X_3)	Fixed income	0,617
		Profit gain	0,599
		Future profit gain	0,631
		Prosperous gain	0,627
		Competitive profit	0,561
4	Student intention to invest	Search information from internet	0,672
		Join stock exchange community	0,520
		Search information from stock exchange community	0,625
		Information search	0,687
		Give suggestion to friends	0,691
		Give suggestion to family	0,591
		Give suggestion to environment	0,609
		Increase Assets	0,636
		Stronger economics ability	0,665
		Increase future assets	0,550

Based on the Summary Model in table 4 above shows the correlation coefficient value of 0.687. This means that the variables of training, perceive risk and expected income have a strong correlation level because it is in the range of numbers 0.25-0.5. Andjusted R Square of 0.472 means 45,5% variation of intention to invest to capital market that is influenced by training, perceive risk and expected income. Whereas 54,5% is executed by other variable not used in model.

TABLE 4: MODEL SUMMARY

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,687[a]	,472	,455	4,07215

a. Predictors: (Constant), income, risk_perception, training

b. Dependent Variable: intention

TABLE 5: STATISTICAL F TEST RESULT

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1420,841	3	473,614	28,561	,000[b]
	Residual	1591,909	96	16,582		
	Total	3012,750	99			

a. Dependent Variable: intention

b. Predictors: (Constant), income, risk_perception, training

Based on Statistical F Test Result (Table 5) that show F value as 28,561 with significance level 0,000 <0,05. These results indicate that the variables of training, perceive risk and expected income dependently simultanously to intention of capital market.

TABLE 6: COEFFICIENT

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1,544	4,877		,317	,752
	training	,150	,150	,081	,997	,321
	risk_perception	,759	,184	,325	4,134	,000
	income	,960	,172	,469	5,578	,000

a. Dependent Variable: intention

Based on Coefficient Table (Table 6) that Regression Equation is
$Y = 1,544 + 0,150\,X_1 + 0,759\,X_2 + 0,960\,X_3 + e$.
Which Y is student intention as dependent variable. a is constanta and b as coefficient. Meanwhile X_1 is training, X_2 is risk perception, and X_3 is expected income.

CONCLUSION

Dominant variable is expected income. Students as traders are willing to buy stock because they hope to get profit gain. Students invest in stock market to get income from trading and get profit gain. They realized that capital gain is the profit from invest in the stock market. They realized that the higher profit gain so the higher risk to get. They consideration value of profit gain to invest in stock market. By invest in stock market, they would get prosperous gain and future profit gain. But amount of capital that they had not sufficient to invest so they trade daily to get profit gain.

Training influences student intention to invest at capital market. Basic training of invest make it easy to take investment decisions. Knowledge of investment obtained by students from basic training of investment. Portfolio and Portofolio Practise give a significant contribution in encouraging investment interest in line with Hamonangan (2007), Wiwin (2006) also Merawati and Putra (2015). Evaluation of educational materials and approaches to capital market training workshops can be done to develop more interesting and interactive educational materials.

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EFFECT OF TECHNOLOGY ACCEPTANCE OF TRUST AND CONSUMER IN ONLINE PURCHASE INTENTIONS THROUGH SOCIAL MEDIA (CASE STUDY ON APPLICATION BLACKBERRY MESSENGER AND INSTAGRAM)

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ABSTRACT

The objective of this research is to examine the effects of trust, perceived usefulness, perceived ease of use, and perceived risk to consumer intentions to purchase online via social media (The case study on Blackberry Messenger and Instagram). The research used quantitative method. Sampling method that used is purposive sampling and obtaining a sample of 200 samples. Types of the data used are primary Data Obtained from questionnaires. The method of analysis used is multiple regression with using SPSS 16 software. The results of this research with the t test (partial) show that trust, perception of usefulness, perceived ease of use have positive and significant effect to consumer intentions to purchase online via social media. While perception of risk has not effect to consumer intentions to purchase online via social media.

KEYWORDS

trust, perceived usefulness, perceived ease of use, perceived risk, consumer intentions to purchase.

JEL CODE

L81

INTRODUCTION

Global conditions indicate a change in lifestyle that initially the traditional into the modern. With the new findings are invented by scientists led to claims the final result of the work achieved by becoming more and more. So the use of a tool that can enable people to work indispensable (Haryosasongko, 2015). A tool created to enable people is the internet. According to O'Brien and Marakas (2011: 644) is defined as the Internet rapidly growing computer network with millions of business, education, and government networks that are interconnected by the number of users more than 200 statistics.

Business transactions via the Internet is a new business phenomenon. Many sites that offer goods or services via the internet. But this time not only the shopping can be done through online forums or specific sites, but consumers can shop online using personal social media via smartphones or gadgets such as the BBM (Blackberry Messenger), Instagram, LINE, Whatsapp, Facebook, and so on. By using your personal social media, online shoppers can interact directly with the seller or the admin to make buying and selling.

Based on data regarding online shopping behavior intwoin 2015, three most commonly purchased items are clothing (61.7 percent), footwear (20.2 percent), and bags (20 percent).

This study uses four independent variables, Perceived Usefulness and Perceived Ease of Use adopted on TAM (Technology Acceptance Model) and the variable Trust and Risk Perception. The dependent variable in this study is the intention Buy.

PICTURE 1.1: ONLINE SHOPPING BEHAVIOR 2015

LITERATURE REVIEW

Technology Acceptance Model (TAM)

Technology Acceptance Model (TAM) of the model adopted TRA introduced by Ajzen and Fishbein (1980) and proposed by Fred D. Davis in 1986. The technology acceptance model is a model of acceptance information technology system that will be used by the user (Jogiyanto, 2007).

Perception of usefulness is the degree of a person believes that using a technology will improve his job performance (Jogiyanto, 2007: 114). Venkatesh and Davis (2000: 201) divides the dimension of perceived usefulness became follows: 1. The use of a system capable of improving the performance of individuals (Improves Job Performance) 2. The use of a system able to increase the productive level of the individual (Increases Productivity) 3. The use of the system to improve the effectiveness of individual performance (Enhances Effectiveness) 4. Use of benefIt to the individual system (the system is useful)

Perceived ease of use is defined as someone who believes that using a technology would be free of effort (Jogiyanto, 2007: 115).). Indicators of perceived ease of use according to the Sun and Zhang, 2006: 644, among others:

a. Easy to learn
b. Easy to use
c. Clear and easy to understand
d. Adding to the skill of the user

Trust

Trust Gefen (2002) was a willingness to make himself sensitive to the actions taken by the trust that is based on confidence. According Bhattacherjee (2002) factors that shape a person's belief over another is the abil Ity (Abil Ity), benevolence (Benevolence), and integrity.

Risk Perception

Schiffmanand Kanuk (2008: 6) defines the perception of risk as the uncertainty faced by consumers when they are unable to predict the impact of their purchasing decisions. Perception of risk is a major cause of people are reluctant to shop online. Because It is not meet directly between buyers and sellers, e-commerce gave rise to the perception of risk is different.

The dimensions of the perceived risks by LiauXio, 2004 are as follows: a. Financial Risk b. Social Risk c. Performance Risk d. Time and Convenience Risk e. Physical Risk f. Psychological Risk

Intention Buy

Mowen (2007: 43) states that the intention of buying is the determination of the buyer to perform an action such as purchasing a product and services. Indicators used to measure the purchase intention in this study was adapted based on the opinion Chung et al, (2009), namely: 1. Consider buying a product 2. The possibility of recommending the product on the nearest 3. Intention to buy the product the next time

HYPOTHESIS

Relationship Trust Intention to Buy

Trust or belief by Gefen (2002) was a willingness to make himself sensitive to the actions taken by the trust that is based on confidence. This relationship has been examined in another study by Ambarsari (2016) and Setiawan (2014).Both studies found that the higher the level of consumer confidence in the online shop, the higher the consumer purchase intentions. So It can be formulated the following hypotheses:

H1: Trust positive effect on consumer intentions to purchase online through social media.

Relations Perception Usefulness of Intent to Buy

Perceived usefulness is the degree of a person believes that using a technology will improve his job performance (Jogiyanto, 2007: 114), This relationship has been examined in another study by Rahab (2009) and Anggraeni (2015). Both studies found that the higher the perceived benefit or usefulness of consumers, the higher the consumer purchase intentions. So It can be formulated hypothesis as follows:

H2**:** Perceived usefulness positively affects consumer intentions to purchase online through social media.

Relations Perceived Ease of Use Against Intentions Buy

Perceived ease of use is defined as someone who believes that using a technology would be free of effort (Jogiyanto 2007 : 115). This relationship has been examined in another study by Setiawan (2014) and Anggraeni (2015). Both studies found that the higher the perceived convenience of consumers, the higher the consumer purchase intentions. So it can be formulated hypothesis as follows:

H **3:** Perceived ease of use positively affects consumer intentions to purchase online through social media.

Relations Risk Perception Of Intent to Buy

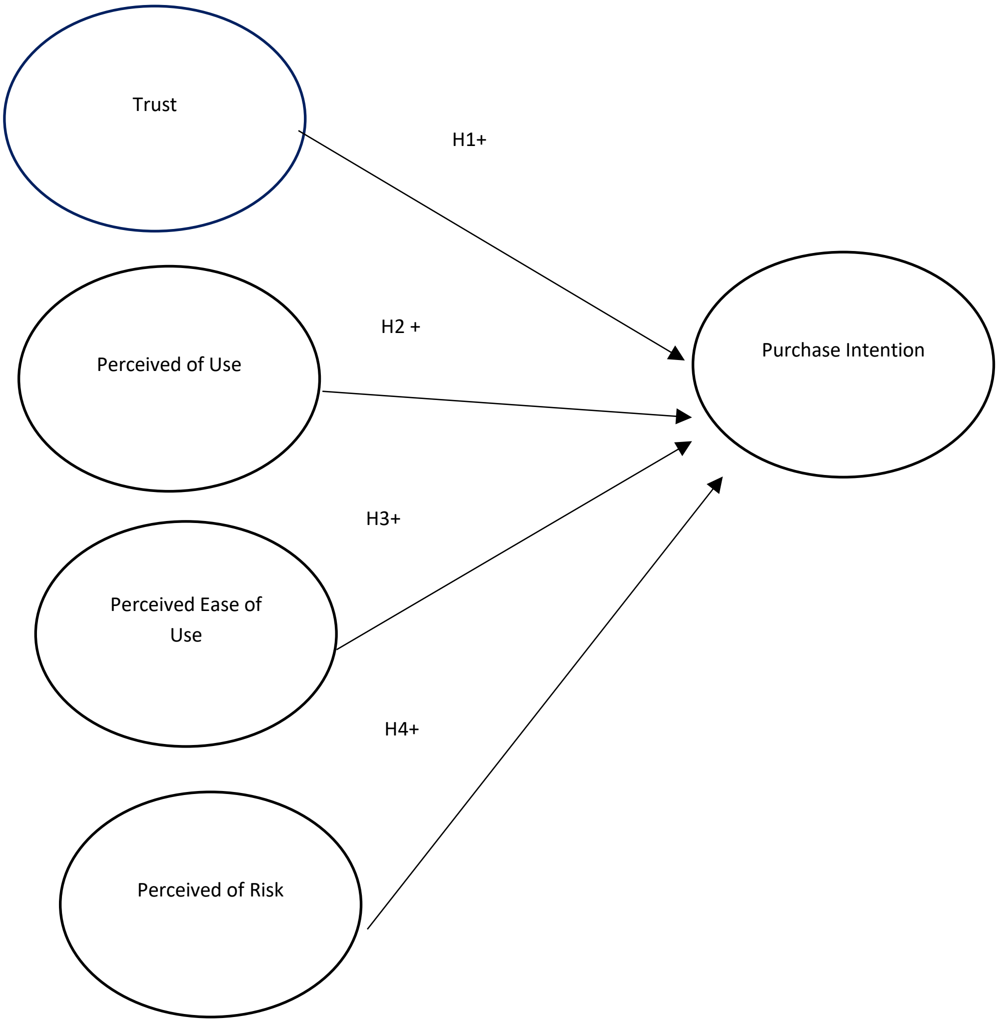
Schiffman and Kanuk (2008: 6) defines the perception of risk as the uncertainty faced by consumers when they do not can foresee the impact of their purchasing decisions. This relationship has been examined in another study by Martinayanti and Setiawan (2016) and Benad Itta and Ellyawati (2015). Both studies found that the higher the risk perceived by the consumer, then the consumer purchase intentions going downhill. So it can be formulated hypothesis as follows:

H**4:** Perception of risk negatively affect consumer intentions to purchase online through social media

RESEARCH FRAMEWORK

Based on a theoretical basis, the influence of variables and the results of previous studies then to formulate hypotheses, frame of this study can be explained in the following image:

PICTURE 1: RESEARCH MODEL



RESEARCH METHOD

This study used quantitative approach with survey method. Data collection techniques used is by using a questionnaire.

Population and sample

Population used in this study is the Faculty of Economics at the University of Borneo, Tarakan. The number of samples used is 200 respondents. In this study, the sampling technique used is purposive sampling technique. Sampling is purposive sampling technique on the basis of certain criteria (Etta and Sopiah, 2010: 188). The criteria in this study are: 1. University Faculty of Economics, University of Borneo, Tarakan 2. Have intention to purchase online through social media social media 3. Have a Blackberry Messenger and Instagram.

Types and Sources of Data

The data used in this study by Sunyoto (2013: 10) that is using primary data obtained directly from respondents through questionnaires and also use secondary data obtained through the data which has been researched and collected by others relating to research problems.

Data Collection Techniques

In this study, the data collection method used is the questionnaire technique. Measurement scale for all indicators in each variable using a Likert scale (a scale of 1 to 7) starting from Strongly Disagree Once to Strongly Agree Once. The measurement scale means that if the value is closer to one then It means that the do not agree at all. Conversely, if the closer the number seven means the agreed once.

Independent Variable

Independent variable is a variable that is the cause of the occurrence or its impact on the dependent variable (Sunyoto, 2013: 20). So in this study, the independent variable is Trust, Perceived Usefulness, Perceived Ease of Use, and Risk Perception.

Dependent Variable

The dependent variable is a variable whose value is affected by the independent variable (Sunyoto, 2013: 20). The dependent variable used in this study is the intention Buy.

Methods of Data analysis

Analysis Data is an activity after data from all respondents or sources of the data collected. Activity in the data analysis are: classifying data based on the variables of all respondents, shows data for each of the variables studied, perform calculations to test the hypothesis that has been proposed (Sugiyono, 2009). The method of data analysis used in this study consisted of Validity, reliability test, Normality Test and Test of Hypothesis.

DATA ANALYSIS AND DISCUSSION

TEST VALIDITY

Test validity conducted through Confirmatory Factor Analysis (CFA). CFA needs to be done to the measurement model, because of the requirement to be able to analyze models with SPSS, indicators of each construct must have a loading factor significantly to the construct being measured. Beads of questions that have a valid loading factor is ≥ 0.50.

VALIDITY TESTING RESULTS

According Ghozali (2006), reliability is a measuring tool for measuring a questionnaire, which is an indicator of variables or constructs. A construct or variable is declared reliable if the value of Cronbach Alpha> 0.50 (Nunnally, 1969).

Reliability testing results show the value of the rule of thumb Cronbach's Alpha ranged from 0.693 to 0.830. Thus, all items meet the requirements of reliability questions.

HYPOTHESIS TESTING

Hypothesis testing in this analysis using Regression by looking at the value of β, and compare with the value of t arithmetic with t table. These calculations using SPSS. The decision of accepting the hypothesis if t is greater than t table then the hypothesis is support.

TABLE 1.1: HYPOTHESIS TEST RESULTS SUMMARY

Corelation		B	T-statistic	t-Table	R^2
Trust →	Intention to buy	0.148	2.334	1.97	0.372
Perceived use fullness →	Intention to buy	0.450	6.873		
Perceived of use →	Intention to buy	0.187	3.038		
Perceived of Risk →	Intention to buy	-0.026	-0.430		

Based on the analysis above, the results of hypothesis testing each variable can described as follows:

H1: Trust positive influence on purchase intentions

In summary hypothesis test results show that the association has a β value of 0.148 and t statistic 2.334 equal significant at α = 0.05 (one-tailed) value t Table of 1.97 value Based on the analysis above, the results of hypothesis testing each variable can described as follows: value t > t table. It shows trust positive and significant impact on purchase intentions. It can be concluded that the hypothesis 1 is supported.

H2: Perceived usefulness positive affects purchase intention

In summary hypothesis test results show that the association has a β value of 0.450 and t statistic 6.873 equal significant at α = 0.05 (one-tailed) t table 1.97 Value t > t table. It shows the perception of the usefulness of positive and significant impact on purchase intentions. It can be concluded that the second hypothesis is supported.

H3: Perceived ease of use positively affects purchase intention

In summary hypothesis test results show that the association has a β value of 0.187 and t statistic 3.038 equal significant at α =0.05 (one-tailed) t value table of 1.97 Value t > t table. It shows the perceived ease of use positive and significant impact on purchase intentions. It can be concluded that the hypothesis 3 is supported.

H4: Perceived risk affect negatively purchase intentions

In summary hypothesis test results show that the association has a value of β – t statistic 0.026 and equal to-0.430 significant at α = 0.05 (one-tailed) t table 1.97 Value t < t table, It shows the perception of risk and no significant negative effect on purchase intention. It can be concluded that the hypothesis 4 was no support.

DISCUSSION

Partially influence of each independent variable on the dependent variable is as follows:

Effect of Intent to Buy Trust to

Variable trust positive and significant impact on purchase intentions. For respondents trust or confidence assume that trust is an important factor, which is a critical factor in online transactions stimulant. trust certain parties against the other party in the relationship transaction based on a belief that people who believed they would fulfill all the obligations as well, as expected. Therefore, trust is very important in maintaining long-term relationships between companies and consumers because trust is the overall confidence of the buyer to salesperson, brand and company on the fulfillment of an offer according to customer's knowledge.

Hypothesis trust to purchase intentions are supported by the answers of respondents to the Items given question, where respondent slots of select Items first question is "online sellers have the ability to give satisfaction to the consumer" with an average of 4.80. So that based on the data, it can be concluded that the respondents believe that online stores will give you satisfaction when consumers will shop at their online store.

Effect of Perceived Usefulness of Intent to Buy

Variable perception of the usefulness of positive and significant impact on purchase intentions. For respondents perceived usefulness, individuals who find It easier to use the internet, will find It easier to get the usefulness of the technology. Usefulness perception is strong enough factors that affect the acceptance, adoption and use of the system by the user. Margherio (1998) stated internet consumers reported that they make a purchase on a website because their perception of usebility compared to traditional mode of shopping. Perception of usefulness is associated with productivity and effectiveness.

Hypothesis perception of the usefulness of the purchase intentions are supported by the answers of respondents to the question given Item, select an Item in which respondents many second question is "through social media I get the information I need" with an average of 5.70. So that based on the data, It can be concluded that the respondents greatly benefit from using social media, using social media users can obtain any information more quickly.

Effect of Perceived Ease of Use Against Intentions Buy

Variable perceived ease of use positive and significant impact on purchase intentions. Arief Wibowo (2006) found that the perception of ease of use of a technology is defined as a measure in which a person believes that the technology can be easily understood and used. Perceived ease will have an impact on behavior, i.e. the higher one's perception of the ease of use of the system, the higher the level of utilization of information technology. Information technology users believe that information technology is more flexible, easy to understand and easy to operate as a characteristic ease of use.

Hypothesis perceived ease of use of the purchase intentions are supported by the answers of respondents to questions Item, given select an Item in which respondents lot question that "social media can be used anywhere and anytime" with an average of 5.35. So that based on the data, It can be concluded that the respondents prefer to use social media to shop online because It can be accessed anywhere and anytime.

Effect of Intent to Buy Risk Perception on Buy

Risk perception variables and no significant negative effect on purchase intention. For the respondents, the perception of risk does not have a huge effect when consumers will shop online. Perception of risk is a major cause of people are reluctant to shop online. Because it is not meet directly between buyer and seller, when the perception of risk is high, consumers have the choice of whether to avoid or minimize the purchase and use of risk through pre-search and evaluation of alternatives in the purchase decision-making stage.

Hypothesis risk perception of purchase intentions are supported by the answers of respondents to the question given Item, select an Item in which respondents lot sixth question is "I worry if the products I bought through online turned out to be unsatisfactory" with an average of 4.77. So that based on the data, it can be concluded that although the respondents trust the online store, respondents were also concerned about the risks that may occur when they are shopping online.

CONCLUSION

Based on the data that has been collected and testing has been done on the problem, It can be concluded that the Trust, Perceived Usefulness and Perceived Ease of Use positive and significant impact on consumer intentions to make purchases online through social media. While Risk Perception and no significant negative effect on consumer intentions to make purchases online through social media.

ADVICE FOR ONLINE SELLERS

To increase purchase intention, it is advisable to minimize the risk that consumers may increase purchase intention in the online store. Online sellers also expected to sell at prices that match the quality in order to avoid disappointment on consumers. Online sellers should be able to maintain the confidence of consumers, so consumers remain loyal to the online stores. Online sellers should also present attractive images in the online store for consumers interested in buying, but should still pay attention to quality and not exaggerate the description of a product.

SUGGESTIONS FOR FUTURE RESEARCH

In this study, limited to the study population, so expect further research can select objects with the number of the wider population. For further research it is recommended to develop by adding some samples of research, not only in Borneo Tarakan University but also other areas, so as to obtain the research results with a level of generalization that is higher in future research, to do additional latent variables and dimensions - dimensions on the model existing or on a model that is expanding.

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ROLE OF STRATEGIC HUMAN RESOURCE MANAGEMENT IN AN ORGANISATION

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ABSTRACT

The Strategic Human resource Management is the key to all organizational problems as it opens the doors to a new type of organization where employees love to work and where there is an open organizational culture. The strategic management is a form of process, which is needed at all levels of an organization. This paper discusses the concept of strategic management and it gives a literature review on the Strategic Human Resource Management. The paper concentrates on the employee module of the strategic framework and it gives a solution to the huge employee turnover problem of many organizations through the case study of Google. Further, the paper uses Google's People Operations HR strategy and it uses the qualitative research methodology for conducting a research on this strategy of Strategic Human Resource Management of Google. The SWOT analysis of Google will tell us about the effectiveness of the strategies which Google is following right now. In strategic management, there is a definite framework for all organization modules, which include employers, employees and organizational culture. Google is the best example of creative and open organizational culture with transformational leadership and the best company practices like People Operations. The paper also discusses the various forms of leadership styles and analysis Google on the basis of those styles.

KEYWORDS

HRM, google's People Operations HR strategy, strategic management.

JEL CODES

J24, J53, M12, M54, O15.

1. INTRODUCTION

An organization is a word which has experienced an altogether change in its meaning in the past few years. Today the organizations are not same as the old ones. The organizations today are no more the ones where company policies are the prime factors and the employee interests take a back seat rather the workplace culture has changed and along with it the client demands and the employee training, performance appraisal have also changed. The human resource departments have become the new mentors in the process of organizational practices. In present business scenario, the correct approach and strategic management of the company employees can have a remarkable impact on the overall performance of the whole organization. A strategic approach is the need of the growing companies. Human Resource Management, which is based on strategic human resource planning needs a more diversification and so a more macro perspective is needed to implement the human resource based strategies. So, the human resource management which is strategic, needs to be based on global view and it needs to be applied in the wider sphere. The effective Strategic Human resource Management requires that the highly committed resources are exploited by a strong leadership in an efficient way. Strategic management includes the recruiting of employees and then maintaining the employee force. So the SHRM is the way through which not only the employees but the whole organization performs well, through well designed strategies. The SHRM includes the wider scope of management. The company can expand through the recruitment of right staff and good business strategies. At times, the company faces the issues like employee turnover, decrease in quality and sales, which could lead to increased customer dissatisfaction. At times the product demands or services become so much that more staffing or manpower is needed. The Strategic Human Resource Management is needed to handle all such issues explained above. In addition, the strategic management includes the role played by the leaders of the company, as it addresses the way the company leaders handle the company issues and help in the effective development of the company.

Many experts studied the field of Strategic Human Resource Management and some of them described it as a global phenomenon while others explained it as the form of company structure in which the employees, employers and all the company constructs play a vital role. Researchers like Wright and Snell based the strategic management on the human resource exploitation, which is constructive and leads to the development of the organization. The Strategic Human resource Management which impacts the competition levels of the company as it make the whole company unique and one and it makes the unification of all the company practices and the culture of the company. Another expert, Walker, however based the Strategic Management on the merging of the business strategies and the human resources. Tyson and Witcher suggested that the unification or merging of the various people, processes and practices is needed to make the company grow. Fombrun described the Strategic Human Resource Management in the form of the three elements, which were- Mission and strategic planning, Organizational Culture and Human resource management. Strategic Human Resource Management was also viewed as the only way to unite the various resources of the company, which includes management as well as the employees, so that all become a group and become well equipped for meeting any of the organizational challenges. Guest also said that the unity of all the branches of the organization helps in effectively meeting the organizational goals. Fombrun also suggested few things regarding the implementation of the new strategies in the organization and he said that it is likely that the new strategies will be hard to fit in the existing company structures but it is also necessary to make way for them in order to change for the betterment and in order to reach high levels.

2. LITERATURE REVIEW

During the past few decades, many organizations faced problems due to their monotonous models and organizational constructs. A new strategy was thus needed for bringing a revolutionary change in the organizations. The Organizational Change in Cultural Context(OC^3) model was developed to propose the necessary stages for weighed changes in the organization structure. This process takes into view all the whats and hows in the process of organizational change.

Development of SHRM

Armstrong is known to be the prominent name in the evolution of Strategic Human Resource Management; he wrote more about the approach of SHRM for the managers and gave less importance to the traditional methods of industrial relations. The SHRM is linked to the long term objectives of the firm. It has a global scope and it considers the management related problems which impact the managers in the long run. It does not focus on the human resource issues which are internal or which lie in the company itself.

Organizational HR Strategies: SHRM

Strategic management is the concept of blending together the human resource strategies with the business strategies. The strategic HRM implies that HR strategies should be integrated with business strategies. Miller, an expert in the field of human resource management believed that for strategic planning, the initiatives by the management team in the field of HRM should coincide with the with the decisions taken in other functional areas. Tyson and Witcher (1994) suggested that the only way the human resource strategy can be studied is through the use of the combination of corporate and business strategies. Strategy based unification of the system is needed to provide equilibrium between business and human resource strategies. The human resources further support the strategy based business models and planning. In this way the goals of the human resource team can meet with the goals of the company. (Malik, 2009)

Criticism of SHRM

According to the literature the changing environment has made the SHRM implementation difficult. The reasons are the adherence to the change the traditional practices of the company and the difficulty in matching the present company situation to the new trends and strategies. Some critics also say that the strategic decisions are not entirely based on the output of the logical business calculations. The field of SHRM is based on the practical advice or presentation of empirical data. Without good theoretical concept, the Strategic Human Resource Management can be considered just a collection of wavering statements which have empirical relationships but they are unexplainable. Hence the field of SHRM does not include the firm theoretical base and this can hinder the formation of well explained strategic planning. (Malik, 2009)

The Elements of Strategic Management

The real evolution of this concept of strategic management took place in the time of Fomburn, in the year 1984. He gave three essential elements for the strategic management. Fomburn defined strategy as a way through which the company mission and objectives are set and a the steps through which the company uses its resources to reach its goals. He concluded that "HR systems and organizational structure should be managed in a away which is congruent with organizational strategy". That is, the key players for the better organizational strategy are the better equipped HR systems with organizational strategies. (Malik, 2009)

Google Review: A Case Study of Strategic Management of human Resources

The management at Google includes, Liane Hornsey (Vice President, People Operations), Megan Smith(Vice President, new Business Development) and some of the members from board of directors include Larry Page, Sergey Brin, Eric Schmidt etc. the various departments at this company are- board of Directors Department, Operating Committee, Engineering, Products, Sales, Legal, Finance and People Operations. (Auletta, 2009)

3. RESEARCH METHODOLOGY

METHODOLOGY & RESEARCH DESIGN

The methodology used in this case will be a case study analysis of Google Inc. The research can be done using following two type of methods:

Qualitative Research

Qualitative Research is based on the subjective part of the research. The various methods used are the interviews and the information collection methods. The research is vast in context and it sometimes also involves "focus groups" for conducting a study. In this method the information is collected using the perceptions and the views of people on a given topic taken for study. The topic is discussed in the group taken for the interview purpose and the key person to take the accurate information form the "focus group' is the interviewer. The qualitative research is cheaper than the survey based research and the people can be taken as desired. This research method does not require any "measurements". The groups of people are interviewed by asking questions and the analysis is done for a given issue. (Kerns, 2003)

Quantitative Research

Quantitative Research is based on the measurements and the method used is objective type. The conclusions are derived from the statistics and the available data. This research is basically all about numbers and figures. In this method a "scientifically calculated" group of people is taken for study that is the sample size is pre calculated. In this method the error levels at the end of the research are less as all things are calculated with observations. The responses of the sample group chosen are recorded and these responses are based on the "frequency and the percentage of responses". (Kerns, 2003)

Both the methods discussed above support each other in a hybrid design as the hybrid research method is based on the combination of the qualitative and the quantitative methods. These methods use the information analysis and the measurement aspects of a research. These methods are a bit high cost and they require much time. But the quality is more than the two methods discussed above. The examples of these methods are online surveys and panel surveys. (Kerns, 2003)

Questions regarding SHRM

The literature review raises a number of pertinent questions.

1. What is the impact of organizational culture on various Human Resources Management strategies?
2. What is the strategic frame work for human resource management?
3. What is the role of effective human resource strategies on employee recruiting and company?
4. How can the varied leadership styles impact the Strategic Human Resource Management?

In order to address these questions, a case study methodology was chosen to gain an in-depth understanding of the above-mentioned issues. Secondary data was collected from various publications that have researched the issue. The case study was done on Google and the strategy used was the RBV or the Resource Based View strategy of the SHRM.

Answers to the Questions regarding SHRM

Impact of Organizational Culture

The organizational culture plays the key role in making the company performance better. According to Harrison(1972), the culture in the organization can very according to the ideologies named power oriented, role oriented, task oriented and people oriented. Then in the year 1981, Handy further used this concept for describing the culture at various organizations. The various type of culture as researched by Handy include:

- Power Oriented Culture: In this type of ideology, the culture gets impacted by the central controlling power. There are enforced set of rules and policies according to which h the people of the company work.
- Role Oriented Culture: In this type of ideology based culture the role is the deciding factor for giving and taking orders. The person is given less priority than the role. The power is in the hands of the best position holders in the company.
- Task Oriented Culture: In this type of culture, the goal of the company is to bring the people together and they collectively perform the work.
- People Oriented Culture: In this type of the culture the people or the employees working in the company are the prime concern of the company and all policies are employee favoring. The organizations with such a culture think their employees as their assets.

The culture at Google comes in the fourth category of the organizational cultures. The culture at Google is people oriented and hence it is employee driven. The organization thinks of its employees as its assets and the various policies are made to benefit the employees, the employees are given special perks if they perform well in the organization. The values and belief systems of the employees are accepted and respected.

The Organizational culture is a thing which cannot be measured but it can only be assessed through questionnaires and interviews. The organizational culture based questionnaires can discuss the following statements:

- A definition of a good boss, like a good boss is "strong, decisive and firm".

A definition of the good subordinate, like a good subordinate is "compliant, loyal and hardworking".

- People, who work at the various positions at the managerial level should be shrewd in business, cool in temper, powerful in their positions and skilled in their jobs.

The people make decisions and they should be measured on basis of their judgment and skill set.

The culture of an organization does not remain same and it keeps on varying. There are various strategies which should be followed by the SHRM or Strategic Human Resource Management department. The vital strategies of SHRM are - Commitment Strategy, Retention Strategy, Reward Strategy.

The Strategic framework for the Management

Improvement in the human resource capabilities: It refers to the employees, who are thought of as the prime resources for making up of an organization. The human resources are the most vital assets which are used for competitive advantage.

Highly committed management: The highly committed management is a hope for the better performance of the people. Such type of managerial approach treats the employees like partners in the company.

- High performance leaders: The high performance leaders make the organization worthwhile in terms of progress and better organizational culture.
- Best management Practice: The management practices are varying for varied organizations. The best management practices like People Operation at Google are the best practices.

Now if we look at our case study we will find that all the elements which make the framework for Strategic Human Resource Management, are included in the organizational structure of Google Inc. The human resource department has integrated all the processes well and the employee, leaders and the company practices are well aligned and work in collaboration. Looking at the culture of Google we can say that the organizational culture at this company is people oriented.

Impact of Human Resource Strategies: The Case Study of Google Recruiting

The human resource department is often viewed as the official department which is separate from the whole organization and it only manages the employee recruitment process and conducts interviews. The fact is something else as the Human Resource Department in today's world is the department which is not restricted to the human resource recruitment and appraisals rather it has a wider scope as the varied strategies in this field can be employed for the overall development of the whole organization and its employees. The new motto of the various Human Resource departments is "this is how we can accomplish that" rather than the statement "you can't do that". The human resource practices are made for the people and by the people. Some new and developing organizations are changing the traditional structure of the human resource development and they focus on the employee skill management, developing new functional models compliant with the current labor market trends and stabilizing the HR services by using the effective practices. (Faugoo, 2009)

The recruitment process of the Google is unique and had best practices of recruiting in the world today. The strategies of Google can be a good advantage for the company's not in the technology business. Google with its own style of recruiting has attracted many professionals from not only IT industry but from other industries also. The style of Google recruiting has become a bench mark in the market and has changed the recruiting process forever. The IT professionals use the term "Disruptive Technology" for Apple's iPodd, which has changed the concept of entertainment in the electronic market and has forced people to take interest in whatever company is making or introducing in the market.

Impact of Recruiting Culture

Google has developed an efficient "recruiting machine" in very less time. There achievements are non-comparable with any other company. Google does not have the best sales and marketing strategies, but they developed the world's first "recruiting culture". They have the best team in all the departments of the company. As a result, Google has changed the work culture in the company and the way employees work to retain and to attract the best talent available in the market. In terms of retain the best resources available in the market, many companies have changed the policies regarding the monetary benefits given to the employees. They have not changed the style of working and the working culture of the company to get better output form the resource. The strategies still revolve around the output of the work and the benefits are related to the work done. (Sullivan, 2005)

Google's founder and the HR director Stacy Sullivan and the leader of various teams have crafted a plan, so that the team members of the company work efficiently, they should never feel bored while doing work, they get appropriate opportunity to learn and enhance their knowledge, they face different challenges, should feel that they are adding value to their knowledge while working in the company. The plan made by the top management of Google has succeeded in making the work attractive and has become the main attraction. The other factors like retention and the motivation in Google's terminology is called "20% work". There is no exact definition of the term "20% Work", for professionals it means "that the employee works the equivalent of one-day-a-week on their own researching individually selected projects that the company funds and supports". There are firms who are following Google in terms of "20% Work" strategy, but Google has the best approach in industry for this strategy. (Sullivan, 2005)

This has been one of the effective tools for Google in the recruitment market. The concept is very easy to understand and has attracted many new applicants and the current employees which no other tool has been able to get. According to the HR executive the new employees are giving good response and the retention rate has become "almost nil". The key factor is that this has added power of innovation and creativity in the employees. Google encourages innovation at all the levels in the company not only in the product development but in other departments also. The "20% time" has been a key in the success of the product and the services of the company. Normally it is the policies of the top management who plays major role in the success of the company, but in Google the HR activities are also playing the key role in company's progress. (Sullivan, 2005)

Moreover often people think that the main driving force behind the success of Google in retention of the employees is the monetary benefits which the employees enjoy. Google made its approximately 1000 employees as millionaires through its stocks, when the company went public. The income of the employees is the greatest motivational factor. These are the views of the people who have never been part of Google. But this driving force behind the success also brings some negative effects. This brings the elements who want to work for money, not for the company who encourages innovation at every point in the company and be part of the team which enjoys their work. The work is the prime factor that has been the major motivating force behind the success of Google as compared to the monetary benefits. The recruiting budget of the company is the best among other company's in the world. According to John Sullivan "Arnnon Geshuri, the head of recruiting, and Stacy Sullivan, the director of HR, have done what can only be classified as an unbelievable job in convincing senior management to fund the recruiting effort beyond that of any corporation in history." Google recruiting ratio is 14:1 i.e. 1 recruiter on 14 employees. This shows the funding level of the Google who believe in building the recruiting culture. (Sullivan, 2005)

Impact of Leadership on the Strategic Human Resource Management

The organizations today are no more the traditional ones with company concrete policies rather they have become entirely new and the present organizations have a particular organizational culture and the organizational strategies have also experienced a tremendous change. The organizational culture includes the elements like transformational leadership and innovative organizational model formation. The organizational culture acts as a merger between the leadership and innovation. Many researches were done in the field of human resources and the relations between the three terms leadership, culture and innovation in the organizational models were described. The organizational culture is the indicator of the interrelation of the employers and the employees and it is essential for measuring the respective effects on the company performance. (Sarros et al)

4. DATA ANALYSIS

DATA ANALYSIS OF GOOGLE

Human resource department has always been the backbone of the company of any level or stature. It does not matter that what position an employee holds in the company, it is the work which is important for the company. It is the duty of the HR department to provide the faithful and obedient professionals for the company. The company should realize that every employee is important for the company. This was not realized by the senior managers until today's competitive era arrived. The employees of the company make the company or break that. This is where the SHRM has a role to play. Once the SHRM practice is implemented completely then the evaluation process takes place.

According to Laszlo Bock of Google "its study found that a boss's technical expertise was less important than "being accessible." In the year 2009 Google took initiative to test its managers through a program called Project Oxygen. The sole motive of this project was to build effective and competitive bosses. Management started collecting the data for the top officials in the form of "reviews, feedback surveys and the nominations of the top-manager". The analytical team of Google came up with the Eight Habits of Highly Effective Google Managers. Let us have a look at those eight habits:

- Be a good coach: The manager should be specific in addressing the problems, and give solutions keeping in mind the limitations of its team members.
- Empower your team and don't micromanage: Manager should design test assignments to make its team members capable to take up new challenges.
- Express interest in team members' success and personal well-being: Manager should maintain a personal touch with its team and should make a comfortable environment so that a new member should not feel isolated.
- Don't be a sissy: be productive and results-oriented: The manager should help team to achieve the pre-set targets and use its powers to remove obstacles for achieving the targets.
- Be a good communicator and listen to your team: Manager should have good communication skills to convey his message and objectives clearly to the team and he has to be good listener to whatever information and issue he receives for the team.
- Help your employees with career development.
- Have a clear vision and strategy for the team: Manager should motivate the team if there are some obstacles in achieving the goals and help them stay focused.

- Have key technical skills so you can help advice the team: Manager should have appropriate knowledge of the work for which he/she is responsible for and should be ready to do it on his own whenever needed. (Bryant, 2011)

WEIGHING GOOGLE ON BASIS OF TWO POPULAR LEADERSHIP STYLES

The leadership styles define the nature of the organizational system and the motivational factor of the employees. The good leaders motivate the employees better, hence the good leaders are the best motivators. The two type of leadership which is most common in both Small to Medium Scale organizations and in the big organizations are explained as follows with the effect of such leadership on the employee motivation:

- Charismatic Leadership: The leaders who are special in terms of captivating their followers are charismatic leaders. The level of self confidence in these leaders is high and they act in a specific way, show a clear focus to the members, act as catalysts and are sensitive to the circumstances they face. The followers of such leaders have high respect and commitment for their guide. These leaders motivate their employees with the techniques like appraisals and promotions, on completion of goals.
- Transformational Leadership: These leaders use their extraordinary skills to get maximum quality work from their employees. They have a sense of good focus and a good vision for the organization. They are innovative and inspirational. They have problem solving skills and they encourage their team members. They reinforce positive motivation and help to make the workplace more interesting through the interaction programs and training programs.(Bass, 2008)

Now, if we clearly observe the organizational culture and the type of the human resource strategies we will see that the Google has a transformational leadership. The fact gets proved by the open culture at Google. The employers at Google motivate their employees. And they make them more and more confident each day by driving them towards innovation. Google helps the employees reach their goals and side by side the employees see that the goals of the company do to lag behind, each day is a learning experience at Google. The transformational leaders are ready for any new change in the organization and they face all obstacles with innovative way outs and they handle each task with confidence. The growth in company productivity and good employee performance is the indicator of the good leadership. The good leaders are the best players in all type of organizational cultures as the culture does not impact them rather they impact the culture.

DATA ANALYSIS OF GOOGLE'S FINANCIAL STATUS

Mission of Google is, "to organize the world's information and make it universally accessible and useful". Although the Google has been relatively successful in achieving their mission, and the financial statements does show the rewards in terms of profits earned. Google went public in the year of 2004, the share price was $85. The stock reached its peak at $750 in the year 2007, the appreciation of 882% in three years. The recession in United States led to the drop in the rates of Google's stock at $300. The main source of revenue for Google is from advertisement. Most of the products designed and developed by Google are available free for the users. The main revenue is from the advertisements available on the user interfaces of the products. (Morrow, 2009)

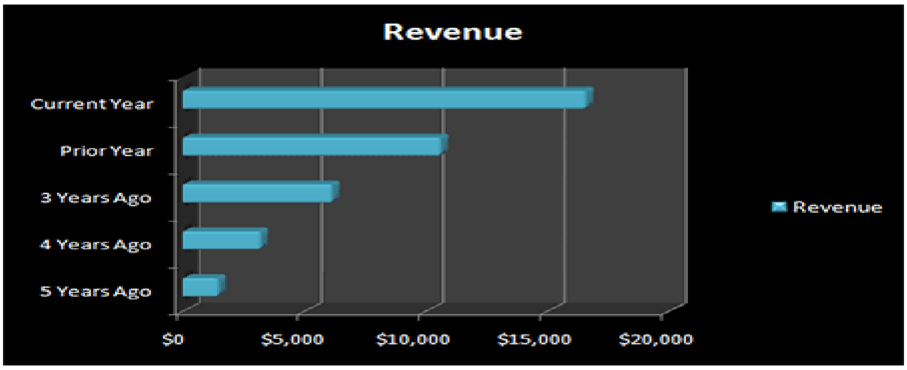
The financial comparison of Google and Yahoo in the table below:

TABLE 1

	Google	Yahoo!
Income Statement (in millions of USD)		
Revenue	16,594	6,969
Ratio Analysis		
Income Statement Common-Size Data		
Income from Continuing Operations	30.6%	10.0%
Cost of Goods Sold	40.1%	40.7%
Balance Sheet Common-Size Data		
Liabilities/Total Assets	10.4%	22.1%
Profit Ratios		
Return on Assets	23.2%	5.9%

As it is clear that from the above table that the financial position of Google is far more superior then Yahoo. Google's profit margins are more and managing there debts better then Yahoo. All the above profits would have been impossible to achieve in the absence of reliable workforce. (Morrow, 2009)

CHART 1



The above chart shows the growth trend of Google till the year 2009. Google has been recording growth on regular basis now. This shows the ability of the team which is performing at its best. The company has a team which deliver goods at the same time enjoy their work and helps their company to grow to the level on which Google is today.

DATA ANALYSIS ON WRONG STRATEGIC POLICIES OF GOOGLE

Some of the other famous deals of Google are- Buying of Double Clicks Company for $3.1 billion, buying Grand Central for $50 million, On2 Technologies for 4106.5 million.

The power Google has acquired has some stories of deception and enforcement like the Overture services sued Google over the charges of infringement of its pay-per-click and bidding patents. The matter solved on a deal where Google agreed to share the common funds with Yahoo for sharing the perpetual license. Google got its patent for page ranking in the year 2001 and it assigned Lawrence Page as the inventor. In 2008, the company lost many top level executives and among them Gideon Yu (chief financial officer) joined Facebook and Sheryl Sandburg became COO of Facebook. (Auletta, 2009)

Google faced a copyright lawsuit of billion dollars, in which the US court ordered the company to give You Tube log to Viacom. Viacom also made charges on Google employees for uploading illegal material to the site and Google also faced the allegations of sexism and ageism from the employees. Many newspaper companies curse Google for kleptomania and parasitic behavior.

A number of media companies are making strategies to shorten the Google's range power and the company's data collection apparatus is under a scan by the Federal trade Commission. But Google has adopted a method to overcome this data mess by its advanced content identification architecture, which will auto remove, any problem content. Google is a technically sound and robust architecture based firm and so it is likely that if it continues to expand so swiftly it will one day engulf all the major media giants, the government agencies, law firm sites and institutions and all web will be Googlized. (Auletta, 2009)

ANALYSIS STRATEGY: SWOT

We will do the SWOT analysis of Google, which will show the various Strengths, Weaknesses, Opportunities and Threats, on basis of Google will be analyzed.

Internal Strengths (S):

- Google is one of the most widely used search engine and it is one of the most efficient search engine.
- Lured Earthlink, the best Internet Service Provider in the United States uses Google as its search engine.
- Google is one of the greatest search engine in the world with a huge cataloging.
- Google has the market capital of $185.61 billion according to "Yahoo Finance".
- Google has its brand value in U.S. market.
- Google has wide range of services including the Desktop Applications, Mobile Products, and Hardware.
- The operations cost of Google are very low.
- Google's search engine has a multilingual interface, which no other interface has.
- Google has a strong and efficient workforce to improve the performance of the search engine.
- Google provides the feature of localized search according to the region.

(Adam, 2009)

Internal Weaknesses (W)

- Google is called as a fraud and many companies say it uses the data without any permission.
- Many companies like Viacom filed a law suit against Google.
- Google's income is totally dependent on the advertisements.
- Google's ranking system has given advantage to the hackers or spammers by making sites which lead to the viruses.
- Google's cost regarding the maintenance of the data center is mounting day by day.

(Adam, 2009)

External Opportunities(O)

- Google has a vast area to cover in the underdeveloped nations. Computer literacy is becoming essential day by day so the whole world is running for it.
- The people of United States prefer to work from home so Google gives the wide option of telecommuting and at-home-businesses.
- Day by day the cost of technology is falling and demand for information is growing. So Google can flourish more than the other search engines. Moreover Google has already more control over the market.
- Google can increase its strengths by acquiring the new companies.
- Google can take benefits of new markets by merging with the local vendors of the particular market.

(Adam, 2009)

External Threats(T)

- Google is likely to face some legal challenges a sit is the only field where Google is not having a proper vigil. Google has many competitions who want its downfall. Even some of the private people can attack Google for information storage.
- The companies in database operations like Gale, Lexis-Nexis ProQuest etc. are making products and search engines with much reasonable price and they are making contracts with newspapers for data collection, so Google should also take care of these strategies.
- Google has many enemies who can become a threat to its performance.
- Google will lose on income of they have contract with AOL.
- There policy of cost per click can result in the loss of client because of the confusion of terms and conditions.

(Adam, 2009)

5. CONCLUSION

Strategic Human Resource Management (SHRM) is the refined form of the HRM. SHRM focuses on all the departments of the company unlike the traditional HRM who use to concentrate only on the collection of the human resource for the company. The main goal of SHRM is to get maximum output from all the departments of the company. The work of HRM is not limited to only arrange workforce for the company but they have an added responsibility to look after the problems of the employee so that he/she works in a free state of mind and give optimum output. The scope of SHRM has become very vast in last decade, this has become a specialized course in the university and colleges. SHRM has been playing a vital role in striking balance between shareholders and the stakeholders. Many experts have studied the effects of the SHRM and the benefits of this for the companies. SHRM is the process which ensures that the work of HRM is not limited to hiring professionals, but it ensures its full involvement in the implementation of strategies and achievement of goals.

There has been many criticism regarding SHRM, people say that this does not have any theoretical base and can create problem in the strategic planning. Strategic HRM is nothing but the strategic use of the human resources for the better productivity for the company and their personal growth. The success for HRM has to some sort of strategy which in turn will give some unbelievable results. SHRM has various elements of management i.e. Organizational Culture, Leadership and Human Resource. All these elements have a major part to be played in the successful implementation of SHRM. The greatest example in today's world for SHRM is Google Inc. The company has become very successful in a very short time because of various SHRM policies. The HR strategies of Google has been rated one of the best today. The strategies are made keeping in view the interest of the employee as well as company. Many companies have imitated the policies of Google but have not been able to achieve the favorable results. Google has changed it strategies considerable in the favor of employees which has given them great benefits. Both the employer and the employee have reaped rich benefits from these policies. Google in the absence of the best marketing and sales team has been able to scale new heights in the modern time. The reason behind this success is the right HR policies which has retained the employees and resulted in minimum employee turnover. The company policies have been very attractive to both experienced and the inexperienced workforce. The companies who followed Google in the policy making have been unable to change their work culture, because of which they have been unable to get benefits same as Google. Google has very liberal with its policies of HRM. The monetary benefits which they enjoy are unmatchable. Google has many millionaires in its employee list, they were given options of purchasing stocks when company went public. Top management designed programs for the employee so that the work never get monotonous and employees should not stop enjoying their work. Every employee has full liberty of expressing their views to the management and the new ideas are always welcomed. Employees have full liberty in terms of working hours, they get free meals, they can wear casuals every day and many more benefits like these. Many people think that the money is the only motivational factor for the employees in Google, but the fact is that the Organization structure is the key in the success of Google. But the benefits bring along the negative elements in who work only for money and enjoyment. This has become a challenge for the HRM to screen those people and keep them out of the company so that they do not affect any other person. As it can be seen in the financial analysis the position of Google has been in a very sound position. Google is managing its finances, debts very efficiently as compared to their immediate competitor Yahoo. The right selection of the people has made all this possible. Although there has been some wrong decisions taken in the form of wrong takeovers, but these are part of the business. The leader ship has played a very vital part in the success of Google. SHRM has been the backbone of the company. They carried out an internal process name Project Oxygen to check the competency level of their top level managers. The main objective or aim of this project was to make their managers more competitive in terms of resource managements and productivity. After analyzing the result the research team came up with their own set of managerial habits which were more beneficial in terms of growth of company and individuals. The SHRM plays an important role in the progress of the company. In today's competitive world it will become difficult to limit HRM's responsibility to the hiring of the employees. They have to play an integral part in the development process of the company to sustain the market pressures of performance. SHRM has proven time and again that the implementation of the strategic HRM has given dividends. Many companies have been following this religiously, have earned lots of benefits. There are much strength, weaknesses, opportunities and threats as under stood by the SWOT analysis.

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A STUDY ON ECONOMIC PERFORMANCE OF A SELECT BASIC CHEMICAL INDUSTRY IN TAMILNADU

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ABSTRACT

The aim of the current study is to study the productivity and profit. To find out the growth rates, magnitude of variability in certain important variables such as output, net income and profits. The Cobb – Douglas Production function, a popular form of production function was employed to find out the returns to scale of the Industries. In order to analyze the data based on the objectives, the investigator applied several statistical tools to find out the relationship between productivity, capital and labour.

KEYWORDS

Tamilnadu State, chemical industry, globalization, environment.

JEL CODE

L65

INTRODUCTION

The chemical industry is amongst the oldest and the largest manufacturing industries in Tamil Nadu. It is more than a couple of centuries old and occupied a dominant position in India's industrial structure. The chemical industry occupies a unique place in the economy of the state by virtue of its contribution to the industrial output, employment generation and Foreign Exchange earnings.

Tamil Nadu has emerged as major exporter of Basic chemicals and other chemical products. This indicates the competitiveness of Chemical industry in Tamil Nadu. The industry growth exceeds that of the manufacturing sector, despite the challenges of escalating crude oil prices and demanding international environmental protection standards which are now adopted globally. Pharmaceuticals and petrochemicals are the two biggest segments in Chemicals that account for approximately 26 per cent and 35 per cent respectively of the overall industry size. Europe, is the largest consumer of chemicals in the world, accounting for approximately half the global chemical consumption, USA consumes approximately one-fifth. The global chemicals industry is being shaped by the following trends that are impacting business models, processes and product segments of multinational players.

IMPORTANCE OF CHEMICAL INDUSTRY

I. GLOBALISATION

The global manufacturing footprint of MNCs is getting transformed, as companies seek to gain proximity to consumer markets, raw material sources, cheaper energy sources and lower tax regime in an effort to drive down costs and safeguard profitability.

II. CONSOLIDATION

Mergers and acquisitions are increasingly prevalent and companies seek economies of scale in manufacturing, logistics and R&D and to pave entry into new markets, expanding the global reach.

III. INCREASED ENVIRONMENT CONSCIOUSNESS

This is a global phenomenon that is driving the industry to innovate and modernise. Effluent disposal issues have resulted in research into cogeneration and upgradation of technology, having a healthy impact on costs and profitability.

Chemicals produced by the chemicals industry are used to make virtually every man-made product and play an important role in the everyday life of people around the world. Such products can protect crops and increase yields, prevent and cure disease, provide insulation to reduce energy use and offer countless other benefits that make life better for people.

The chemicals industry - which includes basic and speciality chemicals, consumer care Products, agrochemicals and pharmaceuticals - is also a major economic force which employs millions of people around the world, and generates billions of dollars in shareholder value and tax revenues for governments. It is more than twice the size of the world market for telecommunications equipment and services, and accounts for about 7% of global income and 9% of international trade (WEC, 1995).

As with other large manufacturing industries, the chemicals industry can also have a negative impact on human health and the environment when the production and use of chemicals are not managed responsibly. From the use of non-renewable resources for fuel and feedstock's (e.g. oil and gas), to the release of pollutants from factories during production, to the disposal of final products that contain hazardous waste, each stage of the lifecycle of a product produced by the chemicals industry can affect man and the environment

CHEMICALS INDUSTRY TRENDS AND OUTLOOK

DESCRIPTION OF THE INDUSTRY

One word can describe the chemicals industry: diverse. There is no one typical product or one typical company. Starting with raw materials such as oil, coal, gas, air, water and minerals, the chemicals industry converts these materials into a vast array of substances for use by other chemical companies, other industries and consumers. The chemicals industries of industrialised nations produce a wide variety of chemicals ranging from commodity industrial chemicals used to make other products to specialty chemicals tailored for unique applications. These products can range from large bulk chemicals used to make plastics, to small bottles of cleaning solutions used by households. Many chemicals companies have a large body of technological knowledge in research and process engineering, abundant capital and management capacity, and skilled and technically competent labour forces.

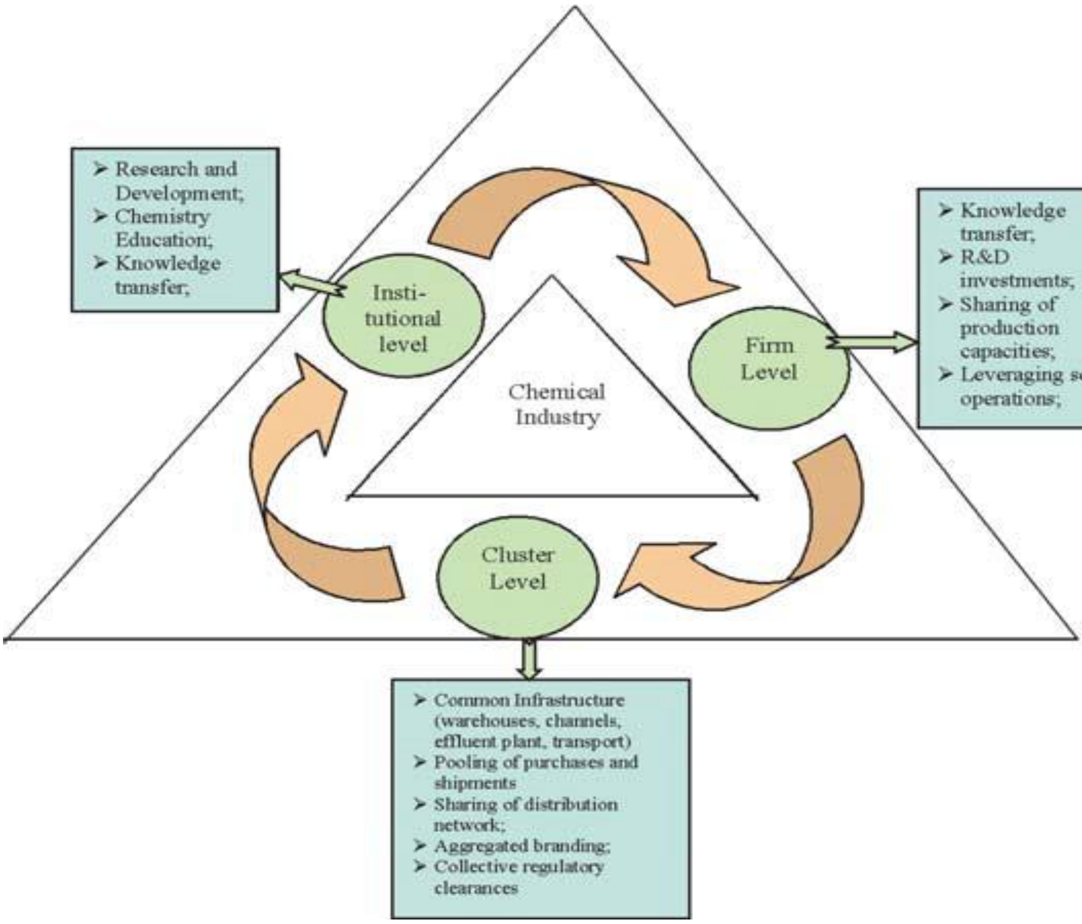
The types of companies involved in producing this vast array of products also vary considerably. Some chemical companies are ranked amongst the largest industrial companies in the world - the top ten chemical companies had revenues in the range of US$10-30 billion (Fortune, 2000). These firms employ many thousands of workers (some with over 100,000 employees) and they have multiple manufacturing sites located throughout the world. Other chemical companies may make only a few products at one site and are relatively small in size. Companies with fewer than 50 employees and less than US$50 million in annual sales make 95% of the 50,000 chemicals produced in the US (SOCMA, 2000).

The chemicals industry is also a major employer, with over 10 million people employed Worldwide (CMA, 1999a). However, as the industry has become more productive and production processes have become highly automated, world employment levels in the industry have fallen 7.5% over the last ten years.

Given the complexity of the processes and the constant need for innovation, the chemicals industry is research intensive. Most companies allot 4 to 6% of their annual sales for R&D (CMA, 1999a), although the percentage of revenue spent on research varies from one branch to another. Companies specialising in large-volume basic chemicals that have been widely used for many years spend less, whereas competition in the newer sectors can be met only by intensive research efforts. Research costs are greatest for the life sciences companies and lowest for producers of commodity chemicals.

POSSIBILITIES OF COLLABORATION BY CHEMICAL INDUSTRY

CHART 1



METHODOLOGY
The data were collected both from primary and secondary sources. The primary sources of information include interviews and questionnaires. The secondary sources of information include journals, guide books and other publications.

IMPORTANCE OF THE STUDY
The scope of the study is to determine that the basic chemical and chemical products industry is a key industry for all the manufacturing industries.

OBJECTIVES
1. Study the trends of productivity and profit.
2. Examine the returns to scale through Cobb – Douglas production function.
3. Find out the relationship between productivity, capital and labor.

REVIEW OF LITERATURE
Kashif Hamid and Abdullah (2006) pointed out in their combined article measured the elasticity of substitution through CES production function for the aggregate manufacturing sector for the reference period 1998 – 2004 including paper and paper board in selected countries. It was found that the aggregate value of a (elasticity of substitution) varied between 0.71 - 1.372. While sectorial elasticity of substitution varied from – 1.76 to 1.86, His findings showed that both in Norway and Egypt they were operating under increasing returns to scale.

Kashfia Ahmad and Tanbir Ahmad Chowdhyry (2009) attempted to examine the major productivity trends and factor substitutability in the manufacturing sector in Maharashtra. The period of the study was from 1998 – 2007. The study found that labor productivity had increased and capital intensity had fallen. The lockouts of industries in Maharashtra could also be accounted as an important factor for the fall in their productivity. The study recommended streamlining of government licensing procedures with emphasis on dispersal of industries in the different backward districts, so that the increasing labor supply can be absorbed productively and the adverse trend of decline in labor productivity can be checked.

Pooja (2009) analyzed import substitution to exports: the manufacturing exports experience of Argentina and Brazil. The study used annual data from 1991-2007. The results showed that the share of total manufacturing exports was $0.87. The greater value of exports the lower the rate of growth rates and values of manufacturing exports. The results lend some support to the hypothesis that in both the countries high growth of exports has been associated with low export value and vice versa, industries with high value exports have exhibited low rates of export growth.

Vandona Parsahar (2010) had studied inverse labor demand equations in select Indian industries for the reference period 1996 – 2008. The results showed that the elasticity of substitution of paint and varnishes industry was 0.6446 and estimated elasticity of employment with respect to output was 0.5146. The elasticity of substitution of jute textile industry was 0.5998 and estimated elasticity of employment with respect to output was 0.5030. The elasticity of substitution of cotton textiles industry was 0.5031 and estimated elasticity of employment with respect to output was 0.3053. The elasticity of substitution of cement industry was 0.4225 and estimated elasticity of employment with respect to output was 0.1908. The elasticity of substitution of iron and steel industry was 0.3753 and estimated elasticity of employment with respect to output was 0.5030. The elasticity of substitution of woolen textiles industry was 0.3451 and estimated elasticity of employment with respect to output was 0.4014. The elasticity of matches industry was 0.3313 and estimated elasticity of employment with respect to output was 0.3248. The elasticity of substitution of glass and glass ware industry was 0.3260 and estimated of employment with respect to output was 0.4067. The elasticity of substitution of tanning industry was 0.3066 and the estimated elasticity of employment with respect to output was 0.3442. He concluded that the elasticity of substitution in each industry stayed well below unity, indicating the rigidity of capital labor substitution. He suggested that the output, if chosen as a policy variable to achieve a target of employment performed better in the first four industries than the last five of them.

STATEMENT OF THE PROBLEM

Tamil Nadu has a diversified manufacturing base with about 2,500 chemical and factories, providing employment to 120,000 people. The chemical industry has grown at a tremendous pace worldwide and in as well. The state of Tamilnadu traditionally has a strong base in the chemical industry. Manali, in the outskirts of Chennai (Madras) has emerged as a major petro- chemical complex. The mother refinery in the complex, Chennai (Madras) Refinery Ltd., has given rise to several petro-based units using a refinery feed-stock for the manufacture of a large number of petro-chemical. Major chemicals and fertilizer plants have also been established at Cuddalore and Tuticorin. Petrochemical industry in Tamilnadu is in the threshold of rapid expansion. Tamil Nadu's Petroleum, Chemicals and Petro-chemical Investment Regions (PCPIR) are spread over an area of 257 sq. km. of brown field area in the coastal districts of Cuddalore and Nagapattinam.

RESULT AND DISCUSSION

PRODUCTION FUNCTION

The Cobb-Douglas Production function, a popular form of production function was employed to find out the returns to scale of the industries. For estimating Cobb-Douglas production function the following multiple regression equation has been used.

Log V = Log A + α Log K + β Log L + μ

V = Gross Value Added

K = Fixed Capital

L = Number of employees

α = Elasticity of output with respect to capital

β = Elasticity of output with respect to employees

If α + β = 1. There will be constant returns to scale

If α + β >1.There will increasing returns to scale

If α + β <1.There will decreasing returns to scale

In order to find out whether the industry is labour intensive or capital intensive and to find out the returns to scale the Cobb – Douglass Production function was used. The results are as follows

ESTIMATES OF COBB – DOUGLAS PRODUCTION FUNCTION

TABLE 1

Items	Co-efficient
Constant Independent Variable Log K(α)	2.670033 0.738336 Standard Error:1.313788 't' Value: 2.353
Log L(β)	-0.353173 Standard Error:.541532 't' Value: -.652

Cobb – Douglas production function equation.

Log V = log A + α log K + β log L + U

Log L + log β = 0.738336 – 0.353173

= 0.385163

The result of Cobb – Douglas production function indicated that the sum of input co-efficient α and β is 0.385163. The Basic Chemical and Chemical Product Industry are running under diminishing returns to scale. It was also found that Basic Chemical and Chemical industry is a capital – intensive industry since he value of α > β.

ANALYSIS OF PROFITS

Profit is the excess of net income over the cost of employee's compensation (i.e.) total emoluments and supplements to emoluments (i.e.) (i) Contribution to provident and other funds and (ii) Workmen and staff welfare expenses.

Analysis of profits is grouped in two categories as follows:

- ✓ Trend in Gross Profit
- ✓ Profitability Ratio

TREND IN GROSS PROFIT

Trend in total profit with annual increase or decrease are depicted in the following Table. Diagram shown below a diagrammatic trend on Gross Profit.

TREND IN GROSS PROFIT

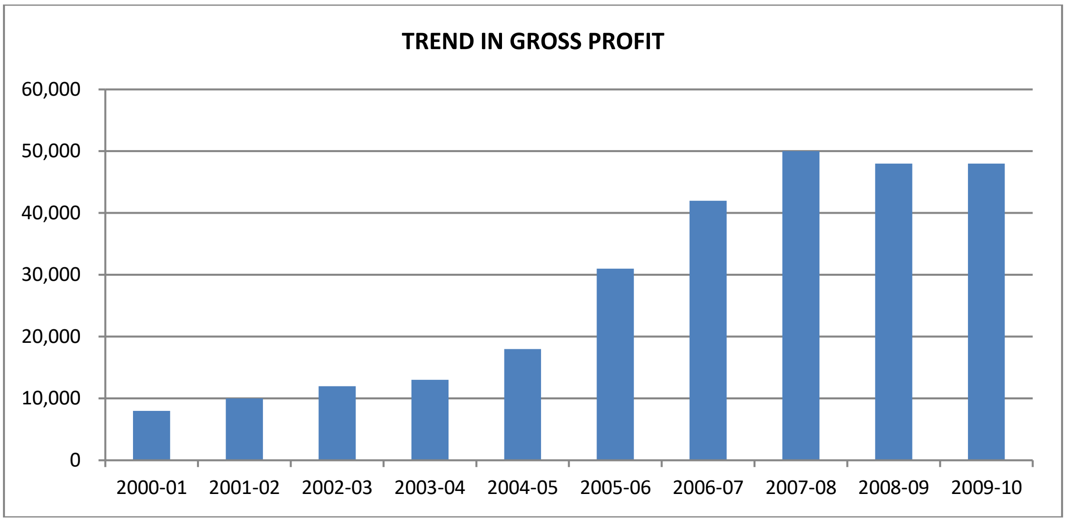
TABLE 2

YEAR	GROSS PROFIT	ANNUAL INCREASE / DECREASE (RS.IN LAKHS)
2000-2001	412.75	–
2001-2002	79.71	-0.81
2002-2003	381.49	3.79
2003-2004	189.02	-0.50
2004-2005	-27.35	-1.14
2005-2006	214.29	-8.84
2006-2007	386.23	0.80
2007-2008	489.67	0.27
2008-2009	318.50	-0.35
2009-2010	200.82	-0.37

Source: Annual Survey of Industries, various issues.

TREND IN GROSS PROFIT

CHART 2



The above table reveals that there was a decreasing trend in the level of profit from the beginning of the period to the end of the period. This was recorded with fluctuations every year. This is substantiated with figures on annual change, which showed negative trend during certain years.

PROFITABILITY RATIOS

Profitability ratio means the profit generating ability of the industry, which consists of return on capital, profit per factory, profit per worker, Profit to working capital. Return on capital consists of

(1) Returns on Fixed Capital = Profit / Fixed capital

(2) Returns on physical Working Capital = Profit / Physical working capital

(3) Returns of working Capital = Profit / Working capital

(4) Returns of productive Capital = Profit / Productive capital

(5) Returns of Invested Capital = Profit / Invested Capital

(6) Profit per Factory = Profit / Number of Factories

(7) Profit to working Capital = Profit / Working capital

Profitability Ratios are presented in the following Table - shown below:

TABLE 3: PROFITABILITY RATIO

YEAR	RETURNS OF FIXED CAPITAL	RETURNS OF PHYSICAL WORKING CAPITAL	RETURNS OF WORKING CAPITAL	RETURNS OF PRODUCTIVE CAPITAL	RETURNS OF INVESTED CAPITAL	PROFIT PER FACTORY	PROFITS TO WORKING CAPITAL
2000-01	0.22	0.46	0.44	0.15	0.15	0.39	0.44
2001-02	0.04	0.07	0.12	0.03	0.03	0.07	0.12
2002-03	0.19	0.32	0.48	0.14	0.12	0.34	0.48
2003-04	0.09	0.15	0.23	0.07	0.06	0.15	0.23
2004-05	-0.01	-0.02	-0.06	-0.01	-0.01	-0.02	-0.06
2005-06	0.10	0.21	0.28	0.07	0.07	0.13	0.28
2006-07	0.13	0.28	0.35	0.10	0.09	0.26	0.35
2007-08	0.18	0.39	0.55	0.14	0.12	0.31	0.55
2008-09	0.09	0.32	0.85	0.08	0.07	0.21	0.85
2009-10	0.06	0.19	0.43	0.05	0.05	0.12	0.43

Sources: Calculated on the basis ofe Annual Survey of Industries Data.

It is found that returns on fixed capital ranged between 0.04 and 0.19, return on working capital ranged between 0.12 and 0.55, return on productive capital ranged between 0.03 and 0.15, return on physical working capital ranged between -0.02 and 0.46, returns on invested capital ranged between -0.01 and 0.15, profit per factory ranged between 0.07 and 0.39, profit to working capital ranged between -0.06 and 0.85.

MEASUREMENT OF PRODUCTIVITY

Productivity is a measure of the efficiency with which resources are converted in to goods and services. The higher the productivity, the higher the level of economic is well – being and the greater the national strength. Productivity can either be total or a partial measure. The total factor productivity compares the total output and weighted composition of inputs usually capital and labour productivity occupies a very important place in economic progress achieved either by increasing the amount of factors of production or by increasing their productivity. Therefore, the need for increasing productivity is widely realized particularly for promoting rapid economic development.

Productivity is expressed as the ratio between outputs and input symbolically it may be expressed as follows:

Gross Output
Productivity = ---------------------------
Total Input

If the productivity is to be calculated as a ratio between outputs and labor it is known labor productivity. Symbolically it may be expressed as:

Gross Output
Labor Productivity = ---------------------------
Total Input

If productivity is to be calculated as a ratio between output and capital it is known as capital productivity. Symbolically it may be expressed as:

Gross Output
Capital Productivity = -------------------------------
Total capital employed

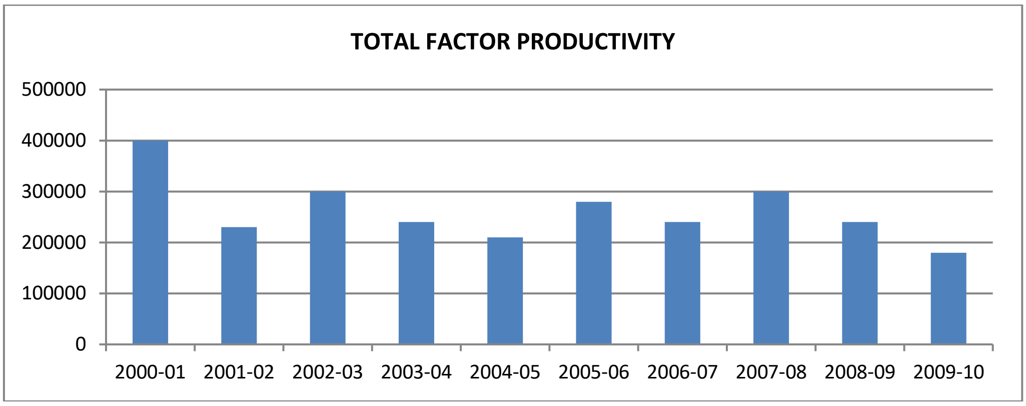
Total capital includes sum of all fixed capital, physical working capital, working capital, productive capital and invested capital.
The total factor productivity of the Basic chemicals and chemical product industry is shown below in Table

TABLE 4: TOTAL FACTOR PRODUCTIVITY

YEAR	NET VALUE ADDED (RS. IN LAKHS)	TOTAL INPUT (RS. IN LAKHS)	PRODUCTIVITY (RS. IN LAKHS)
2000-2001	895.92	2225.37	0.40
2001-2002	677.66	2994.01	0.23
2002-2003	1019.44	3444.67	0.30
2003-2004	885.05	3617.90	0.24
2004-2005	773.86	3623.35	0.21
2005-2006	884.18	3174.81	0.28
2006-2007	1101.21	4517.29	0.24
2007-2008	1208.17	4058.82	0.30
2008-2009	1043.37	4357.92	0.24
2009-2010	845.67	4593.94	0.18

Source: Annual survey of industries, various issues.

CHART 3



The productivity of the Basic chemicals and chemical products industry was declining from Rs. 0.40 lakhs to Rs. 0.18 lakhs. It accounted for more than threefold decline. But this decline recorded with fluctuations throughout the period.

PARTIAL FACTOR PRODUCTIVITY – LABOUR AND CAPITAL

The ratio between output and labour is called labour productivity. If productivity is to be calculated as a ratio between output and capital it is called capital productivity.

The following Table below depicts details regarding partial factor productivity of labour and capital.

PARTIAL FACTOR PRODUCTIVITY

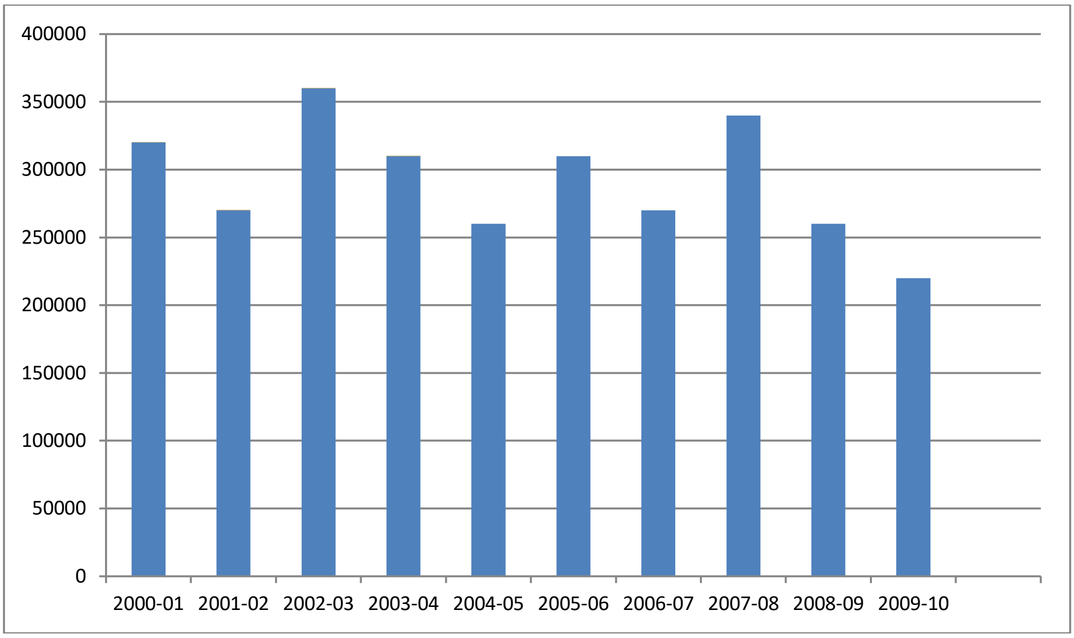
TABLE 5

YEAR	LABOUR PRODUCTIVITY	CAPITAL PRODUCTIVITY (RS.IN LAKHS)
2000-2001	0.01	0.32
2001-2002	0.01	0.27
2002-2003	0.01	0.36
2003-2004	0.01	0.31
2004-2005	0.01	0.26
2005-2006	0.01	0.31
2006-2007	0.01	0.27
2007-2008	0.01	0.34
2008-2009	0.01	0.26
2009-2010	0.01	0.22

Sources: Calculated on the basis of annual survey of industries data.

PARTIAL FACTOR PRODUCTIVITY

CHART 4



It was surprising to note that the growth of labour productivity was Rs. 0.01 lakhs throughout the period. Growth differences were observed only in capital productivity. It recorded a range between Rs. 0.22 lakhs and Rs. 0.34 lakhs in monetary terms.

CONCLUSION

Since, the performance of the industry in terms of productivity was not satisfactory. The Industry should place high priority in ensuring higher productivity levels through incentive Schemes, greater participation of workers in management, rehabilitation of workers in case Disinvestments of Public sector unit. To absorb surplus labor force in these sectors necessary steps should be taken quickly.

SUGGESTIONS AND RECOMMENDATIONS

- ✓ Provide attractive incentives to the Investors.
- ✓ Provide World Class infrastructure to the Investors.

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