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KIRANKUMAR BANNIGOL**ASST. PROFESSOR****P.G. DEPARTMENT OF STUDIES & RESEARCH IN COMMERCE****KARNATAK UNIVERSITY CENTRE****KARWAR****S. G. HUNDEKAR****PROFESSOR & HEAD****P.G. DEPARTMENT OF STUDIES & RESEARCH IN COMMERCE****KARNATAK UNIVERSITY****DHARWAD****ABSTRACT**

In India the fishermen community is also one of the areas where in very less interest is given. The present study analyse the livelihood and socio-economic status of marine fishing communities in the north canara coastal place of Karnataka state. In depth structured interview was used to collect information in 5-study areas (station) of Uttar Kannada (North Canara) coastal area. For the present investigation station was selected starting from karwar to bhatkal covering a 140 kms stretch of coastal line. Though the fishing activity is environment friendly and creates a balance in the marine world and becomes a reason for livelihood of millions yet due concern towards the same is not done! Today, the fishermen community is in the area of great trouble. In the study we have covered the north canara or Uttar Kannada district.

KEYWORDS

fishermen, livelihood, economic status.

JEL CLASSIFICATION CODES

Q20, Q22, E02.

1. INTRODUCTION

The agricultural farming and fisheries have involved rather parallel in the history of human civilization. Interest in fish eating dates back to the dawn of history. It is believed that hunting of fish was not uncommon in prehistoric times. At the dwelling sites near a river or a lake of cave dwellers of the late Old Stone Age (40000bc) heaps of refuse of shellfish and sea fish have been found. The ancient hindu scriptures like epics, puranas, and shastras mention about the fish stock and its protection. Koutilyas arthashastra written between 321 and 300 B.C. refers to fishing operations, fish eating habits of the iron pillar edicts of emperor Ashok the great dating back to 246 B.C. are reported to contain rules barring the killing of fish during certain phases of the moon.

As a matter of fact, Asia is the world's largest continent with 4.2 billion people or constituting 60 % of the world's population. And Within Asia, India is second most populous country in the world with 1.21+ billion people or more than 17.5% of the world's population (FAO, 2012). In India 65% of the people are still dependent on agriculture as their livelihood and employment source which includes fisheries as one of its components. As far as health facet is concerned, fisheries serves as a valuable and cheap source of protein of the country. According to 2001 census India's total population is 1,02,70,15,247 of which 59,59,144 people are fishermen. In 2002, there were 38 million commercial and subsistence fishermen and fish farmers all over the world. Of this total, 74% were engaged in capture fisheries and 26% in aquaculture. The world total fishery production of 133 million tonnes equated to an average productivity of 3.5 tonnes per person. By 2006, the number of world fishers increased to 43.5 million and the total fishery production was 143.6 million tonnes with an average productivity of 3.3 tonnes per person (FAO, 2012).

India has enormous potential resources teeming with fish. A large part of the country is maritime, engages in traditional fishing in marine water from ages. The inland fishing is also an old practice in the extensive network of fresh water. Indian fisheries, developed over the year and stand great scope for further expansion by way of more rational and more full exploitation of these resources. Fishers in the state are not homogeneous – a number of critical factors distinguish one group from another. And yet they share two important features: they are all heavily dependent on fishing as a livelihood and a large majority of them are poor, suggesting that most of the troubles that afflict fishing communities are directly attributable to the poor conditions of their livelihoods.

The prime objective of the study is to find out social and economic conditions of the fisher folk of uttara kannada or north canara district. The research paper tries to analyse the life style and living conditions of the fishermen. It is a comprehensive study of randomly selected fishermen from the district and an attempt to find an optimum solution for the problems of the fishermen.

2. MATERIALS AND METHODOLOGY

2.1 Study Area: - The survey was conducted in the 5-study areas (station) of north canara coastal area. For the present investigation station was selected starting from karwar to bhatkal covering a 140 kms stretch of coastal line. The Uttara Kannada district is located between north latitudes 13° 55' 02" to 15° 31' 01" and east longitudes 74° 0' 35" to 75° 10' 23" falling in the survey of India degree sheet Nos -48 I, 48 J, 48 K, 48 M, and 48N. The district is having geographical area of 10222 sq. kms.

2.2. Data Collection Method: For the purpose of research In depth structured interview was used to collect information in 5-study areas (station) of Uttar Kannada (North Canara) coastal area from 320 sample fishermen. For the present investigation station was selected starting from karwar to bhatkal covering a 140 kms stretch of coastal line. data were collected from different fishermen and fish traders like whole sellers, retailers, businessmen, and other allied associates. Data were collected using by questionnaires and some Focus Group Discussion (FGO) with the fishermen and the women in the study area. The survey was conducted over a period of 6 months from August 2014 to Feb 2015. The information was collected on sources of fish, problem of fishing or trading, daily retail price indexes and is there any fishermen co-operative society, and number of family members, sex composition, age structure, income pattern, educational status and income holders' dependents.

2.3 DEMOGRAPHIC DETAILS OF THE STUDY AREA: The entire stretch is divided into 5 parts or five talukas of north canara of uttara kannada district viz., Karwar, Ankola, Kumta, Honnavar and Bhatkal.

3.0 ANALYSIS

TABLE 1

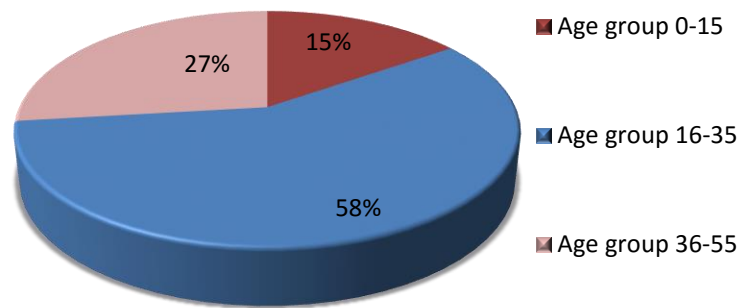
Sl. No.	Station	Latitude	Longitude	District
1	Karwar	14° 48' N	74° 11' E	Uttara kannada
2	Ankola	20.700 N	77.000E	Uttara kannada
3	Kumta	14° 26' N	74° 27' E	Uttara kannada
4	Honnavar	14° 17' N	74° 29' E	Uttara kannada
5	Bhatkal	13.9670° N	74.5670° E	Uttara kannada

3.1 **Age structure:** According to the survey age structure of the fishermen of study area people lying the age group between 0 – 15, 16 –35 and 36 – 45 year age group. In this study we found that 16 – 35 year of age group are more in number and their role in fishing is more active. The next groups are 35 – 45 year age group are also engaged but comparison to former low. Below 15 year age group may be regarded as occasional working age group.

TABLE 2: DISTRIBUTION OF AGE GROUP OF SAMPLES OF FISHERMEN OF THE STUDY

Sl. No.	Station	Total Sample Size	Age group		
			0-15	16-35	36-55
1	Karwar	90	12	58	20
2	Ankola	65	7	30	28
3	Kumta	45	6	28	11
4	Honnavar	55	11	32	12
5	Bhatkal	65	13	37	15

FIG. 1: AGE GOUP DISTRIBUTION AND DEPENDENCY OF FISHING ACTIVITY ON DIFFERENT AGE GROUP

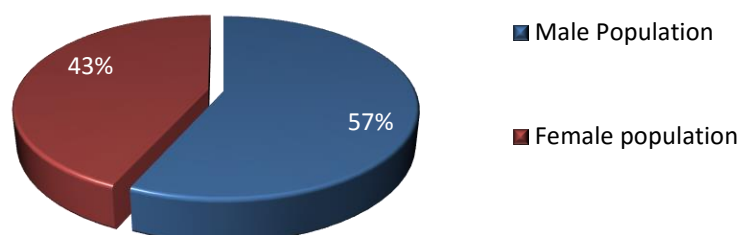


3.2 **Sex composition and sex ratio:** The study has been made over 70 families with population of 320 people. In a random sample of 320 people 187 were male and 143 were that of female.

TABLE 3: DISTRIBUTION OF SEX RATIO OF TOTAL POPULATION

Sl. No.	Station	Total family	Total Population	Male Population	Female population
1	Karwar	18	102	64	38
2	Ankola	14	69	27	42
3	Kumta	15	64	34	40
4	Honnavar	11	44	31	14
5	Bhatkal	12	41	31	9

FIG 2: DISTRIBUTION OF SEX RATIO OF TOTAL POPULATION



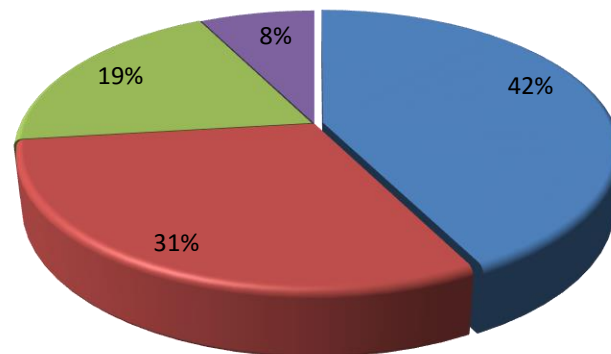
3.3 Community features or religion: In the social organization of fishermen were found to belong to Kharvi, Harikanta, Gabit, and Ambig caste following Hindu religion. These communities are of prime dwelling category and some Muslims, Christian and bramins also do fisheries. These communities used to catch fish from Arabian Sea and from some small inland rivers.

TABLE 4: DISTRIBUTION OF COMMUNITY OF FISHERMEN IN NORTH KANNADA DISTRICT

Sl. No.	Station	Total Sample Size	Caste Category			
			Kharvi	Harikantra	Gabit, Ambig	Others
1	Karwar	90	42	28	13	7
2	Ankola	65	33	17	13	2
3	Kumta	45	18	14	11	2
4	Honnavar	55	21	16	15	3
5	Bhatkal	65	22	23	10	10

FIG 3: DISTRIBUTION OF COMMUNITY OF FISHERMEN

■ Kharvi ■ Harikantra ■ Gabit, Ambig ■ Others

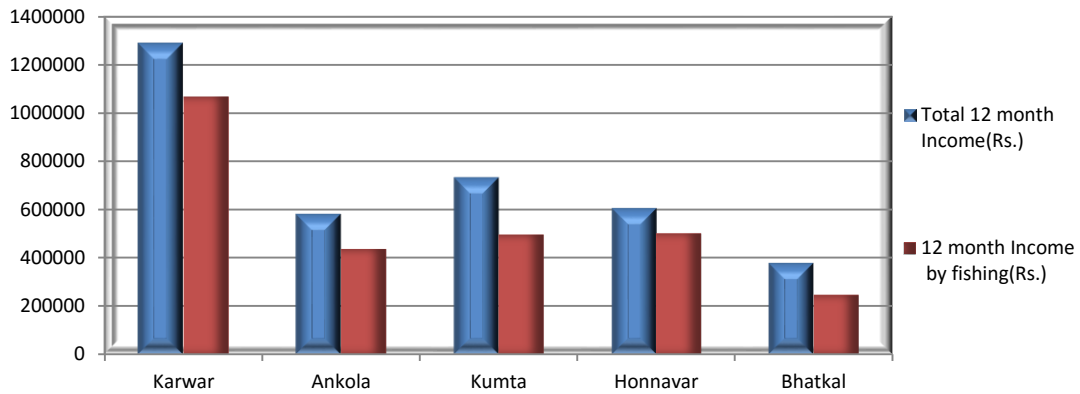


3.4. Income and living standard: Although fishing is the major and in some cases, the only source of income of traditional fisherman, the fisher folk occasionally undertake a variety of fishery related and non-fishery related activities, which constitute a substantial part of their annual income. this income augmenting opportunities however, are very limited. There are very limited options for non-fishery related activities such as wage labor in the other sectors like agriculture, construction, live stock and poultry raising, etc. From the interviews, fishermen mentioned that their daily fishing income fluctuated between Rs. 70/- to 100/-. Estimation of annual income-by-income level, as done here. Allows differentiation of livelihood dependency of fisher communities of the area. Overall it can be stated that the majority of people living here are dependent on fish resources. The income of marginal fishermen has decreased over the years due to reduced availability of fish. These reduction or production in fish reduce because of environmental degradation like late rain, heavy river siltation, agricultural, dam formation and industrial pollution, etc. further intensify the problem.

TABLE 4: INCOME LEVEL OF FISHERMEN FAMILIES INHABITING THE STUDY

	Station	No. of families	12 month Income	12 month Income per family	12 month Income by fishing	per family 12 month Income by fishing
1	Karwar	18	1288800	71600	1068840	59380
2	Ankola	14	581000	41500	436800	31200
3	Kumta	15	732000	48800	496500	33100
4	Honnavar	11	605000	55000	501600	45600
5	Bhatkal	12	378000	31500	246900	20575

FIG 4: STATION WISE INCOME LEVEL OF FISHERMEN FAMILIES INHABITING THE STUDY AREA



3.5. Using Equipment or fishing nets: In this district Fishermen are using some peculiar type of nets; more than seven types of nets are being used by the folk. As per the survey of fisheries department of Uttara Kannada District, totally (25048+) nets are operated in different types of fishing. Usually cast nets are very famous and it is used by single person. This type of net helps poor fishermen to maintain his day-to-day life (6127) whereas Trawlers and Dragnets are more or less (3205 & 3106). They are normally being used in mechanized fishing by fishermen. Now-a-days 40% of the total catch is done by these nets. Purse-science nets ranks very low in the list (359). This net is very big and mainly used in Pures-Scienc boats. The cost of boats is very high. In North kannada coast very less number of Purse-science are operating. During the fishing season huge quantity of fish is caught by the purse-sciences.

4.0 LITERACY AND EDUCATION OR EDUCATIONAL STATUS

The literacy level of fishermen is very low. It is found that the majority is of illiterate whereas only few fishermen have their education up to primary level and some only write their name and give a signature. Children are also educated till the primary or 5th class and then onwards they drop-it in order to earn some money. On the contrary women folk is illiterate who don't even know to read and write their name.

5.0 EMPLOYMENT OPPORTUNITIES

Employment opportunities can be generated not only from fish production but employment would also be provided through different allied occupations viz., hatchery management, seed production, fish marketing, net making, packing of fish, ice factories, boat operation and also in other ancillary industries like basket making, pattal making, transport of fish etc. Fishermen would be getting better remunerations which will ensure increase in their per capita income. Adequate storage, transportation and marketing facilities for efficient disposition of fish will further add to enhance revenue. By evaluating the magnitude of costs, benefits, impacts and distribution of these impacts through individual and group responses it was intensely felt that the fishermen do not receive what actually they deserve. At present fishermen do not get their actual price due to lack of transportation and malpractice in the marketing system. At a policy level, mechanism should be developed so as to distribute revenues equitably.

6.0 TECHNOLOGICAL EXTENSION SERVICES AND INNOVATION IN TECHNOLOGY TO ENHANCE PRODUCTION

Deficiency of proper equipments or instruments, which are necessary for fishing, hinders the socio-economic growth of fishermen. In many cases these are formed of illiterates / semi literate, indigent fishermen who lack the knowledge of latest fishery technology and proper attitude to fishery development and also lack resources to make use of it. In the absence of proper techniques and skills they cannot lead towards their development. Proper training programs supported by financial input may improve the situation.

7.0 CONCLUSION

The fishermen of Karnataka especially ok Uttar Kannada district, on the one hand are facing climate problem i.e., change in unexpected underwater currents these days due to human activities like global warming etc. on the other side they are in dearth of fisheries amenities, proper guidance and are jeopardized by the traders. In that case both government and local rich men need to work on the issue and solve the problems of fishermen.

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POPULATION GROWTH AND ECONOMIC DEPENDENCY IN INDIA

DR. REJI B
ASST. DIRECTOR
LABOUR BUREAU
CHANDIGARH

PINKI
INVESTIGATOR GRADE II
LABOUR BUREAU
CHANDIGARH

ANURADHA KUMARI RAI
STUDENT
DEPARTMENT OF ECONOMICS
PANJAB UNIVERSITY
CHANDIGARH

ABSTRACT

The rapid growth of population, increasing life expectancy, decreasing fertility rate, etc. in India resulted into structural changes in age composition of population. Gradual shrink of child and youth population and rapid increase of elderly accelerate the percentage of dependent population. The share of India's population aged 60 years and older is projected to climb from 8 percent in 2010 to 19 percent in 2050. The economic and social welfare of the elderly people and of society more generally seem tenuous in the face of low labour force participation, reliance on younger generations for support, and new and emerging diseases. The paper closely examines the profound shift in age composition and its economic impact on the basis of various dependency measures. Census, 2011 and Third Annual Employment - Unemployment Survey, 2012-13 data were used to measure various dependency ratios. The research indicates that the dependency among youth (15-29 years) and females are severe in nature.

KEYWORDS

economic dependency, labour force dependency, population growth.

INTRODUCTION

According to 2011 census, India's total population was 1.2 billion with 17.72 percent decadal growth rate and 1.64 percent Average Annual Growth Rate. At present, India is world's second most populous country. United Nation's population projections show that India will be the most populous country by 2030. As per Economic Survey, 2014-15, from 1951 to 2013, India's birth rate per thousand has declined from 39.9 to 21.4. On the other hand, death rate has declined to 7.0 per thousand in 2013 from 27.4 per thousand in 1951. This significant decline in death rate can be attributed to control over epidemics, fatal diseases like smallpox & cholera and improved health facilities. There has been a fall in birth rate also but not significant enough to commensurate the rate of decline in death rate.

As a result of rapid growth of population, increasing life expectancy, decreasing fertility rate, etc. in India, the share of older population will also increase dramatically over the next four decades. The share of India's population aged 60 years and older is projected to climb from 8 percent in 2010 to 19 percent in 2050 (UN, 2011). This profound shift in the share of older Indians – taking place in the context of changing family relationships and severely limited old age income support- brings with it a variety of social, economic and health care policy challenges (PRB, 2012).

The growth of population is a success story of India's developing economy, as it is largely driven by a steady increase in life expectancy over the past 60 years. Average life expectancy at birth of an Indian increased from 37 years in 1950 to 66 years in 2011. Projections show that the average life expectancy at birth in India will increase to 72 years by 2031-36 (PFI, 2007). The improvement in life expectancy which has resulted from the improved sanitation and living conditions over the last century helped to eliminate many debilitating diseases that lead to high mortality at younger ages.

The economic and social welfare of the elderly people and of society more generally seem tenuous in the face of low labour force participation, reliance on younger generations for support, and new and emerging diseases. India has, however, made some important policy provisions in the face of this demographic shift, but difficulties as well as opportunities lie ahead for the country. This rise in dependency ratio due to ageing population is a concern for many countries, since it becomes difficult to provide pension and other social security benefits to a significantly older and non-working population.

Demographic advancement and rising socio-economic status of families has lessened the size of the family. This may result into shrinking of youth population in future. Moreover, there is also a growing trend of migration of younger population from rural to urban areas in search of job, leaving their older family members in rural areas. Consequently, the rural areas have more elderly population who need care and support. Population ageing in India presents not only a challenge but also an opportunity. In order to develop effective policies to maximize the potential of the ageing population, the first step is to understand the current status of economic, social, and health conditions of not only the aged population of today, but also the next generation of aged persons.

DATA AND METHODOLOGY

Dependency ratio (DR), in general, is defined as the number of dependent population to the supporting population. This ratio gives insight into the number of people of non-working age group compared to the number of those of working age group. A higher DR implies a greater dependency of non-working age group on the working age group of the total population.

$$\text{Dependency Ratio (DR)} = \frac{\text{population aged 0 - 14} + \text{population aged 60 and above}}{\text{population aged 15 - 60 year}} \times 100$$

Dependency Ratio is equal to the sum of population aged below 15 years and population aged above 60 years to the population aged 15 to 60 years, expressed as a percentage.

Total Dependency Ratio can be divided into two parts namely, Child Dependency Ratio (CDR) and Old Dependency Ratio (ODR). Normally, CDR is high in developing and underdeveloped countries due to higher birth rate. In developed countries, low fertility and high life expectancy characterise high ODR.

$$\text{Child Dependency Ratio (CDR)} = \frac{\text{population aged 0 - 14}}{\text{population aged 15 - 60 year}} \times 100$$

$$\text{Old Dependency Ratio (ODR)} = \frac{\text{population aged above 60 year}}{\text{population aged 15 – 60 year}} \times 100$$

Out of these two forms of dependency ratio, CDR, consisting of pre labour force age group, may be seen as of lesser burden as this part of population is yet to enter the labour force and an economy can expect demographic dividend in the form of higher labour force in the near future. On the other hand, population forming part of ODR i.e. post labour force age group is not expected to contribute anything towards any economic activity neither at present nor in future.

Dependency ratio is a crude measure of determining dependency as all the persons in the working age group are not part of labour force and further those who are part of labour force are not necessarily employed. In order to find out the actual dependency, economists developed the Labour Force Dependency Ratio (LFDR) and Economic Dependency Ratio (EDR). LFDR is expressed as per 100 number of persons not in the Labour force to those who are in the labour force.

$$\text{Labour Force Dependency Ratio (LFDR)} = \frac{\text{Persons out of Labour Force}}{\text{Persons in Labour Force}} \times 100$$

Similarly, Economic Dependency Ratio (EDR) is the ratio which gives actual dependency of a society or a region. This ratio is expressed as the sum of per 100 persons out of labour force and persons who are in the labour force but unemployed to the persons who are employed.

$$\text{Economic Dependency Ratio (EDR)} = \frac{\text{Persons out of Labour Force} + \text{unemployed}}{\text{employed}} \times 100$$

The data for analysing economic dependency scenario in India as a whole as well as states were gathered from Census 2011 by Registrar General of India and Annual Employment - Unemployment Survey, 2012-13 by Labour Bureau.

RESULTS AND DISCUSSIONS

Table 1 shows the Total Dependency Ratio (DR), Child Dependency Ratio (CDR) and Old Dependency Ratio (ODR) over the period of 1991-2025. As per the table, DR is decreasing over the period of time whereas ODR is increasing throughout the period. The CDR and ODR were 51 percent and 14.2 percent respectively in the year 2011. It is projected that by the year 2025, the CDR and ODR will be 36.4 percent and 19.3 percent respectively. The dependency of children is decreasing gradually at the same time with the increasing trend in longevity; the dependency load of elderly is gradually increasing (Kumar, 1999; Sun, 1998). The decreasing CDR can be attributed to the declining birth rate whereas increasing ODR is a sign of increased life expectancy due to improved health facilities.

TABLE 1: TOTAL DEPENDENCY RATIO (DR), CHILD DEPENDENCY RATIO (CDR) AND OLD DEPENDENCY RATIO (ODR) OVER THE PERIOD OF 1991-2025

Year	Dependency Ratio (per 100)		
	Child (CDR)	Old (ODR)	Total (DR)
1991	67.2	12.2	79.4
2001	62.1	13.1	75.2
2011	51.0	14.2	65.2
2025	36.4	19.3	55.0

Source: Population Census (1991, 2001, 2011), population projection, RGI.

As discussed in the above section, the dependency ratio is a crude measure because all the persons in the working age group are not participating in the labour force. The Labour Force Dependency Ratio (LFDR) and Economic Dependency Ratio (EDR) were calculated on the basis of results of Third Annual Employment - Unemployment Survey (AEUS), 2012-13. As the survey results were compiled for the persons aged 15 years and above, the Labour Force Dependency Ratio and Economic Dependency Ratio calculated on the basis of this survey results have been used for comparative analysis with Old Dependency Ratio.

TABLE 2: DEPENDENCY RATIOS AT ALL INDIA LEVEL PER 100 PERSONS AGED 15 YEARS AND ABOVE

Dependency Ratio	Person	Male	Female	Rural	Urban
Dependency Ratio (Census 2011)	65	65	65	72	53
Child Dependency Ratio (Census 2011)	51	52	50	57	40
Old Dependency Ratio (Census 2011)	14	14	15	15	12
Labour Force Dependency Ratio (AEUS, 2012-13)*	96	31	342	89	117
Economic Dependency Ratio (AEUS, 2012-13)*	106	36	378	98	130

Source: Census, 2011 and Annual Employment-Unemployment Survey, 2012-13, Labour Bureau

Table 2 shows gender-wise and sector-wise Labour Force Dependency Ratio (LFDR) and Economic Dependency Ratio (EDR) at all India level. LFDR and EDR were calculated on the basis of AEUS, 2012-13 whereas Census, 2011 data was used for calculating Total Dependency Ratio (DR), Child Dependency Ratio (CDR) and Old Dependency Ratio (ODR). During 2012-13, LFDR for rural areas at all India level was observed at 89 persons per 100 persons while EDR was 98 persons per 100 persons. In case of females, the intensity of dependency is significantly higher which is a result of lower female participation in labour force and higher unemployment rate among female.

TABLE 3: AGE COHORT DEPENDENCY RATIOS AT ALL INDIA LEVEL PER 100 PERSONS

Dependency Ratio	Age Cohort	Person	Male	Female	Rural	Urban
Labour Force Dependency Ratio (AEUS, 2012-13)	15-29 years	153	74	438	144	183
	30 years & above	71	11	300	65	89
Economic dependency Ratio (AEUS, 2012-13)	15-29 years	192	97	567	178	239
	30 years & above	73	13	306	67	92

Source: Annual Employment-Unemployment Survey, 2012-13, Labour Bureau

A cohort analysis was done using age-wise data of Third Annual Employment - Unemployment Survey (AEUS), 2012-13, conducted by Labour Bureau, for the age groups 15-29 years (youth) and 30 years and above. Table 3 shows that overall Labour Force Dependency Ratio (LFDR) is more than double among youth when compared with 30 years & above age group. The same trend can be seen in sector-wise ratios also. Gender wise ratios show higher dependency among females in both age groups. In males, LFDR for persons aged 15-29 years is almost seven fold as compared with 30 years & above age group.

In case of economic dependency, the difference between the ratios of both age-groups under study is more as it involves dependency on employed persons only. The above analysis indicates serious unemployment issues among the youth population (15-29 years). When the youth is unemployed/economically dependent then the middle aged population (30-60 years) have to support both the preceding and succeeding generations simultaneously.

TABLE 4: DEPENDENCY RATIOS AT STATE/UT LEVEL PER 100 PERSONS

States/UT	Dependency Ratio (per 100)						
	DR*	CDR*	ODR*	LFDR#	YLFDR#	EDR#	YEDR#
Andhra Pradesh	56	41	15	65	116	69	135
Arunachal Pradesh	67	60	8	63	116	87	221
Assam	65	54	11	97	144	111	195
Bihar	91	77	14	115	192	129	257
Chhattisgarh	66	53	13	64	107	67	114
Delhi	52	41	10	130	204	144	262
Goa	49	33	17	110	111	135	160
Gujarat	59	46	13	106	157	112	173
Haryana	62	48	14	129	183	140	223
Himachal Pradesh	57	41	16	64	122	75	169
Jammu & Kashmir	70	58	13	124	175	146	262
Jharkhand	77	64	13	96	152	115	226
Karnataka	56	41	15	83	132	87	144
Kerala	56	37	20	130	190	156	324
Madhya Pradesh	71	57	13	77	127	81	141
Maharashtra	58	42	16	84	153	91	187
Manipur	59	48	11	104	297	111	350
Meghalaya	80	72	8	74	147	82	179
Mizoram	63	53	10	60	131	65	151
Nagaland	65	57	9	98	230	114	326
Odisha	62	47	15	89	124	101	167
Punjab	56	40	16	123	176	135	219
Rajasthan	73	60	13	112	191	119	218
Sikkim	51	41	10	65	103	91	224
Tamil Nadu	52	36	16	79	126	86	158
Tripura	55	43	12	99	141	128	247
Uttarakhand	67	52	15	135	246	149	318
Uttar Pradesh	78	64	14	120	181	134	233
West Bengal	55	42	13	96	132	112	194
A & N Island	45	35	10	144	237	171	341
Chandigarh	46	37	9	143	175	158	219
Dadra & Nagar Haveli	55	49	6	105	157	108	160
Daman & Diu	38	31	6	86	115	88	121
Lakshadweep	51	39	12	124	197	150	320
Puducherry	51	36	15	99	132	125	250
All India	65	51	14	96	153	106	192

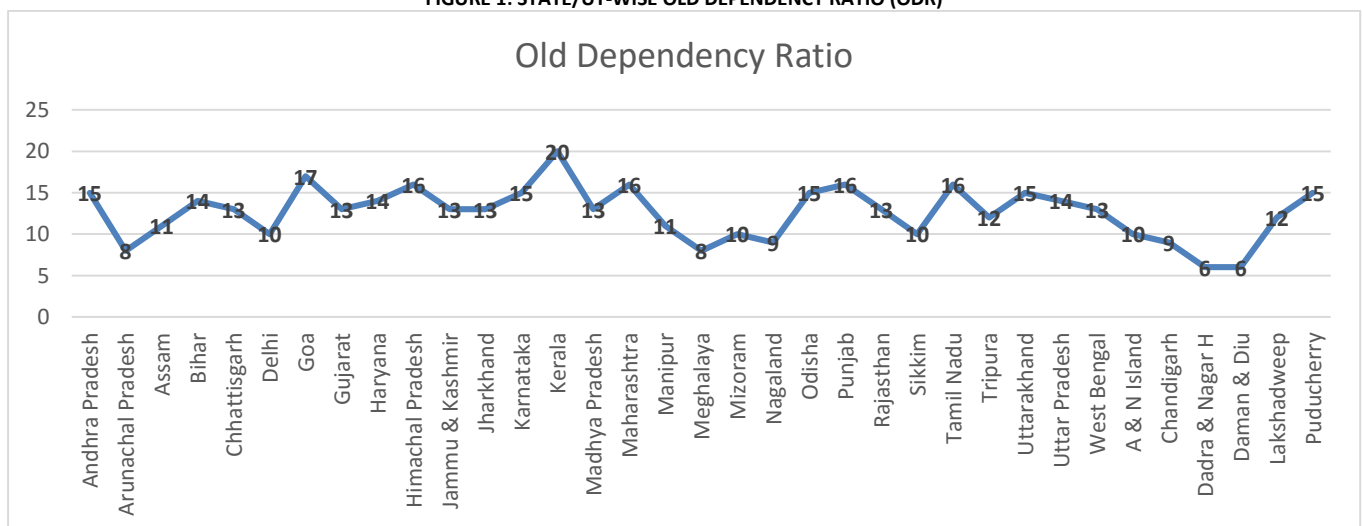
DR- Dependency Ratio
 CDR- Child Dependency Ratio
 ODR- Old Dependency Ratio
 LFDR – Labour Force Dependency Ratio
 EDR – Economic Dependency Ratio
 YLFDR– Youth Labour force Dependency Ratio
 YEDR – Youth Economic Dependency Ratio

Source: *Based on Census, 2011, # Based on Third Annual Employment-Unemployment Survey, 2012-13

As per table 4, the highest economic dependency is in Andaman & Nicobar Island (171 persons) followed by Chandigarh with 158 persons and Kerala with 156 persons per 100 working population. The lowest EDR is 65 persons in Mizoram which is good sign for the state economy. Chhattisgarh and Andhra Pradesh are the second and third lowest with 67 and 69 persons respectively.

In short, among all the State/UTs, 19 State/UTs were having LFDR less than 100 persons. In case of EDR, the number shrinks to 12 State/UTs. LFDR less than 100 persons indicate that, on an average, less than one number of dependent population on labour force/working population. It can be seen from Table 4 that the dependency ratio is higher among youth, which is not a good sign for the economy. The most likely reason for this can be the increased number of years spent by today's youth on higher education and acquisition of additional skills required for better employment opportunities.

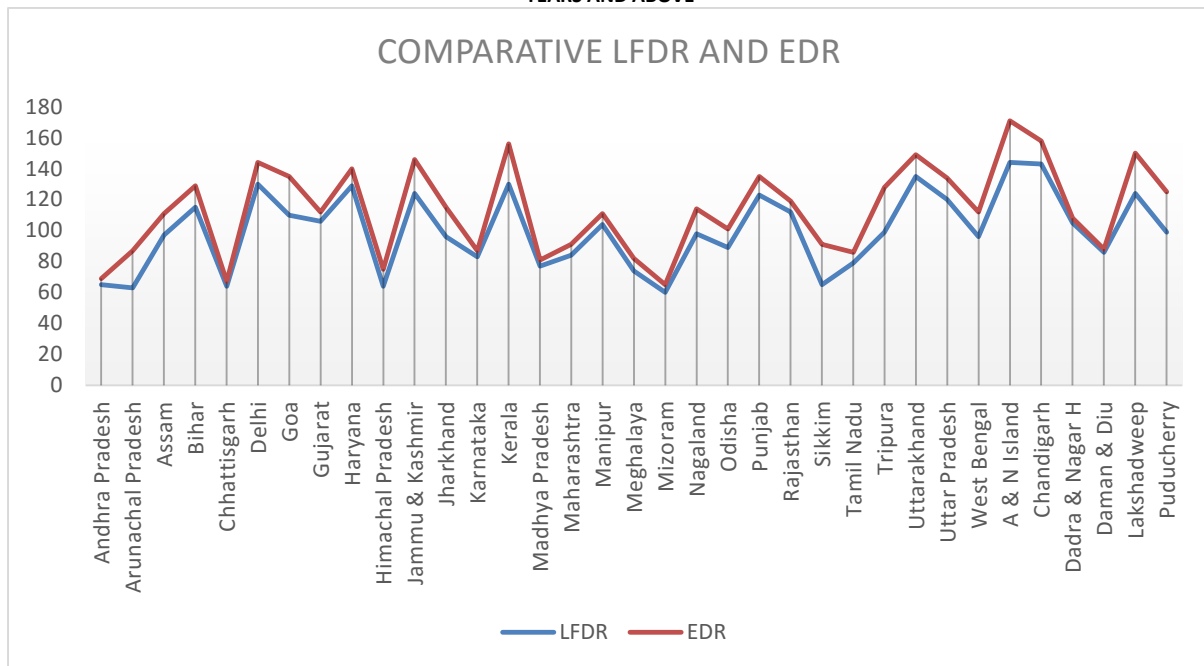
FIGURE 1: STATE/UT-WISE OLD DEPENDENCY RATIO (ODR)



Source: Census, 2011

Figure 1 shows the State/UT-wise Old Dependency Ratio. Among all the States/UTs, Kerala had the highest ODR of 20 elderly persons per 100 working age persons followed by Goa (17 persons). 11 States out of total 35 States/UTs were reported to be having ODR above all India average of 14 persons per 100 persons.

FIGURE 2: STATE/UT-WISE COMPARATIVE LABOUR FORCE DEPENDENCY RATIO (LFDR) AND ECONOMIC DEPENDENCY RATIO (EDR) PER 100 PERSONS AGED 15 YEARS AND ABOVE



Source: Third Annual Employment-Unemployment Survey, 2012-13, Labour Bureau

As per figure 2, both the EDR and LFDR were reported to be the highest in Andaman & Nicobar Island (171 and 143 persons respectively) followed by 158 and 143 persons respectively in Chandigarh. The wider the gap between the EDR and LFDR, greater is the unemployment rate. The difference between EDR and LFDR is highest in Tripura followed by Andaman & Nicobar Island. The same is lowest in Daman & Diu followed by Dadra & Nagar Haveli and Chhattisgarh which is a good indicator in terms of employment as well as dependency.

CONCLUSION

India is to have the demographic dividend in which, a major portion of population falls in the working age group. This increased level of working age group is in itself a double edged sword. It can open up new horizons of growth if explored well by generating better job opportunities. On the other hand, if not utilised productively, this growing work force will prove to be an additional burden on the employed population by increasing economic as well as labour force dependency. In order to explore the above discussed advantage of current demographic dividend in India, government have to address the problems namely youth unemployment, lower levels of female labour force participation and lack of social support to elderly population. The youth of the country lack confidence in their ability to face competition due to lack of skill sets. In India, the emphasis has been on general education, with the vocational education on the ignorant side. This has resulted in large number of educated youth remaining unemployed (Goel, Vijay P.). Introduction of compulsory vocational education will help to develop attitude, skill and knowledge and build an employable youth. To increase the employability of youth, present Government has launched a skill development programme which aims at providing training and skill development to 500 million youth of the country by 2020. The objective of this scheme is to raise confidence, improve productivity and give direction through proper skill development.

Huge budget allocation for the support of elderly is not promising to an economy particularly developing and underdeveloped countries. The share of population advancing into their 60s and 70s are healthier than preceding generations of the same age, therefore, the demand for health care will be less intense and many will be able to continue to work and contribute to the household as well as national economy for longer than preceding generations. Otherwise, it will place an increasing burden on both the government and the household. With a healthier older population which can contribute to the economy, India's growth potential can far surpass many other countries in the world.

As seen from the results, dependency among the females in India is alarming. The labour force participation rate of females in India is around 23 percent whereas the rates are 64, 48 and 58 percent in China, Japan and USA respectively. The policies that encourage growth in sectors which are friendly to women will significantly increase the participation of women in labour markets. A different set of policies are needed to encourage women to overcome social and cultural constraints in joining the labour force (Rahul Lahoti and Hema Swaminathan, 2013).

In order to reduce the economic dependency, policy interventions are required in various fields such as skill development among youth, special industrial/employment policies to improve the female labour force participation and improve healthcare and other social security benefits for employed/employable elderly population. In view of this, various Government programmes and schemes targeted to address the above mentioned problems have been launched. What results these efforts will give only time can tell, but no doubt it seems to be a good initiative on the part of Government to take full advantage of increasing working age population.

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AN ASSESSMENT OF LEADERSHIP STYLE OF PROJECT MANAGERS ASSOCIATED WITH PROJECT SUCCESS IN COMMERCIAL CONSTRUCTION

**COLLINS MUDENDA
HEAD OF DEPARTMENT
THE COPPERBELT UNIVERSITY
EAST KITWE**

ABSTRACT

As more organizations are moving towards projects to achieve their business objectives, the demand on competent project managers is growing steadily. The main objective of this research is to ascertain the leadership style associated with project managers who have successfully delivered commercial construction projects in the selected region. To ensure a better project performance, it is essential then to formulate a systematic process that helps Human Resource Management build a pool of project managers based on their leadership competency profiles and match them with the appropriate project type. The author in this study hope that his effort would contribute towards that aim. In order to achieve the determined objectives, this study examined and compared the leadership styles of project managers who have successfully delivered commercial construction projects in the selected towns of Ndola, Mufulira, Chingola and Kitwe against managers who failed by collecting data from 111 project sites using questionnaires and a form of structured interview prior to questionnaire administration and or when collecting the questionnaire. The questionnaires were administered in a set of three for each project, one to the project manager, one to employer or owner and the last but not least to the party that recruited the project manager. The projects relevant for this research were the completed ones undertaken in 2009 and 2010 and not those under construction. While there are several schools of leadership existing, this study focuses on the competency based school and particularly the framework developed by Dulewicz and Higgs (2003) for organizational change projects and later extended for other application areas by Müller and Turner (2007) Turner et. al. (2009). Based on the quantitative results, the findings demonstrate that the predominant leadership style in successful commercial construction projects is task oriented leadership style which goes with a competency profile of high intellectual, high managerial and medium emotional quotient.

KEYWORDS

assessment, leadership style, project success.

INTRODUCTION

Traditional research on project management has paid scant attention to the capabilities needed for firms that depend on projects in their business operations (Soderlund, 2005). There is no doubt that the success of individual projects is decidedly fundamental to the success of the organization. This is evident by the number of studies undertaken towards determining the critical success factors of a project (Baker et al., 1988; Morris, 1988; Pinto and Slevin, 1988). But what is worth noting is that earlier researchers failed to associate project success to a project manager's competency and leadership style. For project managers to be effective and successful they must not only demonstrate efficient administrative skills and technical know-how, but must also practice an appropriate style of leadership. The leadership style used can profoundly affect employee morale and productivity so that the success of the project may be directly dependent on good leadership. The Association of Project Managers (APM) says, '...leadership is about setting goals and objectives and generally enthusiasm and motivating amongst the project team, and stakeholders, to work towards those objectives.' (Burke, 2008)

Crawford (2007) defined project manager competence as a combination of knowledge (qualification), skills (ability to do assignment), and core personality characteristics (motives + traits + self concepts) result to excellent consequences. He thought that project manager's competency is highly-related with project success. Crawford stated that leadership is the highest-ranking category among project manager competency. Earlier research suggests that a manager's leadership style can be defined in terms of emotional quotient (EQ), managerial quotient (MQ), and intellectual quotient (IQ) competencies; however, different kinds of projects require different competencies. In engineering and construction projects, conscientiousness, interpersonal sensitivity, and engaging communication contribute most to project success. This is because of the need for discipline and due diligence in managing these complex projects and also because of the need to evoke and integrate various opinions and possible solutions to problems.

There is a consensus that effective project managers have a combination of skills, such as, leadership skills, management skills, and communication skills. Rees et al., (1996) ...found that effective project managers are usually highly intelligent and have better problem solving abilities than normal project managers. These features are similar to the intellectual quotient (IQ) theory that Dulewicz and Higgs (2005) developed as part of their leadership competency theory.

ROLES OF THE PROJECT MANAGER

Turner and Müller (2005) reviewed the contribution of the project manager's competency and leadership style to project success and concluded that "the literature has largely ignored the impact of the project manager, and his/her leadership style and competency, on project success." They found that in the general management literature, it is widely recognized that the functional manager's leadership style contributes to the success of the organization or organizational unit he or she manage, but the project manager's leadership style is generally ignored when identifying project success factors.

Project managers especially those working on technical projects, need to demonstrate leadership and management skills. Leadership and management are terms often used interchangeably, although there are differences. A leader focuses on long-term goals and big picture objectives, while inspiring people to reach those objectives. A manager often deals with the day-to-day details of meeting specific goals.

According to Schwalbe (2007) "leadership determine the vision and managers achieve the vision," you lead people and manage things. However, project managers often take on the role of both leader and manager. Without the role of the project manager there would be no such thing as project management. The project manager is the glue holding the project together and the maker and shaker spurring it on.

To be a project manager, a person wears many different hats; they include the hat of an integrator, communicator, decision maker, motivator, evangelist, entrepreneur and change agent.

According to Nicholas and Steyn (2008), the project manager is the project communication hub, the end of the funnel for all reports, requests, memoranda and complaints. He/she takes input from more sources and directs information to more receivers than anyone else in the project. Between sources and receivers, he/she refines, summarizes and translates information to make sure that project stakeholders are well informed about policies, objectives, budgets, schedules, requirements, progress, and changes. ...it is the project manager who instils a sense of direction and commitment to action. ...the project manager is the sort of evangelist who conveys faith in the project, its value and workability. ...the project manager is the change agent who initiates passage into new and promising, though sometimes murky areas. He/she is always alert to developments that could impinge on the project, ready to adopt new and innovative ideas, and strives to overcome the resistance to change.

Verma (1995) lists the following people skills that are important for project managers, apart from the technical knowledge and decision making skills that they require: communication, motivation and negotiation, self-confidence, reliability, maturity and emotional stability, a constructive positive attitude, and flexibility and tolerance for ambiguity and uncertainty. Kerzner (2003) states that effective leaders are not completely task or relationship focused in their action rather they maintain a balance between the two.

It is these roles that makes the project manager cardinal to the project hence the need to study the position visa vis project success.

THE CASE FOR COMMERCIAL CONSTRUCTION

Due to the high level of complexity involved, construction projects tend to be one of the most challenging environments to deploy effective project management techniques. The construction projects environment is characterized by a high level of uncertainty and unpredictability relative to static production industries (Dainty et al., 2005), which challenge the performance of the project manager and his ability to orchestrate a wide range of technical and administrative expertise. Studying commercial projects is preferred as most client's demand all of the project tenets of cost, time and quality, thereby putting pressure on the project manager to deliver according to the project brief. A project brief means the immediate need as stated by the client which initially will be nothing more than a statement of intent which the designer may expand on to delight the client (Hackett et al., 2007). For instance, from a brief, a client may want a play park built within 10 months with a projected official opening on December 25th 2011, to attract fun goers at Christmas and any delay would jeopardize the business benefits, so this project would require a project manager with the right and relevant competencies to deliver within the given time at the budgeted cost and desired quality. In addition, a client may have a project to build a hotel or shopping mall in order to take advantage of a periodical event like the world cup championship whose start and end dates are fixed, any delayed completion will result in lost opportunity cost, hence such projects require the best possible fit in terms of project leadership.

Commercial construction projects are those constructed for business or profit related intentions and include lodges, offices, schools, shops and shopping centres, financial institutions and churches in some places but exclude industrial buildings.

Further, construction in general is important because of its contribution to Gross Domestic Product (GDP) in the economy, provision of employment as it is highly labour intensive compared to other industries, such as, manufacturing and mining which are highly automated. The construction sector has a great absorptive capacity for skilled, semi-skilled and unskilled labour because of the means of production, and it allows capital formation.

STUDY OBJECTIVES

The broad aim of this paper is to ascertain the leadership style exhibited by project managers associated with successful project delivery of commercial building (construction) projects, to provide a guide on matching right project managers to right projects and further provide a guide to current and aspiring leaders in the profession.

STUDY SCOPE

The study is aimed at pin-pointing the leadership style practiced by project managers who have successfully delivered commercial construction (building) projects, in the four selected towns on the copperbelt province of Zambia (Ndola, Mufulira, Chingola and Kitwe). The study is based on leadership.

LITERATURE REVIEW

AN OVERVIEW OF PROJECTS AND PROJECT MANAGEMENT

Projects are undertaken at all levels of the organization. They may involve a single person or many thousands. Their duration ranges from a few weeks to a few years. Projects may involve a single unit of one organization or may cross-organizational boundaries. The earlier assertion is supported by Burke (2008) who stated that projects range in size, scope, cost and time from mega international projects costing millions of dollars conducted for many years to small domestic projects with a low budget taking just a few hours to complete.

While many definitions for project management and projects exist in the body of literature, most of them show resemblance and are comparable in some way. They basically describe projects as;

"The making of a product, system, physical construction or service by undertaking a set of activities involving various resources, which have to be delivered within the triple constraints of quality, cost and time" (Gardiner, 2005; Winter et al., 2006).

As the project concept has developed over the years, its definition has extended as well to include a broader meaning.

Turner (2008) describes a project as: "an endeavour in which human, material and financial resources are organized in a novel way, to undertake a unique scope of work, of given specification, within constraints of cost and time, so as to achieve beneficial change defined by quantitative and qualitative objectives".

Projects are recognized as instruments for achieving continuous improvement and innovation (Kreiner, 1992), and project management (PM) can be described as a set of models and techniques for the planning and control of projects and complex undertakings (Packendorff, 1995). Packendorff (1995) mentions that planning is the core of project management, however, the human side of it include; controlling, structuring and leading as well.

"Project management is the process of the application of knowledge, skills, tools, and techniques to project activities to meet project requirements" (PMI, 2004), i.e. project management is an interrelated group of processes that enables the project team to achieve a successful project. These processes manage inputs to produce outputs from specific activities; the progression from input to output is the nucleus of project management and requires integration and iteration. This view is similar to how Mullins (2005) explained the open system approach in his book "Management and Organization Behaviour". For example, a feasibility report could be an input to a design phase; the output of a design phase could be a set of plans and specifications. This progression requires project management acumen, expertise, tools and techniques, including risk management, contingency development, and change control.

THE PROJECT MANAGER

The project manager is the key to operation ability and success of project management so choosing the right qualified and competent person will be the beginning of success.

The key responsibility of the project manager is to successfully accomplish the project objectives by balancing the competing demands for quality, scope, time, and cost (PMI, 2004).

Derivative responsibilities include identifying the project requirements, establishing clear and achievable objectives, and adapting the specifications, plans, and approach to the different concerns and expectations of the various stakeholders. Fundamentally, the project manager must direct the project from its inputs, through its nucleus, to delivery of its outputs. In order to accomplish these multifaceted responsibilities, the roles of the project manager include that of a leader, administrator, entrepreneur, facilitator, arbitrator and mediator, liaison, and coordinator.

The project manager must lead teams to operate cross functionally towards a common objective while assuring cohesiveness and continuity as the project progresses through project processes and project phases. "The project manager, acts as the key catalyst to stimulate effective communication and coordination between design, procurement and construction activities" (Bent, 1983).

Due to the complex nature of construction projects and the high level of technical and managerial features required, construction project leadership was traditionally perceived around power, authority, and task orientation (Toor and Ofori, 2008). However, the increased level of internationalisation coupled with greater technical and cross-cultural challenges in construction projects call for a new breed of project leaders. In a study paper addressing Hong Kong construction managers, Rowlinson et al., (1993) suggest a direct link between the Chinese leadership style, being more relationship-oriented than its Western counterpart, and the Hong Kong record in completing projects to budget and in seemingly impossible times. Pheng (1995) extended on the argument and highlighted the 84 virtues for effective project leaders extracted from Lao Tzu's teachings, 2500 years ago, and their relevance to modern construction project managers.

Most of the attributes highlighted in the study are again emotional; they focus on raising the self-awareness and present a method for leadership through guiding and educating others in harmony with the natural law.

PROJECT SUCCESS

There are few topics in the field of project management that are so frequently discussed, and yet so rarely agreed upon, as what constitutes project success (Pinto and Slevin, 1988a). Nowadays, critical success factors (CSFs) are popular with project management, as a means of assessing project success. Today, project success takes stakeholder satisfaction, product success, business and organization benefit, and team development as measures of project success (Atkinson, 1999; Baccarini, 1999). In the 1980s, literature on project success factors grew rapidly. Some authors defined functionality (performance), project management (schedule

and on budget), commercial success, termination efficiency, and client satisfaction as success factors (Baker et al., 1988; Pinto and Slevin, 1988a). But there is no proof that project manager's leadership characteristics are related to project success. Organizations involved in projects are now focusing on effective leadership as an important success factor (Pinto 1986; Pinto and Slevin 1988). Crawford (2000) suggests that project leadership is the highest ranking category among project management competence factors. Project management leadership style affects overall project performance. Recent research supports the idea that successful projects are led by individuals who possess not only a blend of technical and management knowledge, but also leadership skills that are internally compatible with the motivation of the project team (Slevin and Pinto, 1988; Turner et al., 1998).

Zimmerer and Yasin (1998) found that positive leadership contributed almost 76% to the success of projects. Negative or poor leadership contributed 67% to the failure of projects. Projects which are virtual in nature and are rapidly changing their structure make project leadership more challenging. Project leaders need both relationships and task oriented leadership styles to cope up with the challenges of different phases of projects (Slevin and Pinto, 1991). In projects, the project leader must lead his or her team towards completing the defined goal within a fixed time scale.

Verma (1997) states that "achieving the goal or final aim is the ultimate test of leadership". Goals or tasks are achieved through people thus making people an important resource for projects.

The aforementioned discussion provides the rationale to take the style approach to study leadership behaviour in project environment.

LEADERSHIP DEFINED

Leadership affects all facets of human enterprise. Though there are many definitions of leadership, each definition has a different focus on leadership, for instance, Robbins and Judge, (2009), define leadership as; "the ability to influence a group toward the achievement of a vision or set of goals".

Leadership according to Hemphill and Coons (1957; in Gregoire and Arendt 2004) is a; "behaviour of an individual...directing the activities of a group towards a shared goal".

Fiedler (1967) advances almost similar definition, "by leadership behaviour we generally mean the particular acts in which a leader engages in the course of directing and coordinating the work of his group members. This may involve such acts as structuring the work relations, praising or criticizing group members, and showing consideration for their welfare and feelings".

Hersey and Blanchard (1993) defined leadership as; 'the process of influencing the activities of an individual or group in efforts toward goal achievement in a given situation.

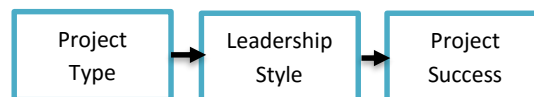
In the general management literature, the positive correlation and impact of leadership on the success of the organization has been well documented. Building on this, Turner and Müller (2005) detail the impact of the project manager on project success. Their review of the available literature showed that the role of project managers and their leadership abilities is a critical success factor in projects via direct (i.e. motivation to succeed, and self-perception of success) and indirect means (i.e. via leading a team that ensures project success), specifically stating that "the project manager's personal characteristics, including leadership style and emotional intelligence, does make a contribution to project success."

This relationship between project success and project leadership is correlated by other research showing that "projects often fall short of achieving their anticipated results, not due to a lack of project management, but rather from a lack of project leadership."

It is clear that the profession of project management adds value in several quantifiable ways to organizations, and leadership plays a critical role in project success thereby reinforcing the importance of discovering what makes great leadership within the profession of project management.

CONCEPT DESCRIPTION

The conceptual model shown below indicates that a type of project been undertaken demands a project manager with a certain leadership style in order to achieve project success.



MODEL ELEMENTS

Project Type: A project with its uniqueness usually demands varying competencies according to type, for instance, constructing a smelting plant will demand a certain type of competencies different from constructing a factory though the contractor may have the same qualification. Each project type will attract more of a certain competency.

The project type is modelled to be the input to the conversion process whereby a manager with the right mix of competencies for successful delivery of that project type is sought and assigned to the project. For instance, managing a construction project will demand certain competencies different from managing a humanitarian project.

Leadership Style: Leadership style is modelled to affect the output indirectly either negatively or positively. It will give a negative effect if the leader use a leadership style not suited with the project type though possessing the desired competencies and hence result in project failure. On the contrary, it will give a positive effect if the leader with the relevant competencies use a leadership style appropriate for the project at hand and hence result in success.

Project Success: Project success is modelled to result if a project manager with the relevant competencies and practicing the appropriate leadership style is hired and assigned to the project. Project success will result into a number of issues such stakeholder satisfaction, repeat business, lessons learned and much more.

METHODOLOGY

RESEARCH DESIGN AND DATA COLLECTION

To achieve the objectives of the research, descriptive research was ideal and therefore adopted. The researcher targeted a total of 196 completed projects at the time of data collection. The list of completed projects was provided by the local authority and each project accounted for one respondent-the project manager. These projects were deemed complete and relevant for the research according to the completion certificates provided by the local authorities. The researcher undertook to collect data using a census approach and analyse it using Microsoft Excel tools.

RESULTS AND DISCUSSION

PROJECT MANAGER AND SUCCESS CRITERIA

The researcher visited 196 project sites and administered the questionnaires. However, the researcher discovered that from the 196 projects deemed complete, only 111 were actually completed representing 57% of the initial population. This reduced the relevant population from 196 to 111.

The table 1 shows clear understanding and agreement of project success criteria by the managers and developers at commencement of the project. This is true where the project manager is independent from the project owner, in contrast, where the project manager is the project owner, success criteria was adopted as a target.

TABLE 1: PROJECT SUCCESS CRITERIA

Project Manager Knowledge on Success Criteria	
Project Success Dimension	Number of Respondents
Meeting Cost	111
Meeting Schedule	111
Meeting Quality	111
Client Satisfaction	111
Repeat Business	111
Product Functionality	111

From the 111 questionnaires administered, 48 project managers associated with successful delivery of projects exhibited three types of leadership styles namely task and people oriented, task oriented and transformational leadership style. On the other hand, 63 project managers associated with failure exhibited four leadership styles namely task and people oriented, task oriented, transformational and people oriented leadership styles.

The table 2 below shows the leadership styles practiced by the project managers in the study area.

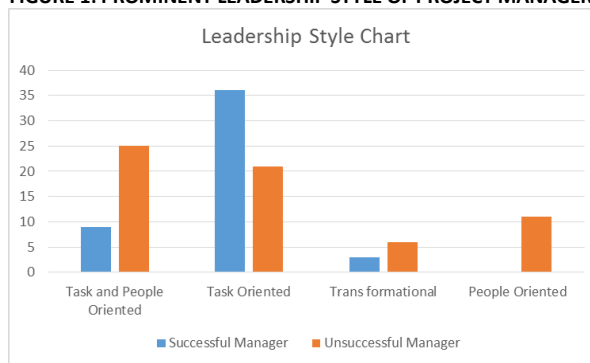
TABLE 2: LEADERSHIP STYLE OF PROJECT MANAGERS

Description	Leadership Style				Total
	Task and People Oriented	Task Oriented	Transformational	People Oriented	
Successful Manager	9	36	3	0	48
Unsuccessful Manager	25	21	6	11	63
Total	34	57	9	11	111

This table above clearly show task orientation style of leadership to be prominent among project managers associated with successful delivery of projects and a combination of task and people orientation is prominent in managers associated with failure. The task oriented leadership style yielded 51% prominence from the entire research participants and yielded 75% prominence among successful project managers. This is not corroborating with literature according to the behavioural school which revealed that successful project managers mostly practice a combination of people and task oriented leadership or team management according to the managerial grid. This is where the project manager scores 50% concern for people and 50% concern for the task.

This result could be due to the economic situations in Africa and particularly the region under study, where unemployment rate is high and the difference between educated and uneducated workers is high. The result is represented using a bar chart as shown below:

FIGURE 1: PROMINENT LEADERSHIP STYLE OF PROJECT MANAGERS



CONCLUSIONS

After reviewing the current research on the relationship between project manager’s leadership style and project success, it can be concluded that there is some indication that the project manager’s leadership style can influence project success. Therefore, in order to choose an appropriate project manager for a project, the project manager’s leadership competencies and leadership style should be matched to the needs of the project stakeholders. In addition, doing so should increase the likelihood of the project being successful. Therefore, project managers in this region should show more of task orientation leadership style if the project should have higher chances of success. On other hand, transformational and people orientation leadership styles are highly likely to lead the project manager to failure while a combination of task and people orientation may have a chance of success.

As previously mentioned, leadership is very important in shaping the attitudes and behaviours of the employees in an organization. It also influences how people communicate with each other in order to solve problems and make decisions. There is a traditional notion that construction project managers are mostly production oriented rather than relationship-oriented; they concentrate more on managing their team rather than leading their team towards long-term objectives (Toor and Ofori, 2008). This notion is true from the trend observed in this research. This means that managers in this region are concerned with work and goal achievement as first priority hence showing a practice of task orientation type of leadership.

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RECOMMENDATION FOR FUTURE RESEARCH

It is recommended that future research undertake to increase the study area profile to the rest of the country and later on to the southern part of Africa. This would allow for more projects to be studied

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PERFORMANCE OF MGNREGA SCHEME IN PURULIA AND BIRBHUM DISTRICTS: AN EMPIRICAL ANALYSIS

DR. DHANANJOY RAKSHIT
PROFESSOR
DEPARTMENT OF COMMERCE
SIDHO KANHO BIRSHA UNIVERSITY
PURULIA

ABSTRACT

Mahatma Gandhi National Rural Employment Guarantee Scheme is a nation-wide wage employment guarantee scheme of the Central Government for ensuring for 100 days manual work in a financial year to the needy poor people particularly in the rural areas at a minimum wage rate. This wage employment scheme was started in West Bengal from February 2006. With a curiosity to know the effectiveness of this Employment Scheme, the present researcher has taken an initiative to make an empirical study on the performance of this scheme in two select backward districts (i.e. Birbhum and Purulia) of West Bengal by taking a study period of 8 years covering the financial years 2006-07 to 2013-14 with the help of secondary data. The collected data under different heads of performance indicators have been analyzed statistically with the computed vales of Mean, Standard Deviation and Co-efficient of Variation. Analyses have also been made by comparing the percentage values of different performance indicators of the scheme. It is seen that on the whole, performance of Birbhum District in respect of implementation of MGNREGA works appears to be better than Purulia District. The researcher is of the opinion that for achieving success in MGNREGA Scheme, measures should be taken to generate higher number of person-days. Investigations are needed whether the persons willing to serve under MGNREGA Scheme are not getting jobs or whether they are not willing to work under MGNREGA Scheme because of having some grievances like lower wage rate, non-payment of wages on regular or timely basis or due to some other specific reasons. After finding out the reasons, proper measures are to be taken by the government to make the MGNREGA Scheme successful by achieving its desired objectives.

KEYWORDS

Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), Purulia, Birbhum.

INTRODUCTION

Mahatma Gandhi National Rural Employment Guarantee Scheme, a wage employment guarantee scheme initiated by the Central Government in our country as per Mahatma Gandhi National Rural Employment Guarantee Act (NREGA), 2005 aims at enhancing the livelihood security of people in rural areas by providing hundred days work of wage employment on assured basis in a financial year to a rural household whose adult members volunteer to do unskilled manual work at minimum wage rate.

The Scheme's **first objective** is to ensure the legal right to work for 100 days to poor people whoever willing to work at a minimum wage rate, particularly in the rural areas and it's **second objective** is to strengthen the Panchayati Raj Institutions (PRIs) and to eradicate rural poverty. The MGNREGA was passed in 2005 and it became operational in West Bengal from February 2006.

In this paper, attempts have been made to compare the implementation status of 100 days works under MGNREGA Scheme in two select Districts of West Bengal i.e. Birbhum and Purulia. In these two backward districts of South Bengal a large number of poor people have no fixed source of income for their livelihood and a large section of them, finding no other alternatives, are willing to work manually as daily wage-earners. The present researcher has chosen these two backward districts for making an empirical study to analyse the performance of this job guarantee scheme in these two districts.

OBJECTIVES OF THE STUDY

The particular objectives of the study are as follows:

1. To Compare the performance of works under MGNREGA Scheme in Purulia and Birbhum Districts;
2. To make a comparative analysis to what extent the different communities of the society have been benefitted in these selected districts under MGNREGA Scheme;
3. To make an analysis on total number of families getting works for 100 days in a year under this scheme;
4. To make an analysis on Person Days Generated by Woman workers;
5. To make an analysis on Persons Days Generated by Schedule Cast workers;
6. To make an analysis on Person Days Generated by Schedule Tribe workers;
7. To make an analysis on Person Days Generated by Other Community workers;
8. To make an analysis on total labour expenditure disbursed for MGNREGA works; and
9. To make some concluding remarks on the basis of observations of the study.

STUDY PERIOD AND SOURCES OF DATA

The study period of the present study is a period of 8 years covering the financial years 2006-07 to 2013-14 and all the data used here are secondary data collected from the website i.e. www.nrega.nic.in.

METHODOLOGY OF THE STUDY

In the present study statistical and arithmetical tools like standard Deviation, Mean, Co-efficient of Variation. Percentage etc. have been used. All the computations have been made with the help of SPSS software. The collected data under different heads of performance indicators have been analyzed statistically with the computed vales of Mean, Standard Deviation and Co-efficient of Variation. Analyses have also been made by comparing the percentage values of different performance indicators of the scheme. At the end of the study concluding remarks have been made on the basis of observations of the study on the performance of the scheme under different parameters in the select districts of West Bengal.

ANALYSIS**ANALYSIS ON PERFORMANCE IN RESPECT OF TOTAL HOUSEHOLDS WHO APPLIED FOR JOB CARDS**

The following table depicts the data in represent of Total Households Applied for Job Cards in the Districts of Birbhum and Purulia separately and in West Bengal as a whole during the period 2011-2012 to 2013-2014 along with computed value of Mean, Maximum Value, Minimum Value, Standard Deviation (S.D.) and Co-efficient of Variation (C.V.). Then necessary Comments have been made.

TABLE 1: TOTAL HOUSEHOLDS APPLIED FOR JOB CARDS

Year	Birbhum District	Purulia District	All West Bengal
2011-2012	6,58,277 (5.86%)	4,46,947 (3.98%)	1,12,26,851
2012-2013	6,63,344 (5.77%)	4,56,816 (3.97%)	1,14,95,899
2013-2014	6,69,337 (5.60%)	4,69,011 (3.95%)	1,18,49,643
Mean	5.74 %	3.97 %	1,15,24,131
Maximum Value	5.86 %	3.98 %	1,18,49,643
Minimum Value	5.60 %	3.95 %	1,12,26,851
Standard Deviation.(S.D)	0.1078 %	0.0124 %	2,55,036
Co-efficient of Variation (C.V)	1.97 %	0.30 %	2.21 %

Source: www.nrega.nic.in

Note: Various computations for the two districts have been made by taking the percentage values. And such percentage values (as shown under bracket) for a district have been computed by taking the particular value for the district and the value for West Bengal as a whole. In the column for West Bengal, all computations have been made by taking the absolute values.

ANALYSIS**IN RESPECT OF PURULIA DISTRICT**

It is seen that, in the year 2011-2012, whereas in West Bengal total number of households applying for Job Cards was 1,12,26,851, such number of households in Purulia District was 4,46,947 representing 3.98% of total. From the figures available for the years 2011-12 to 2013-14, it is seen that in the year 2011-12, maximum percentage of households applied for job cards in this District. And lowest percentage of households applied for job cards is seen in the year 2013-14, when only 3.95% of total household applicants all over West Bengal applied for job cards under MGNREGA scheme in this District. It is observed that there exists a little variation in respect of number of applicants (in terms of percentage of all over West Bengal Position) during 2011-12 to 2013-14.

From the mean value, it can be commented that on an average 3.97% of total household applicants all over West Bengal applied for job cards in Purulia District. Standard Deviation (S.D.) value is 0.0124% and co-efficient of variation (C.V.) value is 0.30 % i.e., the S.D value is 0.30 % of Mean value. It is observed that during the same period, the Standard Deviation (S.D.) of the households applying for job cards all over West Bengal is 2,55,036 and Co-efficient of Variation (C.V.) is 2.21%.

IN RESPECT OF BIRBHUM DISTRICT

During the period 2011-12 to 2013-14, highest percentage of households applying for job cards was registered at 5.86 % in the year 2011-12 and it came down to its lowest value at 5.6 % in the year 2013-14.

It is interestingly observed that in each of the three years, the number of applicants for job cards was higher in Birbhum District in comparison to the figures for the Purulia District. It is observed that the S.D. value was 0.1078% and Co-efficient of Variation (C.V.) was 1.97% i.e., the S.D. value was 1.97% of the Mean value

COMPARISON OF PERFORMANCE BETWEEN THE TWO DISTRICTS

By comparing the mean values, it can be said that Birbhum District's position was better than the position of Purulia District in respect of number of households applied for Job Cards. While comparing the S.D. value and C.V. Value in respect of Households applied for Job Cards, it can be said that Purulia District's S.D. value was comparatively less than the S.D. value of Birbhum District, and C.V. value in the case of Birbhum District was higher than the C.V. value of Purulia District. It is noted that S.D & C.V. value in respect of Total Households Applied for Job Cards all over West Bengal was 2,55,036 and 2.21% respectively.

ANALYSIS ON PERFORMANCE IN RESPECT OF TOTAL JOB CARDS ISSUED

The following table shows the data in respect of total job cards issued in the Districts of Birbhum and Purulia and in West Bengal as a whole during the period 2011-2012 to 2013-2014 along with computed values of mean, maximum value, minimum value, Standard Deviation (S.D.) and Co-efficient of Variation (C.V.). And then necessary comments have been made.

TABLE 2: TOTAL JOB CARD ISSUED

Year	Birbhum District	Purulia District	All West Bengal
2011-2012	6,58,163 (5.86%)	4,46,937 (3.98%)	1,12,23,660
2012-2013	6,62,830 (5.78%)	4,55,667 (3.97%)	1,14,62,073
2013-2014	6,67,372 (5.67%)	4,64,514 (3.96%)	1,17,35,501
Mean	5.77 %	3.97 %	1,14,73,745
Maximum Value	5.86 %	3.98 %	1,17,35,501
Minimum	5.67 %	3.96 %	1,12,23,660
S.D.	0.0778 %	0.0081 %	2,09,121
C.V.	1.21 %	0.20 %	1.82 %

Source: www.nrega.nic.in

Note: Various computations for the two districts have been made by taking the percentage values. And such percentage values (as shown under bracket) for a district have been computed by taking the particular value for the district and the value for West Bengal as a whole. In the column for West Bengal, all computations have been made by taking the absolute values.

ANALYSIS**IN RESPECT OF BIRBHUM DISTRICT**

It is found that during the period 2011-2012 to 2013-2014, in the District of Birbhum, the number of total job cards issued was maximum at 5.86% in the year 2011-2012 and it was minimum at 5.67% in the year 2013-2014. The Mean value in respect of Total Job Cards Issued in Birbhum District was 5.77% and S.D. Value was 0.0778 %, and C.V. value was 1.21%. It is observed that the S.D. value was 1.21% of the Mean value.

IN RESPECT OF PURULIA DISTRICT

It is observed that in Purulia District, maximum Job Cards were issued in the year 2011-2012 when 3.98% of Total Job Cards Issued in West Bengal was issued in Purulia District. And lowest percentage of Job Cards Issued was seen in the year 2013-2014 when only 3.96% of Total Job Cards Issued in West Bengal was from Purulia District.

From the Mean value, it can be commented that on an average 3.97% of Total Job Cards Issued all over West Bengal under MGNREGA Scheme belonged to this District. The S.D. value was 0.0081% and C.V. value was 0.20% which means that the S.D. value was 0.20% of the Mean value.

COMPARISON OF PERFORMANCE BETWEEN THE TWO DISTRICTS

While comparing the S.D. value and C.V. value in respect of Job Cards Issued in the two Districts, it can be said that the S.D. value in Purulia District was comparatively less than the S.D. value in Birbhum District, but C.V. value in the case of Purulia District was found to be slightly higher than the C.V. value in Birbhum District. It is noted that S.D. & C.V. value in respect of total job cards issued all over West Bengal was 2,09,121 (in absolute value) and 1.82% respectively. It is seen

that the C.V. value for West Bengal (i.e. 1.82 percent) was higher than the C.V. value in Birbhum District (i.e. 1.21%) as well as in respect of Purulia District (i.e. 0.20%).

ANALYSIS ON PERFORMANCE IN RESPECT OF JOB CARDS ISSUED TO SC COMMUNITY

Total Job Cards issued to Scheduled Cast community is an important socio-economic indicator for measurement of success of wage employment under MGNREGA Scheme in a District. The following table gives the data in respect of Total Number of Schedule Cast (S.C.) Job Card Holders in the Districts of Birbhum, Purulia and in West Bengal as a whole during the period 2006-2007 to 2013-2014. The figures in the bracket indicate the data in percentage value of the total. At the bottom of the table, the computed values of Mean, Maximum value, Minimum value, S.D. and C.V. have been shown and then necessary comments have been made.

TABLE 3: TOTAL JOB CARDS ISSUED TO SCHEDULED CAST COMMUNITY

Year	Birbhum District	Purulia District	All West Bengal
2006-2007	2,14,614 (13.09%)	1,00,034 (6.10%)	16,39,097
2007-2008	2,21,062 (7.29%)	1,02,023 (3.36%)	30,32,322
2008-2009	2,44,091 (7.22%)	1,02,446 (3%)	33,77,386
2009-2010	2,44,091 (6.77%)	1,05,458 (2.92%)	36,05,922
2010-2011	2,47,437 (6.88%)	1,03,576 (2.88%)	35,97,802
2011-2012	2,21,090 (6.97%)	80,928 (2.55%)	31,72,556
2012-2013	2,25,954 (6.96%)	83,091 (2.56%)	32,44,045
2013-2014	2,26,605 (7.01%)	83,839 (2.59%)	32,32,543
Mean	7.77 %	3.24 %	31,12,709
Maximum Value	13.09 %	6.10 %	36,05,922
Minimum Value	6.78 %	2.55 %	16,39,097
S.D.	2.01 %	1.1093 %	5,87,560
C.V.	25.87 %	33.95 %	18.87 %

Source: www.nrega.nic.in

Note: Various computations for the two districts have been made by taking the percentage values. And such percentage values (as shown under bracket) for a district have been computed by taking the particular value for the district and the value for West Bengal as a whole. In the column for West Bengal, all computations have been made by taking the absolute values.

ANALYSIS

IN RESPECT OF BIRBHUM DISTRICT

It is found that, during the period 2006-2007 to 2013-2014, in the District of Birbhum, the number of total job cards issued to S.C. persons was maximum at 13.09% in the year 2006-2007 and it was minimum at 6.78% in the year 2009-2010. The mean value of total job cards issued to S.C. persons in Birbhum District was 7.77%, S.D. value was 2.01% and C.V. value was 25.87%. It is seen that the S.D. value is 25.87% of the Mean value.

IN RESPECT OF PURULIA DISTRICT

It is observed that in Purulia District, maximum job card holders among the S.C. people was seen in the year 2006-2007 when 6.10% of Total Job Cards issued in West Bengal was issued to the S.C. people in this District. And lowest percentage of job card holders among the S.C. people was seen in the year 2011-2012 when only 2.55% of Total Job Cards issued in West Bengal was issued to this community under MGNREGA Scheme in this district. From the Mean value, it can be commented that during the period of our study, on an average 3.24% of total job cards was issued to the S.C. people in West Bengal under MGNREGA Scheme in this District. The S.D. value was 1.1093% and the C.V. value was 33.95%, i.e., the S.D. value was 33.95% of the mean value.

COMPARISON OF PERFORMANCE BETWEEN THE TWO DISTRICTS

While comparing the S.D. and the C.V. value in respect of Job Card Holders belonging to the SC Community of the two districts, it can be said that the S.D. value (i.e. 1.1093%) in Purulia District was comparatively less than the S.D. value (i.e. 2.01% in Birbhum District, but C.V. value in the case of Purulia District (i.e. 33.95%) was slightly higher than the C.V. value (i.e. 25.87%) in Birbhum District.

It is noted that S.D. & C.V. value in respect of Total Job Cards issued to S.C. community in West Bengal was 5,87,560 and 18.87% respectively. It is seen that the C.V. value of all over West Bengal (18.87%) is lower than the C.V. value of Birbhum (25.87%) and Purulia (33.95%) District respectively.

ANALYSIS ON PERFORMANCE IN RESPECT OF JOB CARDS ISSUED TO ST COMMUNITY

Total Job Cards issued to Schedule Tribe (ST) is an important indicator for measuring performance of works under MGNREGA Scheme in a District. The following table gives the data in respect of total number of Job Cards issued to ST people in the Districts of Birbhum and Purulia and in the West Bengal as a whole during the period 2006-2007 to 2013-2014 along with computed values of Mean, Maximum Value, Minimum Value, S.D. and C.V. Value. And then necessary comments have been made.

TABLE 4: TOTAL JOB CARD ISSUED TO ST PEOPLE

Year	Birbhum District	Purulia District	All West Bengal
2006-07	50,837 (7.59%)	1,06,280 (15.86%)	6,70,142
2007-08	52,168 (5.40%)	1,08,625 (11.25%)	9,65,207
2008-09	54,519 (5.36%)	1,06,995 (10.52%)	10,16,700
2009-10	54,519 (5.07%)	1,09,726 (10.21%)	10,74,766
2010-11	55,975 (5.49%)	1,05,426 (10.34%)	10,19,155
2011-12	51,506 (5.89%)	81,527 (9.33%)	8,73,837
2012-13	51,753 (5.75%)	84,533 (9.39%)	8,99,538
2013-14	51,941 (5.72%)	85,567 (9.43%)	9,06,541
Mean	5.53%	10.79 %	9,28,236
Maximum Value	7.59 %	15.86 %	10,74,766
Minimum Value	5.07 %	9.33 %	670142
S.D.	0.72 %	2.01 %	1,17,152
C.V.	6.07 %	18.63 %	12.62%

Source: www.nrega.nic.in

Note: Various computations for the two districts have been made by taking the percentage values. And such percentage values (as shown under bracket) for a district have been computed by taking the particular value for the district and the value for West Bengal as a whole. In the column for West Bengal, all computations have been made by taking the absolute values.

ANALYSIS

IN RESPECT OF BIRBHUM DISTRICT

It is seen that during the period 2006-07 to 2013-14, in the District of Birbhum, the number of total job cards issued to ST community was maximum at 7.59% in 2006-07 and it was minimum at 5.07% in the year 2009-10. The Mean value of total job cards issued to ST people in Birbhum District was 5.53 % and the S.D. value of the same was 0.72% which is quite low. The C.V. value was 6.07% i.e., the S.D. value was 6.07% of the Mean value.

IN RESPECT OF PURULIA DISTRICT

It is observed that in Purulia District, the job Card holders belonging to the ST community was seen to be maximum in the year 2006-07 when 15.86% of Total Job Cards issued to ST people in West Bengal was issued to ST people in this District. And the job card holders belonging to the ST community was seen to be lowest in the year 2011-12 when only 9.33% of total Job Cards issued to ST people in West Bengal was issued to the ST people under MGNREGA Scheme in this district. From the Mean value, it can be commented that on an average 10.79% of total job card holders (ST) in West Bengal were benefited under MGNREGA Scheme in this District, during the whole study period. The S.D. value was 2.01% and C.V. value was 18.63, i.e., the S.D. value was 18.63% of the mean value.

COMPARISON OF PERFORMANCE BETWEEN THE TWO DISTRICTS

While comparing the S.D. and C.V. value in respect of Job cards issued to the ST people in these two Districts, it can be said that the S.D. value (i.e. 0.72%) in Birbhum District was comparatively less than the S.D. value (i.e.2.01%) in Purulia District, but C.V. value in the case of Purulia District (i.e. 18.63%) was slightly higher than the C.V. value (i.e. 6.07%) found in Birbhum District. It indicates that Birbhum District performed better than the Purulia District.

It is noted that S.D. and C.V. value in respect of Total ST Job Card holders for allover West Bengal was 1,17,151.63 and 12.62% respectively.

The C.V. value in respect of Total Job Cards (ST) of allover West Bengal (12.62%) was higher than the C.V. value found in Birbhum District (i.e.6.07%) but lower than the C.V. value found in Purulia District (i.e. 19%).

ANALYSIS ON PERFORMANCE IN RESPECT OF JOB CARDS ISSUED TO NON SC-ST COMMUNITIES

Total Job Cards issued to Non S.C - ST communities are another important indicator for measuring performance of work under MGNREGA Scheme in a District. The following table shows the data in respect of Total Job Cards (Non S.C./ ST) in the Districts of Birbhum and Purulia and in West Bengal as a whole during the period 2006-2007 to 2013-2014 along with computed values of Mean, Maximum Value, Minimum Value, S.D. and C.V. Value. Afterwards necessary comments have been made.

TABLE 5: TOTAL JOB CARDS (NON S.C./ ST)

Year	Birbhum District	Purulia District	All West Bengal.
2006-07	2,88,124 (10.15%)	1,79,980 (6.34%)	28,37,902
2007-08	2,98,805 (6.52%)	1,83,704 (4%)	45,80,544
2008-09	3,38,612 (6.56%)	2,03,362 (3.94%)	51,61,981
2009-10	3,38,612 (5.98%)	2,12,916 (3.75%)	56,71,260
2010-11	3,47,361 (5.68%)	2,36,973 (3.87%)	61,14,581
2011-12	3,85,567 (5.37%)	2,84,482 (3.96%)	71,77,267
2012-13	3,85,122 (5.26%)	2,88,043 (3.94%)	73,18,490
2013-14	3,88,826 (5.12%)	2,95,108 (3.88%)	75,96,417
Mean	6.33 %	4.21 %	58,07,305
Maximum Value	10.15 %	6.34 %	75,96,417
Minimum Value	5.12 %	3.75 %	28,37,902
S.D.	1.53 %	0.81 %	15,16,338
C.V.	24.17 %	19.00 %	26.11 %

Source: www.nrega.nic.in

Note: Various computations for the two districts have been made by taking the percentage values. And such percentage values (as shown under bracket) for a district have been computed by taking the particular value for the district and the value for West Bengal as a whole. In the column for West Bengal, all computations have been made by taking the absolute values.

ANALYSIS

IN RESPECT OF BIRBHUM DISTRICT

It is seen that during the period 2006-07 to 2013-14 in the District of Birbhum, the number of Total Job Cards (Non S.C- ST) was maximum at 10.15% in 2006-07 and it was minimum at 5.12% in the year 2013-14. The Mean value of Total Job Cards (Non S.C./ ST) in Birbhum District was 6.33% and S.D. value was 1.53% which is quite low. The C.V. value was 24.17%, i.e., the S.D. value was 24.17% of the Mean value.

IN RESPECT OF PURULIA DISTRICT

It is observed that in Purulia District, maximum Non- S.C./ ST people (i.e. the people belonging to the general community) were benefited in the year 2006-07 as 6.34% of Total Job Cards (Non SC- ST) in West Bengal was issued in this District. And lowest percentage of Total Job Card holders (Non SC-ST) were benefited in the year 2009-10 when only 3.75% of Total Job Card holders (Non SC-ST) in West Bengal got job under MGNREGA Scheme in this district. From the Mean value, it can be commented that on an average 4.21% of total non SC-ST job card holders in West Bengal were benefited under MGNREGA Scheme in this District, during the whole study period. It is seen that S.D. value was 0.81% and C.V. value was 19 which means that the S.D. value was 19% of the mean value.

COMPARISON OF PERFORMANCE BETWEEN THE TWO DISTRICTS

While comparing the S.D. and C.V. value in respect of Job Card holders among the non SC/ST people of the District, it can be said that in respect of this parameter, Purulia District's S.D. value (i.e. 0.808%) is comparatively less than the S.D. value of Birbhum District (i.e. 1.53%), and C.V. value in the case of Birbhum District (24.17%) is slightly higher than the C.V. value of Purulia District (19%). It indicates that in respect of MGNREGA works, the performance of Purulia District was better than the performance of Birbhum District. It is noted that S.D. and C.V. value in respect of Total Job Cards issued to non SC-ST people for allover West Bengal was 15,16,338 and 26.11% respectively. The C.V. value of allover West Bengal (26.11%) was higher than the C.V. value of both the districts

ANALYSIS ON PERFORMANCE IN RESPECT OF TOTAL JOB CARDS ISSUED

The following table shows the data in respect of Total Job Cards (i.e. SC plus ST plus General) in the Districts of Birbhum and Purulia and in West Bengal as a whole during the period 2006-2007 to 2013-2014 along with computed values of Mean, Maximum Value, Minimum Value, S.D. and C.V. Value. Then necessary comments have been made.

TABLE 6: TOTAL JOB CARDS (SC, ST AND GENERAL) ISSUED

Year	Birbhum District	Purulia District	All West Bengal
2006-07	5,64,256 (10.69%)	3,86,294 (7.51%)	51,47,141
2007-08	5,72,035 (6.67%)	3,94,352 (4.60%)	85,78,073
2008-09	11,24,222 (11.76%)	4,12,803 (4.32%)	95,56,067
2009-10	6,37,222 (6.15%)	4,28,145 (4.14%)	1,03,51,948
2010-11	6,50,773 (6.06%)	5,56,363 (5.18%)	1,07,31,538
2011-12	6,58,163 (5.86%)	4,46,937 (3.98%)	1,12,23,660
2012-13	6,62,830 (5.78%)	4,55,667 (3.98%)	1,14,62,073
2013-14	6,67,372 (5.69%)	4,64,514 (3.95%)	1,17,35,501
Mean	7.37 %	4.71 %	98,48,250
Maximum Value	11.76 %	7.51 %	1,17,35,501
Minimum Value	5.69 %	3.95 %	51,47,141
S.D.	2.308 %	1.128 %	20,27,651
C.V.	31.210 %	23.78 %	20.59 %

Source: www.nrega.nic.in

Note: Various computations for the two districts have been made by taking the percentage values. And such percentage values (as shown under bracket) for a district have been computed by taking the particular value for the district and the value for West Bengal as a whole. In the column for West Bengal, all computations have been made by taking the absolute values.

ANALYSIS**IN RESPECT OF BIRBHUM DISTRICT**

It is found that during the period 2006-07 to 2013-14, in the District of Birbhum, the number of Total Job Cards holders was maximum at 11.76% in 2008-09 and it was minimum at 5.69% in the year 2013-14. The Mean value of Total Job Card holders (SC, ST and General) in Birbhum District was 7.37% and S.D. value was 2.308% which is quite low. The C.V. value of 31.20% indicates that the S.D. value was 31.20% of the Mean value.

IN RESPECT OF PURULIA DISTRICT

It is observed that in Purulia District, Total Job Cards holders (SC, ST and General) was found to be maximum in the year 2006-07 registering the figure at 7.51% of Total Job Cards holders in West Bengal. And Total Job Card holders were found to be at its lowest figure in the year 2013 when only 3.95% of Total Job Card holders (SC, ST and General) in West Bengal got job under MGNREGA Scheme in this district. From the Mean value it can be commented that on an average 4.71% of Total Job Card holders (SC, ST and General) in West Bengal were benefited under MGNREGA Scheme in this District, during the whole study period. The S.D. value was 1.128% and the C.V. value was 23.78%, i.e., the S.D. value was 23.78% of the Mean value.

COMPARISON OF PERFORMANCE BETWEEN THE TWO DISTRICTS

While comparing the S.D. and C.V. Value of the Job Card holders of the two Districts, it can be said that Purulia District's S.D. value (1.128%) was comparatively less than the S.D. value (2.308%) of Birbhum District, and C.V. value in the case of Birbhum District (i.e. 31.20%) was slightly higher than the C.V. value of Purulia District (i.e. 23.78%). It indicates that during the period of the study, the performance of Purulia District was the better than the performance of Birbhum District. It is noted that S.D. & C.V. value in respect of Total Job Card holders (ST, S.C. and General) for all over West Bengal was 20,27,651 and 20.59% respectively. It is observed that in both the selected districts C.V. value was higher than the C.V. value in West Bengal as a whole. Birbhum and Purulia district's C.V. values were 31.20% and 23.78% respectively, when West Bengal's C.V. value was 20.59%.

ANALYSIS ON PERFORMANCE IN RESPECT OF TOTAL NUMBER OF FAMILIES COMPLETED 100 DAYS WORK

Total number of families who got works for 100days in a year is another important indicator for measuring success of the MGNREGA Scheme in any area. The following table depicts the data in respect of total number of families who got 100days works in the Districts of Birbhum and Purulia and in West Bengal as a whole during the period 2006-2007 to 2013-2014 along with computed value of Mean, Maximum value, Minimum value, S.D. and C.V. value. And then necessary comments have been made.

TABLE 7: TOTAL NO. OF FAMILIES COMPLETED 100DAYS WORK

Year	Birbhum District	Purulia District	All West Bengal
2006-07	3,076 (16.35%)	7,716 (41%)	18,817
2007-08	2,852 (9.06%)	9,033 (28.70%)	31,468
2008-09	5,535 (7.67%)	3,003 (13.02%)	23,050
2009-10	8,570 (8.16%)	10,086 (13.98%)	72,123
2010-11	27,032 (22.60%)	9,059 (8.63%)	1,04,967
2011-12	40,184 (15.88%)	6,646 (5.56%)	1,19,604
2012-13	46,864 (16.70%)	16,831 (6.65%)	2,53,088
2013-14	46,864 (16.70%)	19,491 (6.94%)	2,80,593
Mean	12.43 %	15.56 %	1,12,964
Maximum Value	16.70 %	41 %	2,80,593
Minimum Value	2.99 %	5.56	18,817
S.D.	6.023 %	11.88 %	95,590
C.V.	48.43 %	76.34	84.62

Source: www.nrega.nic.in

Note: Various computations for the two districts have been made by taking the percentage values. And such percentage values (as shown under bracket) for a district have been computed by taking the particular value for the district and the value for West Bengal as a whole. In the column for West Bengal, all computations have been made by taking the absolute values.

ANALYSIS**IN RESPECT OF BIRBHUM DISTRICT**

It is observed that in the District of Birbhum during the period 2006-07 to 2013-14, the number of total families getting works for 100days in a year was maximum at 16.70% consecutively in a row of two years in 2012-13 and 2013-14 and it was minimum at 2.99 % in the year 2008-09. The Mean value of Total Families Completed 100days work in Birbhum District was 12.43% and S.D. value was 6.023%. It is seen that this S.D. value was quite high. The C.V. value was 48.43% and it was also very high. This C.V. value indicates that S.D. value was 48.43% of the Mean value.

IN RESPECT OF PURULIA DISTRICT

It is observed that in Purulia District the maximum number of families completed 100days work was seen in the year 2006-07 when 41% of total families completed 100days work in this District. And lowest percentage of total families completing 100days work was seen in the year 2011-12 when only 5.56% of total families got 100days work under MGNREGA Scheme in this district. From the Mean value, it can be commented that during the whole study period on an average 15.56% of total families in this District got 100days work under MGNREGA Scheme. The S.D. value was 11.88% and the C.V. value was 76.34% which means that the S.D. value was 76.34% of the mean value.

COMPARISON OF PERFORMANCE BETWEEN THE TWO DISTRICTS

While comparing the S.D. and C.V. value in respect of number of families getting works for 100 days under MGNREGA scheme, it can be said that Birbhum District's S.D. value (i.e. 6.023%) was comparatively less than the S.D. value of Purulia District (i.e. 11.88%) but the C.V. value in the case of Purulia District (i.e. 76.34%) was significantly higher than the C.V. value of Birbhum District (i.e. 48.43%). These comparative figures indicate that Birbhum District's performance was better than the performance of Purulia District.

It is noted that the S.D. and C.V. value in respect of total families completing 100days work for allover West Bengal was 95,590.29 and 84.62% respectively. The C.V. value in respect of allover West Bengal (i.e. 84.62%) is significantly higher than the C.V. value of Birbhum (48.43%) and slightly higher than the same in Purulia District (i.e. 76.34%) respectively.

ANALYSIS OF PERFORMANCE IN RESPECT OF TOTAL HOUSEHOLDS WORKED

The following table depicts the data in respect of total number of house holds worked in the District of Birbhum, and Purulia and in the West Bengal as a whole during the period 2006-2007 to 2013-2014 along with computed values of Mean, Maximum Value, Minimum Value, S.D. and C.V. And then necessary comments have been made.

TABLE 8: TOTAL NO. OF HOUSE HOLDS WORKED

Year	Birbhum District	Purulia District	All West Bengal
2006-07	4, 64,676 (15.16%)	2,67,364 (8.67%)	30,83,757
2007-08	3, 77,950 (9.83%)	1,67,554 (4.36%)	38,43,335
2008-09	1, 85,743 (6.14%)	1,23,571 (4.10%)	30,25,854
2009-10	2,34,371 (6.73%)	1,64,870 (4.74%)	34,79,915
2010-11	4,44,009 (8.88%)	1,96,851 (3.93%)	49,98,234
2011-12	4,68,760 (8.50%)	1,90,854 (3.46%)	55,16,968
2012-13	4,52,489 (7.78%)	2,33,882 (4.02%)	58,17,331
2013-14	4,94,007 (8.05%)	2,43,437 (3.79%)	61,32,584
Mean	8.88 %	4.66 %	44,87,248
Maximum Value	15.16 %	8.67 %	61,32,584
Minimum Value	6.14 %	3.47 %	30,25,854
S.D.	2.61 %	1.55 %	11,90,194
C.V.	29.39 %	33.26 %	26.52 %

Source: www.nrega.nic.in

Note: Various computations for the two districts have been made by taking the percentage values. And such percentage values (as shown under bracket) for a district have been computed by taking the particular value for the district and the value for West Bengal as a whole. In the column for West Bengal, all computations have been made by taking the absolute values.

ANALYSIS**IN RESPECT OF BIRBHUM DISTRICT**

It is observed that during the period 2006-07 to 2013-14 in the District of Birbhum the total number of households who got works under MGNREGA Scheme was maximum at 15.16% in 2006-07 and it was minimum at 6.14% in the year 2008-09. The Mean Value of total families completing 100days work in Birbhum District computed as a percentage of West Bengal figure was 8.88% and the S.D. value was 2.61%. It is seen that this S.D. value was quite low. The C.V. value was 29.39%, i.e., the S.D. value was 29.39% of the Mean value.

IN RESPECT OF PURULIA DISTRICT

It is also seen that in Purulia District, maximum number of households were benefited in the year 2006-07 by getting jobs under MGNREGA Scheme with 8.67% of total households getting job in this District. And lowest percentage of performance was seen in the year 2011-12 when only 3.47% of total eligible households in West Bengal got jobs under MGNREGA Scheme in this District. From the Mean value, it can be commented that during the whole study period on an average 4.66% of total eligible households in West Bengal worked under MGNREGA Scheme in this District. The S.D. value was 1.55% and C.V. value was 33.26%, i.e., the S.D. value was 33.26% of the mean value.

COMPARISON OF PERFORMANCE BETWEEN THE TWO DISTRICTS

While comparing the S.D. and C.V. value of the two Districts, it can be said that Purulia District's S.D. value (i.e. 1.55%) was comparatively less than the S.D. value of Birbhum District (i.e. 2.16%), but C.V. value in the case of Purulia District. (33.26%) was slightly higher than the C.V. value of Birbhum District (i.e. 29.39%). It indicates that, the better performance was seen in the district of Purulia than the performance of Birbhum District. It is noted that S.D. & C.V. value in respect of total number of households getting jobs allover West Bengal was 11,90,194 and 26.52% respectively. The C.V. value of allover West Bengal (i.e. 26.52%) was lower than the C.V. value of Birbhum (i.e. 29.39%) and Purulia (i.e. 33.26%) respectively.

ANALYSIS ON PERFORMANCE IN RESPECT OF TOTAL HOUSEHOLDS (GENERAL CAST) WORKED

The following table depicts the data in respect of total number of households worked (General Cast) in the Districts of Birbhum and Purulia and in the West Bengal as a whole during the period 2011-2012 to 2013-2014 along with computed values of Mean, Maximum value, Minimum value, S.D. and C.V. value. And then necessary comments have been made.

TABLE 9: TOTAL NO. OF HOUSEHOLDS WORKED (GENERAL CAST)

Year	Birbhum District	Purulia District	All West Bengal
2011-12	6,58,163 (5.86%)	4,46,937 (3.98%)	1,12,23,660
2012-13	6,62,830 (5.78%)	4,55,667 (3.97%)	1,14,62,073
2013-14	6,67,372 (5.69%)	4,64,514 (3.96%)	1,17,35,501
Mean	5.77 %	3.97 %	1,14,73,745
Maximum Value	5.86 %	3.98 %	1,17,35,501
Minimum Value	5.69 %	3.96 %	1,12,23,660
S.D.	0.069 %	0.01 %	2,09,121
C.V.	1.03 %	0.20 %	1.82%

Source: www.nrega.nic.in

Note: Various computations for the two districts have been made by taking the percentage values. And such percentage values (as shown under bracket) for a district have been computed by taking the particular value for the district and the value for West Bengal as a whole. In the column for West Bengal, all computations have been made by taking the absolute values.

ANALYSIS**IN RESPECT OF BIRBHUM DISTRICT**

It is observed that during the period 2011-12 to 2013-14 in the District of Birbhum, total number of households (General Cast) who worked under MGNREGA Scheme was maximum at 5.86% (as computed in percentage of All West Bengal figure) in 2011-2012 and it was minimum at 5.69% in the year 2013-14. The Mean value of total number of households (General Cast) worked in Birbhum District was 5.77% and the S.D. value was 0.069% which is quite low. The C.V. value works out at 1.03% which means that the S.D. value is 1.03% of the Mean value.

IN RESPECT OF PURULIA DISTRICT

It is also seen that in Purulia District, the number of households (General Cast) who got jobs under MGNREGA Scheme was maximum in the year 2011-12 when 3.98% of total households (General Cast) getting jobs in West Bengal were from this District. And such percentage was found to be lowest in the year 2013-14 when only 3.96% of total eligible households (General Cast) in West Bengal worked under MGNREGA Scheme in this District. From the Mean value it can be commented that during the whole study period on an average 3.97% of total eligible households (General Cast) in West Bengal were benefited under MGNREGA Scheme in this District. The S.D. value was 0.008% and the C.V. value was 0.20%, i.e., the S.D. value was 0.20% of the mean value.

COMPARISON OF PERFORMANCE BETWEEN THE TWO DISTRICTS

While comparing the S.D. and the C.V. value of the District, it can be said that Purulia District's S.D. value (i.e. 0.008%) was comparatively less than the S.D. value of Birbhum District (i.e. 0.069%) but the C.V. value in the case of Purulia District (i.e. 0.20%) was slightly lower than the C.V. value of Birbhum District (i.e. 1.03%). It indicates that in MGNREGA Scheme Purulia District performed better than Birbhum District. It is noted that the S.D. and the C.V. value in respect of total number of households (General Cast) getting jobs in allover West Bengal were 209121 (in absolute figure) and 1.82% respectively. The C.V. value for allover West Bengal (i.e.1.82%) was found to be higher than the C.V. value of both the Districts. In the case of Birbhum District such C.V. value was 1.03% and in the case of Purulia District it was 0.20% respectively.

ANALYSIS ON PERFORMANCE IN RESPECT OF TOTAL PERSON DAYS GENERATED BY WOMAN

'Total Person Days Generated By Woman' is an important indicator for measuring the success of the MGNREGA Scheme in any area. The following table depicts the data in respect of Total Persons Days Generated By Woman in the District of Birbhum and Purulia and in West Bengal as a whole during the period 2006-2007 to 2013-2014. The computed values of Mean, Maximum value, Minimum Value, S.D. and C.V. value have also been shown in this table. And then necessary comments have been made.

TABLE 10: TOTAL PERSON DAYS GENERATED BY WOMAN

Year	Birbhum District	Purulia District	All West Bengal
2006-07	8,00,000 (10.53%)	15,00,000 (19.74%)	76,00,000
2007-08	11,00,000 (7.14%)	14,00,000 (9.09%)	1,54,00,000
2008-09	17,00,000 (8.13%)	14,00,000 (6.70%)	2,09,00,000
2009-10	49,00,000 (9.44%)	43,00,000 (8.28%)	5,19,00,000
2010-11	42,00,000 (8.03%)	35,00,000 (6.69%)	5,23,00,000
2011-12	42,08,923 (8.66%)	23,75,166 (4.88%)	4,86,23,882
2012-13	52,21,762 (7.67%)	39,37,224 (5.79%)	6,80,46,772
2013-14	61,95,048 (7.60%)	42,45,129 (5.21%)	8,15,37,476
Mean	8.40 %	8.30 %	4,32,88,516
Maximum Value	10.53 %	19.74 %	8,15,37,476
Minimum Value	7.14 %	4.88 %	76,00,000
S.D.	1.040 %	4.530 %	2,45,26,695
C.V.	12.38 %	54.57 %	56.67

Source: www.nrega.nic.in

Note: Various computations for the two districts have been made by taking the percentage values. And such percentage values (as shown under bracket) for a district have been computed by taking the particular value for the district and the value for West Bengal as a whole. In the column for West Bengal, all computations have been made by taking the absolute values.

ANALYSIS**IN RESPECT OF BIRBHUM DISTRICT**

It is observed that during the period of the study, total person-days generated by woman workers in the District of Birbhum was maximum at 10.53% in 2006-07 and it was minimum at 7.14% in the year 2007-08. The Mean value of this performance indicator was 8.4% and the S.D. value was 1.040% which is quite low. The C.V. value was 12.38%, i.e., the S.D. value was 12.38% of the Mean value.

IN RESPECT OF PURULIA DISTRICT

It is seen that in the case of Purulia District also, total person-days generated by woman workers was maximum in the same year (i.e. in 2006-07) when 19.74% of total person-days generated by woman workers in West Bengal took place in this District. And such percentage was seen to be lowest in the year 2011-12 when only 4.88% of total person-days generated by woman workers allover West Bengal happened in this district. the Mean value reveals that during the whole study period on an average 8.30% of total persons-days generated by woman workers throughout West Bengal under MGNREGA Scheme took place in this District with S.D. value of 4.530% and C.V. value of 54.57%. The C.V. value indicates that the S.D. value was 54.57% of the Mean value.

COMPARISON OF PERFORMANCE BETWEEN THE TWO DISTRICTS

The comparison of the S.D. and the C.V. value of the two Districts reveals that Birbhum District's S.D. value (i.e. 1.040%) was comparatively lower than the S.D. value of Purulia District (i.e. 4.530%) but the C.V. value in the case of Purulia District (i.e. 54.57%) was slightly higher than the C.V. value of Birbhum District (i.e. 12.38%). It indicates that during the study period in respect of person-days generated by woman workers, Birbhum District performed better than Purulia District. It is noted that the S.D. and the C.V. value in respect of this parameter allover West Bengal were 2,45,26,695 and 56.67% respectively. The C.V. value in the case of allover West Bengal (i.e. 56.67%) was higher than the C.V. value of both the Districts. The C.V. value in Birbhum District was 12.38% and it was 54.57% in Purulia District.

ANALYSIS ON PERFORMANCE IN RESPECT OF TOTAL PERSON DAYS GENERATED BY SC

Total Person Days Generated By Schedule Cast (SC) is an important socio-economic indicator for measuring performance of works under MGNREGA Scheme in a District. The following table depicts the data in respect of total person-days generated by Schedule Cast (SC) people in the District of Birbhum and Purulia and in West Bengal as a whole during the period 2006-2007 to 2013-2014 along with computed values of Mean, Maximum value, Minimum Value, S.D. and C.V. value. And then necessary comments have been made.

TABLE 11: TOTAL PERSONS GENERATED BY SCHEDULE CAST (SC)

Year	Birbhum District	Purulia District	All West Bengal
2006-07	49,00,000 (30.82%)	13,00,000 (8.18%)	1,59,00,000
2007-08	45,00,000 (12.82%)	14,00,000 (3.99%)	3,51,00,000
2008-09	31,00,000 (10.51%)	10,00,000 (3.39%)	2,95,00,000
2009-10	55,00,000 (7.31%)	28,00,000 (3.72%)	7,52,00,000
2010-11	56,00,000 (9.77%)	22,00,000 (3.84%)	5,73,00,000
2011-12	68,24,107 (13.57%)	9,75,889 (1.94%)	5,02,89,277
2012-13	79,85,960 (12.16%)	19,37,953 (2.95%)	6,56,57,522
2013-14	90,04,549 (16.14%)	18,99,445 (3.41%)	5,57,76,048
Mean	14.14 %	3.93 %	4,80,90,356
Maximum Value	30.82 %	8.18 %	7,52,00,000
Minimum Value	7.31 %	1.94 %	1,59,00,000
S.D.	6.61 %	1.717 %	1,85,16,312
C.V.	46.67 %	43.62 %	38.50 %

Source: www.nrega.nic.in

Note: Various computations for the two districts have been made by taking the percentage values. And such percentage values (as shown under bracket) for a district have been computed by taking the particular value for the district and the value for West Bengal as a whole. In the column for West Bengal, all computations have been made by taking the absolute values. During the years 2006-07 to 2010-11 figures were in Lacks and thereafter figures were in absolute quantity.

ANALYSIS**IN RESPECT OF BIRBHUM DISTRICT**

It is observed that during the period 2006-07 to 2013-14, in the District of Birbhum, total person-days generated by Schedule Cast (SC) people was maximum at 30.82% in 2006-07 and it was minimum at 7.31% in the year 2009-10. The Mean value of this parameter in Birbhum District was 14.14% and the S.D. value was 6.6084% which is quite high. The C.V. value is 46.67%, i.e., the S.D. value is 46.67% of the Mean value.

IN RESPECT OF PURULIA DISTRICT

It is observed that during the same study period, in Purulia District, total person-days generated by SC people was maximum at 8.18% in the year 2006-07. And lowest percentage of this socio-economic parameter was seen in the year 2011-12 when only 1.94% of total person-days generated by SC people under MGNREGA Scheme happened in this District. The Mean value reveals that during the whole study period on an average 3.93% of total person-days generated by SC people in West Bengal under MGNREGA Scheme happened in this District with the S.D. value of 1.717% and the C.V. value of 43.62%. It is seen that the S.D. value was 43.62% of the Mean value.

COMPARISON OF PERFORMANCE BETWEEN THE TWO DISTRICTS

While comparing the S.D. and the C.V. value of the two Districts, it can be said that Purulia District's S.D. value (i.e. 1.717%) was comparatively lower than the S.D. value of Birbhum District (i.e. 6.6084%) but the C.V. value in the case of Birbhum District (i.e. 46.67%) was slightly higher than the C.V. value of Purulia District (43.62%). It indicates that Purulia District performed better than Birbhum District.

It is noted that S. D. & C.V. value in respect of total person-days generated by SC workers in all over West Bengal was 1,85,16,312 and 38.50 % respectively. The C.V. value for the same parameter in All West Bengal (i.e. 38.50%) was seen to be lower than the C.V. values of both the Districts. In Birbhum District such C.V. value was 46.67% and Purulia District witnessed C.V. value of 43.62%.

ANALYSIS ON PERFORMANCE IN RESPECT OF TOTAL PERSON DAYS GENERATED BY ST

'Total Persons Generated by Schedule Tribe' (ST) is also an important socio-economic indicator for measuring performance of works under MGNREGA Scheme in a District. The following table depicts the data in respect of total person-days generated by ST workers in the Districts of Birbhum and Purulia and in West Bengal as a whole during the period 2006-2007 to 2013-2014 along with computed values of Mean, Maximum value, Minimum Value, S.D. and C.V. value. And then necessary comments have been made.

TABLE 12: TOTAL PERSONS GENERATED BY SCHEDULE TRIBE (SC)

Year	Birbhum District	Purulia District	All West Bengal.
2006-07	12,00,000 (14.63%)	14,00,000 (17%)	82,00,000
2007-08	15,00,000 (11.19%)	15,00,000 (11.19%)	1,34,00,000
2008-09	8,00,000 (6.84%)	12,00,000 (10.26%)	1,17,00,000
2009-10	15,00,000 (6.72%)	28,00,000 (12.56%)	2,23,00,000
2010-11	14,00,000 (6.73%)	25,00,000 (12.02%)	2,08,00,000
2011-12	15,74,995 (10.15%)	11,63,364 (7.50%)	1,55,14,426
2012-13	19,11,440 (9.51%)	18,98,027 (9.44%)	2,01,00,340
2013-14	21,82,832 (8.08%)	21,25,472 (7.83%)	2,71,61,119
Mean	9.23 %	10.97 %	1,73,96,986
Maximum Value	14.63 %	17.00 %	2,71,61,119
Minimum Value	6.72 %	7.50 %	82,00,000
S.D.	2.58 %	2.85 %	58,61,171
C.V.	27.95 %	25.89 %	33.69

Source: www.nrega.nic.in

Note: Various computations for the two districts have been made by taking the percentage values. And such percentage values (as shown under bracket) for a district have been computed by taking the particular value for the district and the value for West Bengal as a whole. In the column for West Bengal, all computations have been made by taking the absolute values. During the years 2006-07 to 2010-11 figures were in Lacks and thereafter figures were in absolute quantity.

ANALYSIS**IN RESPECT OF BIRBHUM DISTRICT**

It is observed that during the period of the study in the District of Birbhum, total person-days generated by ST workers was maximum at 14.63% in 2006-07 and it was minimum at 6.72% in the year 2009-10. In this District, the Mean value of this parameter was 9.23% and the S.D. value was 2.58% which is quite low. The C.V. value was 27.95% indicating that the S.D. value was 27.95% of the Mean value.

IN RESPECT OF PURULIA DISTRICT

It is also observed that in the case of Purulia District also, total person-days generated by ST workers was maximum (i.e. 17 %) in the same year i.e. in 2006-07. And lowest percentage of this performance indicator was seen in the year 2011-12 when only 7.50% of total person-days generated throughout West Bengal under MGNREGA Scheme happened in this District. The Mean value indicates that during the whole study period on an average 10.94% of total person-days all over West Bengal were generated by the Schedule Tribe workers under MGNREGA Scheme in this District with the S.D. value of 2.85% and the C.V. value of 25.89%. The C.V. value indicates that the S.D. value was 25.89% of the Mean value.

COMPARISON OF PERFORMANCE BETWEEN THE TWO DISTRICTS

While comparing the S.D. and C.V. value, of the two Districts, it can be said that Birbhum District's S.D. value (2.588%) is comparatively less than the S.D. value of Purulia District (2.8457%) but C.V. value in the case of Birbhum District. (27.95%) was slightly higher than the C.V. value of Purulia District (25.89%). It indicates that, the better performance of Birbhum District than the performance of Purulia District was observed.

It is noted that S.D. & C.V. value in respect of Total Person Days generated by Schedule Tribe (ST) throughout West Bengal was 58,61,171 and 33.69% respectively. The C.V. value in West Bengal (33.69%) is higher than the C.V. value of Birbhum (27.95%) and Purulia District (25.89%) respectively.

ANALYSIS ON PERFORMANCE IN RESPECT OF TOTAL LABOUR EXPENDITURE DISBURSED UNDER MGNREGA WORKS

The following table shows the data in respect of Total Labour Expenditure Disbursed in the Districts of Birbhum and Purulia and in West Bengal as a whole during the period 2006-2007 to 2013-2014 along with computed values of Mean, Maximum value, Minimum Value, S.D. and C.V. value. And then necessary comments have been made.

TABLE 13: TOTAL LABOUR EXPENDITURE DISBURSED (Rs. in Thousand)

Year	Birbhum District	Purulia District	All West Bengal
2006-07	7,040 (22.85%)	3,106 (10.08%)	30,815
2007-08	7,967 (10.41%)	3,729 (4.87%)	76,550
2008-09	5,414 (8.80%)	3,138 (5.10%)	61,522
2009-10	11,807 (8.82%)	9,905 (7.06%)	1,40,193
2010-11	14,981 (9.04%)	9,990 (6.03%)	1,65,658
2011-12	18,817 (10.34%)	8,026 (4.41%)	1,82,059
2012-13	24,370 (9.51%)	11,146 (4.38%)	2,54,386
2013-14	25,166 (10.10%)	12,965 (5.20%)	2,49,279
Mean	11.23 %	5.89 %	1,45,058
Maximum Value	22.85 %	10.08 %	2,54,386
Minimum Value	8.80 %	4.38 %	30,815
S.D.	4.43 %	1.78 %	79,932
C.V.	39.47 %	0.30 %	55.10 %

Source: www.nrega.nic.in

Note: Various computations for the two districts have been made by taking the percentage values. And such percentage values (as shown under bracket) for a district have been computed by taking the particular value for the district and the value for West Bengal as a whole. In the column for West Bengal, all computations have been made by taking the absolute values.

ANALYSIS**IN RESPECT OF BIRBHUM DISTRICT**

It is observed that during the period of the study, in the District of Birbhum, total labour expenditure disbursed towards MGNREGA works was maximum at 22.85% in 2006-07 and it was minimum at 8.80% in the year 2008-09. The Mean value of this performance indicator in this District was 11.23% with the S.D. value of 4.43%. It is seen that this S.D. value is quite low. The C.V. value of 39.47% indicates that the S.D. value was 39.47% of the Mean value.

IN RESPECT OF PURULIA DISTRICT

It is seen that in the case of Purulia District also, total labour expenditure disbursed towards MGNREGA works was maximum in the year 2006-07 when 10.08% of total labour expenditure was Disbursed towards MGNREGA works in this District. And lowest percentage of this parameter was seen in the year 2012-13 when only 4.38% of total labour expenditure was disbursed under MGNREGA Scheme in this district. From the Mean value, it can be said that during the whole study period on an average 5.89% of total labour expenditure towards MGNREGA works was disbursed in this District registering the S.D. value of 1.78% and the C.V. value of 1.78%. The C.V. value of 1.78 % means that the S.D. value was 1.78% of the Mean value.

COMPARISON OF PERFORMANCE BETWEEN THE TWO DISTRICTS

The comparison of the S.D. and the C.V. value of the two Districts in respect of the total labour expenditure disbursed towards MGNREGA works shows that Purulia District's S.D. value (i.e.1.78%) was significantly lower than the S.D. value of Birbhum District (i.e. 4.43%), and C.V. value in the case of Birbhum District (39.47%) was many times higher than the C.V. value for Purulia District (i.e.0.30%). It indicates that Purulia District performed better in respect of MGNREGA works than Birbhum District.

It is noted that the S.D. and the C.V. value in respect of total labour expenditure disbursed towards MGNREGA works in West Bengal was Rs 79932 and 55.10% respectively. It is seen that the C.V. value in the case of West Bengal (i.e.55.10%) was not only higher but also significantly higher than the C.V. value of both the Districts.

OBSERVATIONS OF THE STUDY

By summing up of the observations it can be said that in respect of some parameters, the performance of the Birbhum District is found to be better and in respect of some other parameters Purulia District has shown better performance in implementation of MGNREGA works. If we try to rank these two districts by assigning numerical scores against each of the performance indicators that have been taken in the study, it can be seen that on the whole performance of the Birbhum District in respect of implementation of MGNREGA works is better than Purulia District.

CONCLUSION

There lies enough scope for providing jobs to larger number of people. For achieving success in MGNREGA Scheme person-days generated by different communities are to be hiked. Investigations are needed whether the persons willing to serve under MGNREGA Scheme are not getting jobs or whether they are not willing to work under MGNREGA Scheme because of having some grievances like lower wage rate (in comparison to the wage rates of other works which are easily available in the concerned locality), non-payment of wages on regular or timely basis or due to some other specific reasons. After finding out the reasons, proper measures are to be taken by the government to make the MGNREGA Scheme successful by achieving its desired objectives. Only a further research in the area can explain all these issues.

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VENDOR DEVELOPMENT PROCESS: AN EMPIRICAL STUDY

DR. R. K. KUSHWAHA
ASSt. PROFESSOR
FACULTY OF MANAGEMENT
SURAJMAL COLLEGE OF ENGINEERING & MANAGEMENT
KICHHA

SHYAM SUNDER PARASHAR
MANAGER (VENDOR DEVELOPMENT)
TATA MOTORS LTD.
RUDRAPUR

DR. ALOK SINGH
PROFESSOR
FACULTY OF MANAGEMENT
DR. OM PRAKASH INSTITUTE OF MANAGEMENT & TECHNOLOGY
FARRUKHABAD

ABSTRACT

An analysis of the academic literature explicitly looking at vendor development shows that research in this domain has a long history in India. For seeking to provide a more differentiated view of vendor development process and activities currently applied by SIDCUL Industries in Rudrapur, India. An empirical study was conducted based on a review of previously published research on vendor development and case studies with SIDCUL industries in Rudrapur, India. The survey responses from 100 industries were factor-analyzed to explore various dimensions of vendor development and their interrelationships. Furthermore, an industry-level analysis was performed. SIDCUL Industries are reluctant to develop vendors. Two dimensions of direct and four dimensions of indirect vendor's development were observed. Providing human and capital support to vendors (i.e. two dimensions of direct vendor's development) is strongly related to formal vendors evaluation, structures and processes for evaluating vendors as well as communication (i.e. three dimensions of indirect vendors development). Future studies should incorporate the perspective of the vendor's industries, include small and medium-sized enterprises, and approach pressing questions related to performance implications for the buying firm and sharing of the benefits achieved in vendor's development activities.

KEYWORDS

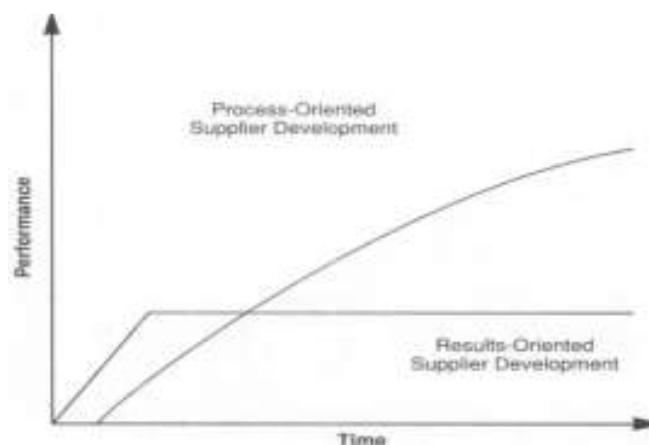
buyers, vendors relations, sidcul industries, Indian industries.

INTRODUCTION

The term "Vendor Development" was first used by Leenders (1966) to describe efforts by manufacturers (Buyer) to increase the number of viable suppliers and improve Vendor's performance. More specifically Vendor development has been defined as "any effort by an industrial buying firm to improve the performance or capabilities of its suppliers". Much of the Vendor development literature focuses on the automotive industry either in the US, Europe, Japan or elsewhere and is performed primarily on large firms.

This is especially true in the automotive manufacturing industry in view of the fact that in the automotive industry up to 75 % of the cost of a vehicle comes from parts sourced from outside Vendor. Hence auto firms cannot be competitive in the world market unless they deal with suppliers who share similar objectives and have the same level of performance. So to help Vendors to make them more competitive and efficient will automatically helps buyers to become more competitive and efficient.

Vendor development refers to an organization's efforts to create and maintain a network of competent suppliers. From a narrow perspective it can be defined as identifying new sources of supply where no adequate ones exist. However, Vendor development also involves a long-term cooperative effort between a buying firm and its suppliers to upgrade the suppliers' technical, quality, delivery, and cost capabilities and to foster ongoing improvements. Simchi et al. (2000) in their book of designing and managing the supply chain- concepts strategies and case studies categorized levels of supplier integration as none, white box, gray box, and black box as per increasing involvement.

FIG. 1: GRAPH OF PROCESS AND RESULT ORIENTED SUPPLIER DEVELOPMENT

Source: Hartley and Jones, 1997

STEPS TO A SUCCESSFUL VENDOR SELECTION PROCESS IN INDIA

India, the outsourcing capital of the world offers services from software development, to photo editing, to engineering and research to global companies across the world. Today, you can outsource almost any service to India. However, finding the right vendor in India for your business can be a daunting task if you are new to outsourcing. The success of an outsourcing project depends on how well you can manage the process before and after signing the outsourcing contract.

While outsourcing to India, many companies opt for the lowest bidder without undertaking a complete vendor selection process. When you do not have the right vendor, you will soon experience bad customer support, poor quality or even missed delivery dates. Going through all the phases of a vendor selection process can ensure success in your outsourcing venture.

The first step towards selecting an Indian vendor is to analyze your business requirements. After the task of searching and selecting a prospective Indian vendor, you must develop a contract negotiation strategy to avoid contract negotiation mistakes. Here are five steps to help you choose the right offshore vendor from India.

1. ANALYZE YOUR BUSINESS REQUIREMENTS

It is important to first analyze your business needs before you even begin to search for a vendor in India. Assemble a vendor selection and evaluation team who would be given the responsibility of finding a suitable vendor from India. Discuss with your management and vendor selection team about what your company wants to outsource. Define in writing, the service or the product that your company wants to outsource to India. Once your company has finalized on what should be outsourced, you have to define the business and technical requirements that the outsourced service /product would require. Finally, decide on the requirements that the prospective Indian vendor should have. Ask your management team to analyze all the requirements and create a final document stating your business and vendor requirements.

2. SEARCH FOR A VENDOR

With clearly defined business and vendor requirement, your vendor selection team would be able to easily find a suitable vendor in India, who can deliver the service /product that you wish to outsource. Ask your team to compile a list of possible Indian vendors, but remember that not all vendors would meet your requirements. After conducting interviews and researching on suitable vendors' background, you will have to select a few vendors from whom you would like more information. Your vendor selection team can then write a Request for Information (RFI) and send it to the selected vendors. The next step would be to evaluate the responses from the vendors and create a short list of Indian vendors.

3. WRITE A REQUEST FOR PROPOSAL (RFP) & REQUEST FOR QUOTATION (RFQ)

Now that you have analyzed your business requirements and shortlisted a few Indian vendors that you wish to evaluate, you have to write a Request for Quotation or a Request for Proposal. The Request for Proposal should contain sections, such as, submission details, an introduction and executive summary, an overview and background of the business, detailed specifications, assumptions and constraints, terms and conditions and selection criteria.

4. EVALUATING THE PROPOSAL & SELECTING THE VENDOR

To begin with, conduct a preliminary review of all your vendors' proposals. The next step would be to state your business requirements and the vendors' requirements. Discuss with your management team and assign an importance value for each requirement. Next, assign a performance value for each requirement. Now all you have to do is calculate a total performance score and choose the winning Indian vendor.

5. CREATING A CONTRACT NEGOTIATION STRATEGY

Creating a contract negotiation strategy is the final step in the Indian vendor selection process. Rank your priorities along with alternatives. Clearly define benchmarks and time constraints. Evaluate your risks and liabilities. Also state the level of confidentiality required. Remember to mention changes in the requirements. Understanding the difference between what you want and what you need, from the outsourcing contract, can help you create a better strategy.

VENDOR RATING

Industry has to depend upon outside vendors due to following:

- Cost consideration including economy of scale.
- Impossibility of total vertical integration.
- Specialization, some time leading to proprietary products and patents processes.
- As an alternative or stand by and for load leveling.
- Standardization
- Social considerations like government regulations, obligation to community, etc.,
- Decentralization
- Strategic reasons

The number of vendors who can satisfactorily meet all the requirements of the industry and be able to operate economically is few. This is because of following:

- Lack of capital.
- Unsteady marketing conditions.
- Lack of entrepreneurship.
- Non-availability of specialized listing facilities.
- Availability of trained manpower.
- Non-availability of know-how i.e. drawings, specifications, techniques, etc.

VENDOR DEVELOPMENT ACTIVITIES

Sanchez et al. (2005) classified vendor development activities into 3 parts on the basis of buyer's resource involvement parameters like personal, capital and time. Basic vendor development- Basically this will deal with supplier's evaluation and giving feedback to him. Vendor qualification is having more importance than supplier certification. Vendor base will be less in number with standardized parts and increased volume of business with limited vendors

Basic Vendor Development	Moderate Vendor Development	Advanced Supplier Development
<ul style="list-style-type: none"> • Evaluation of vendor 's • Performance and feedback to vendors. • Sourcing from a limited • Number of vendors. • Parts standardization. • Vendor qualification. 	<ul style="list-style-type: none"> • Visiting vendor' plants. Awards and approval of vendor's performance Improvements. • Collaboration with vendors in Materials improvement. • vendor certification 	<ul style="list-style-type: none"> • Training to vendors. Collaboration with supplier. • Involvement of vendors in the buyer's new product development process. • Intensive information exchange with vendors.

VENDOR DEVELOPMENT PROCESS

Hartley and Jones (1997) have focused on vendor development processes and they found vendor development as a four step process as, assess the vendor 's readiness for change, build commitment through collaboration, implement system-wide changes, transition out of the vendor's organization, establish follow-up and recognition procedures.

Handfield et al. (2000) in their article of "Avoid the Pitfalls in vendor Development" proposed a process map for vendor development. They mentioned 7 steps for vendor development such as identify critical commodities, identify critical vendors, form a cross-functional team, meet with vendor's top management, identify key projects, define details of agreement, monitor status and modify strategies.

- Vendor development practices
- Buying from a limited number of Vendors per purchased item
- Vendor performance evaluation and feedback
- Parts standardization
- Vendor certification
- Vendor reward and recognition
- Plant visits to Vendor
- Training to Vendor
- Intensive information exchange with Vendor
- Collaborating with Vendor in materials improvement and development of new materials
- Involvement of Vendor in the buyer's new product development process

REVIEW OF LITERATURE

Even though the basic notions of vendor development can be traced back to ancient times and consumer and military buying aspects (Leenders, 1966), it was used more intensively during and after World War Two by Toyota in Japan. In 1943, Toyota joined a supplier association (renamed thereafter Kyoho Kai) to assist a number of subcontractors in the Tokai region in improving productivity (Hines, 1994). From then on, vendor associations within the Toyota supply network and collaboration between Toyota and its vendor grew constantly (Dyer and Nobeoka, 2000; Hines, 1994). With some exceptions, such vendor development played little part and was not widespread in the Western economy until the 1990s (Hines, 1994). From then on, firms in the automotive industry pressed ahead with this practice and turned it into a popular and powerful approach to improve supply chain performance in Western industries (Lamming, 1993; Womack et al., 1990). An analysis of the academic literature explicitly looking at vendor development shows that research in this domain has a long history in North America. A doctoral dissertation dealing with this topic was published as early as 1965 (Leenders, 1965). Soon after, the first article by Leenders (1966) reporting on the vendor development activities of an industrial firm in Canada appeared. Years later, when the business environment forced firms to pay more attention to quality management issues, supplier development emerged as a prominent method. So the "first wave" of vendor development research (1989-1991) was initiated by researchers in the quality management field. The "second wave" covers the period when researchers picked up on relationship management issues (since 1995). The few large-scale empirical studies in previous years (mainly in the United States) were the basis for a number of publications. As such, Krause's survey of 527 industrial and service firms in the United States is most influential (Krause, 1997; Krause, 1999; Krause and Ellram, 1997b; Krause et al., 2000; Krause and Scannell, 2002). These publications were devoted exclusively to supplier development practices. In Europe, on the other hand, only a few surveys and analyses touched supplier development issues while investigating supplier relationship, supply chain, or quality management issues (De Toni and Nassimbeni, 2000; Lascelles and Dale, 1989; New and Burnes, 1998; Quayle, 2002). Hitherto, large-scale empirical research focusing on supplier development in European countries has not been published.

Watts and Hahn (1993, p. 12) define supplier development as "a long-term cooperative effort between a buying firm and its suppliers to upgrade the suppliers' technical, quality, delivery, and cost capabilities and to foster ongoing improvements". Likewise, for Krause and Ellram (1997a, p. 21), vendor development encompasses "any effort of a buying firm with its supplier to increase the performance and/or capabilities of the supplier and meet the buying firm's supply needs". Although most researchers agree with and regularly cite these definitions, several different facets of supplier development have been distinguished in the pertinent literature.

First, a few rather general supplier development processes that support firms in identifying, evaluating, conducting and following up on supplier development projects have been recommended. For example, Krause et al. (1998) described a generic ten-step process model ranging from the identification of critical commodities for development to the systematic institution of ongoing continuous improvement. Furthermore, it was proposed that process oriented rather than results-oriented supplier development may be more effective, because it increases the supplier's ability to act on its own and improvement efforts will continue once the buying firm finishes its activities (Hartley and Jones, 1997).

The second distinction concerns the supplier to be developed. If the goal is to develop a new source of supply – that is, a supplier that has not delivered products to the firm before – vendor development was considered to take a "narrow perspective" (Hahn et al., 1990) or was termed "reverse marketing" (Blenkhorn and Banting, 1991; Leenders and Blenkhorn, 1988). On the other hand, if a firm develops a supplier who currently supplies products, the firm takes a "broad perspective" (Hahn et al., 1990).

Third, efforts can vary according to the buying firm's motivation in its initiation and implementation of supplier development measures. Firms taking a "reactive approach" initiate measures only in case of poor supplier performance and to eliminate existing deficiencies, i.e. when problems have already occurred. By contrast, with a "strategic approach" firms try to improve supplier performance actively and for the long-term, i.e. before performance problems actually occur (Krause et al., 1998).

Fourth, vendor development can be distinguished by the role the buying firm plays, i.e. according to the resources committed to a specific supplier. In the case of "direct" (Monczka et al., 1993) or "internalized" (Krause et al., 2000) supplier development, the buying firm plays an active role and dedicates human and/or capital resources to a specific supplier. From a transaction cost perspective, direct supplier development refers to a transaction-specific investment by the buying firm (Williamson, 1985, 1991). Direct vendor development includes activities such as on-site consultation, education and training programs, temporary personnel transfer, inviting the supplier's personnel, as well as the provision of equipment or capital (Krause, 1997; Krause et al., 2000; Monczka et al., 1993). However, direct supplier development poses problems in terms of the potential for opportunistic behaviour on the part of the supplier. Hence, the firm must safeguard its supplier-specific investments, for example by establishing long-term buyer-supplier relationships. The buyer-supplier relationship will shift from abstract to relational (Frazier et al., 1988; Heide and John, 1988). Contrariwise, the buying firm commits no or only limited resources to a specific vendor in case of "indirect" (Monczka et al., 1993) or "externalized" (Krause et al., 2000) supplier development. Instead, the firm offers incentives or enforces vendor improvement, and hence makes use of the external market to encourage performance improvements. This is frequently done by assessing suppliers, communicating supplier evaluation results and performance goals, increasing a vendor's performance goals, instilling competition by the use of multiple sources or promising future business (Krause, 1997; Krause et al., 2000; Monczka et al., 1993; Prahinski and Benton, 2004).

OBJECTIVES OF THE STUDY

1. To Study Vendor Development Process and activities in Automobile Industry in SIDCUL (Rudrapur) India.
2. To Study Vendor Selection and Evaluation criteria in Automobile Industry in SIDCUL (Rudrapur) India.
3. To find out current Vendor development practices employed by Automobile Industry in India.

RESEARCH METHODOLOGY

RESEARCH DESIGN

Research Design is a map or blueprint according to which the research is to be conducted. In the present study, the research design will be Descriptive Research Design. Descriptive research includes survey and fact finding enquiries. The research design specifies the method of data collection and data analysis.

DATA COLLECTION METHOD

A research design is an arrangement of conditions for collection and analysis of Data in a manner that aims to combine relevance to the research purpose with Economy in procedure. It constitutes the blueprint for collection, measurement and analysis of data.

a) **Primary data:** These are those data which are collected afresh and for the first time, and thus happen to be original in character. We will be using the structured questioners.

b) **Secondary data:** These are those which have already been collected by someone else and which have already been passed through the statistical process. We will collect it from the sources like internet, published data etc.

SAMPLING PLAN

SAMPLING TECHNIQUE

First step in sampling plan is to decide the Sampling Technique, Universe or Population.

We will be going to choose the sample according to the “**Convenience Sampling**”. Once the universe is decided the researcher must concern himself to find:

- What sampling unit should be studied?
- What should be the sampling size?
- What sampling procedure should be used?

UNIVERSE

The first step in developing any sample design is to clearly define the set of objects, technically called the universe. In present research, universe will be the ultimate respondents (vendors) of SIDCUL Industries (Rudrapur, Uttarakhand).

GEOGRAPHICAL LOCATION

The present research will be conducted in SIDCUL Rudrapur.

SAMPLING UNIT

The basic thing is to be decided in sampling unit who is to be surveyed. In the present study, the sampling units will be the respondents who are the ultimate vendors of the 20 SIDCUL industries in Rudrapur, India.

SAMPLE SIZE

The second issue is to be decided is ‘The Sample Size’. The whole of the universe can’t be studied in a single research work. The researcher has to select a relevant fraction of the population or universe. In the present study the sample size will be of 100 Respondents.

DATA ANALYSIS & INTERPRETATION

DIRECT SUPPLIER DEVELOPMENT

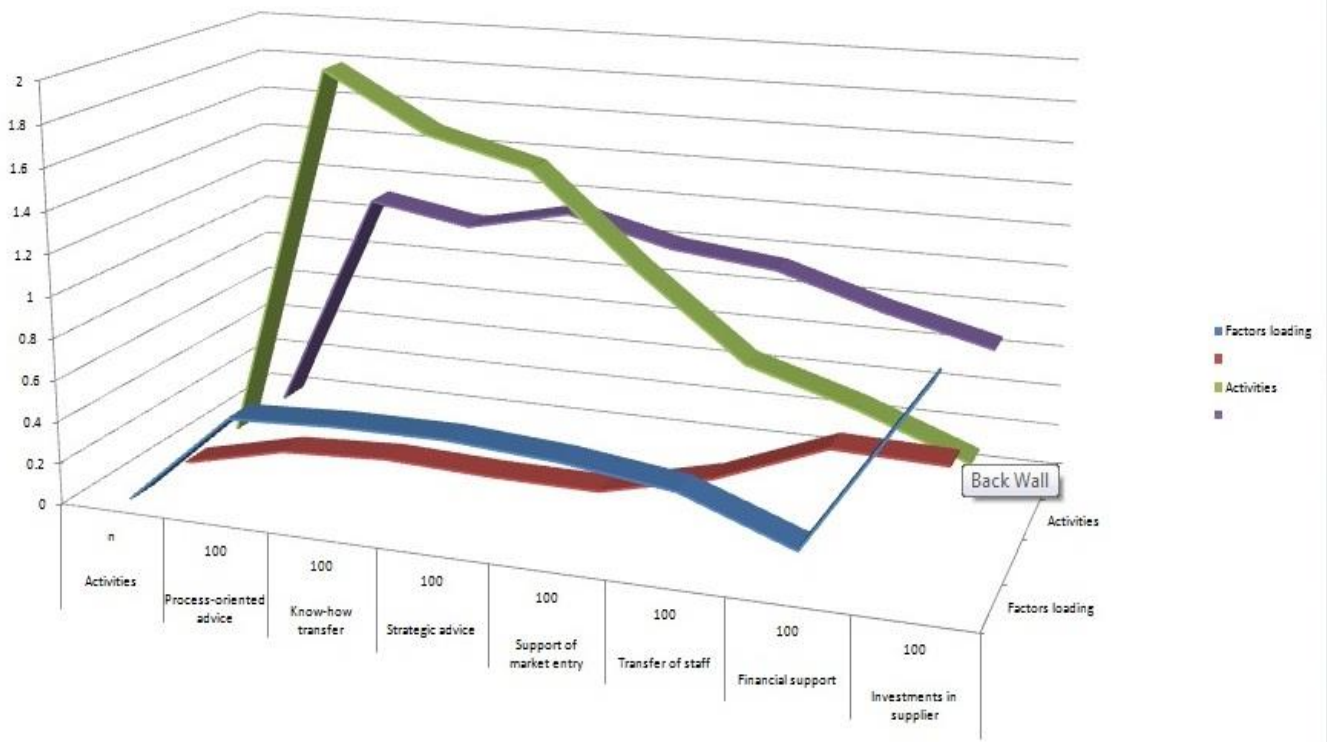
Survey respondents were presented with a list of direct vendor development an activity that was compiled based on the existing literature (Krause, 1997; Krause and Ellram, 1997b; Monczka et al., 1993) and was augmented through the case study interviews.

Next, exploratory factor analysis was performed. The basic idea of this technique is that variables belonging to a common factor have some of their structure determined by an underlying common dimension. The Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy, which tests whether the partial correlations among variables are small, was sufficiently large to justify factor analysis (KMO 0:483). The results of the factor analysis of direct supplier development variables yielded two factors, or dimensions. The two factors explain 62 per cent of the variables ‘variance and all variables load significantly on their factors. Factor loadings and means of individual variables and composite dimensions are all shown in Table.

TABLE 1

Activities	n	A. Factors loading		Activities	
		A1. Human	A2. Capital	Mean	SD
Process-oriented advice	100	0.456	0.121	1.89	1.12
Know-how transfer	100	0.481	0.148	1.61	1.03
Strategic advice	100	0.483	0.128	1.48	1.14
Support of market entry	100	0.446	0.123	1.03	1.01
Transfer of staff	100	0.378	0.249	0.63	0.95
Financial support	100	0.182	0.458	0.47	0.79
Investments in supplier	100	0.98	0.443	0.27	0.66

FIG. 1



INDIRECT VENDOR DEVELOPMENT

The list of vendor development items was also derived from the literature (Krause, 1997; Krause et al., 2000; Monczka et al., 1993; Prahinski and Benton, 2004) and the case studies. As with direct supplier development variables, an exploratory factor analysis was also performed for indirect supplier development. With a Kaiser-Meyer-Olkin (KMO) measure of 0.483, factor analysis can be attempted. The analysis resulted in four uniquely interpretable factors. The explained variance of these four factors was 45 percent. Table shows the factor loadings, means and standard deviations of individual variables and composite dimensions.

The variables that load high on the first factor are the firm’s efforts to evaluate vendor in temporary manner on various performance parameters, and hence this factor was denominated as “temporary”. The factor mean is 1.89. Items for formal evaluation of performance and the evaluation of vendor performance shortcomings on firm performance are summarized in the factor “casual”. As such, while the first factor is a measure of occasional vendor evaluation or evaluation in response to unforeseen problems (e.g. delivery problems, quality problems), the second factor is a measure of regular, planned and proactive vendor evaluation. With an average of 1.28, firms are more actively evaluating their vendors formally than on temporary basis. The first two factors express the frequency and content of a firm’s vendor evaluation practice.

The third and fourth factors are associated with how the firm evaluates vendor and communicates with them. As such, the variables that load high on the third factor (“evaluation”) cover the firm’s supplier evaluation system and process. They relate to the adaptation of the system to the company’s particular characteristics, the level of detail and the feedback of evaluation results to suppliers.

The industries use criteria to evaluate vendors ranging from technological capabilities to the worldwide availability of after-sales service. Based on these evaluations, the tractors industries develop so-called “vendors roadmaps” and uses them to check whether vendors are capable and committed to fulfilling the firm’s current and future expectations. Vendor’s roadmaps highlight the criteria for which vendor’s improvement measures are necessary. One of the automotive and automobiles vendors combines the following sub-processes to the primary vendor’s management process:

- vendors pre-selection;
- vendors selection;
- vendors evaluation; and
- Vendor’s development.

The combination of these four processes – which includes the vendors development process – indicates that indirect and direct vendors development dimensions are strongly related and conducted consecutively in corporate practice.

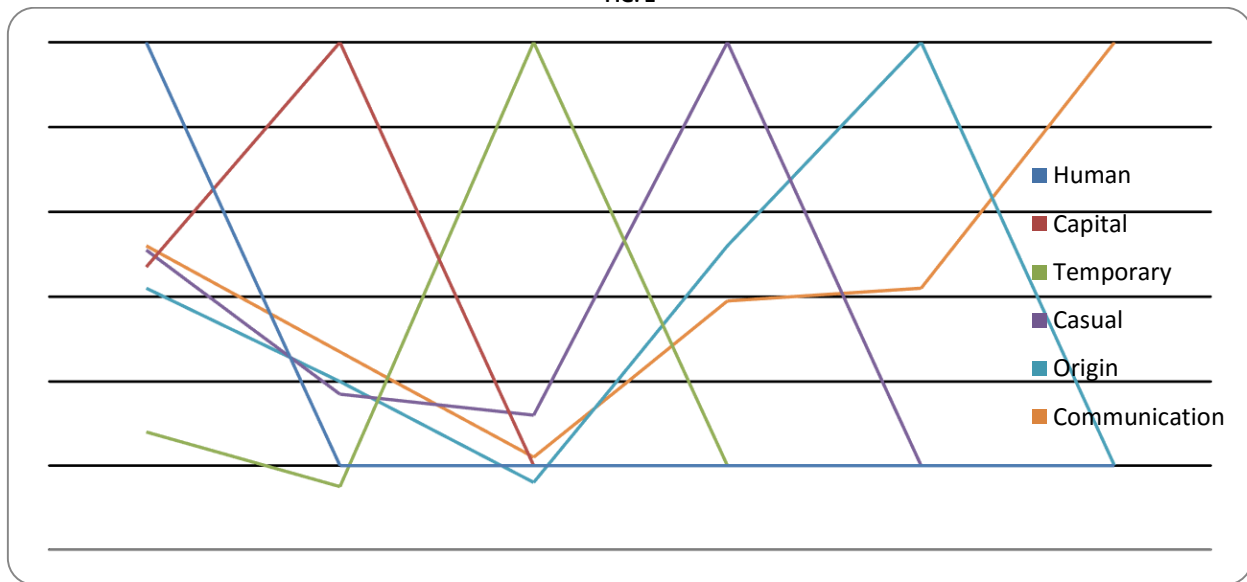
The results from the quantitative and qualitative inquiries show that several indirect Vendor development activities (casual, origin, and communication) are closely linked with direct Vendor development activities (human and capital support).

TABLE 2

Correlation matrix						
	Human	Capital	Temporary	Casual	Origin	Communication
Human	1					
Capital	0.47	1				
Temporary	0.08	-0.05	1			
Casual	0.51	0.17	0.12	1		
Origin	0.42	0.2	-0.04	0.52	1	
Communication	0.52	0.27	0.02	0.39	0.42	1

Note: *Correlation is significant at the 0.01 level (one-tailed)

FIG. 2



FINDINGS & DISCUSSION

The objective of the study was to further explore the relationships between various dimensions of vendor development and to investigate vendor development from the perspective of Indian industrial firms. In particular, six dimensions of supplier development have been analyzed, that is, four indirect dimensions (identified as temporary, casual, origin, and communication) and two direct dimensions (identified as human and capital).

Some industries, such as automotive, automobiles and high-tech, have already embarked on the journey of providing active support to their vendor. They demonstrate a higher level of commitment to overcoming vendor performance problems. Outsourcing to vendor, partnering with other firms in a supply chain and building up global supply networks have a long history in these industries. Firms from the process and primary industries, however, still have a long way to go. These firms have to become more professional in their vendor management practices as markets become less protective, customer demands higher and competition stronger. The facilitation of vendor partnerships and consistent vendor management practices will be vital. Benchmarking with and learning from the more advanced industries might be economically justified in today’s competitive business environment, where “supply chains compete against supply chains”, instead of “firms against firms” (Rice and Hoppe, 2001). Vendor development through human resource commitment is highly correlated with how vendor are evaluated and how firms communicate with their vendors, a firm should first tailor its vendor origin criteria to the firm’s requirements.

CONCLUSION

In India, large companies do not, in general, try and build long-term relationships with vendors. They do not provide the kind of support that Sidcul Automobiles provided. Relations with vendors are no different than those between any buyer and seller. The importance of improving the vendor's quality, productivity and cost levels, as a means of improving one's own competitiveness, is not generally recognized. Indian automobiles policies were developed on the basis of Japanese experience, where car companies have financial stakes in many vendors and vendors are treated as being part of their family. Of course, vendors also realize that they have to constantly work to make their principal competitive and profitable.

Outsourcing is a very major system of improving competitiveness and reducing investment requirements and risk levels. Companies have to approach outsourcing as an activity requiring sustained attention. This is possible only if there is a structured vendor development process, and it is accorded high priority by the top management. Most vendors in India are small or medium sized industries. They cannot easily access technology, or implement modern lean management practices. Their ability to introduce information technology is virtually zero. They cannot engage consultants for introducing quality system.

Buyers and suppliers should view the vendor development as a win-win process in order to take advantage of all its results. The following framework for initiating a vendor development program is recommended, this framework was first developed by Handfield et al. (2000) after scanning vendor-development strategies used in more than sixty organizations (Chavhan et al., 2012), the model consisted of seven steps, figure is a modified model to suit the situation in the automobiles industries.

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A STUDY ON CUSTOMERS' PERCEPTION TOWARDS HOME LOANS PROVIDED BY HDFC BANK IN COIMBATORE CITY

DR. ESWARI. M
ASST. PROFESSOR
WOMEN'S CHRISTIAN COLLEGE
CHENNAI

DR. MEERA.C
ASSOCIATE PROFESSOR
PARK COLLEGE OF ENGINEERING & TECHNOLOGY
COIMBATORE

ABSTRACT

The study finds out that the success of a business depends upon its ability to attract and retain customers that are willing to purchase goods and services at prices that are profitable to the company. Consumer perception describes how customers and potential customers view a company and its products and services. Consumer perception is important to businesses since it can influence consumer behavior, which ultimately affects the profitability of a business. Many businesses spend large amounts of resources to influence consumer perceptions. The concept of customer perception is built up by customer experiences. The customers perceive the service the customers are offered and ultimately by whether the customers actually are satisfied with the experiences or not.

KEYWORDS

customers' perception, home loans, HDFC Bank, Coimbatore.

INTRODUCTION

Customer perception is a marketing concept that encompasses a customer's impression, awareness and/or consciousness about a company or its offerings. Customer perception is typically affected by advertising, reviews public relations, social media, and personal experiences and other channels. Customer perceptions are influenced by a variety of factors. Besides the actual outcome i.e. did the product or service deliver the expected function and did it fulfill the customers need - the whole process of consumption and all interactions involved are of crucial importance. In today's globalised information driven economy this can also comprise issues like:

- How other customer or influencing groups perceive the product or brand
- The degree to which the customer feels the actual marketing campaign addresses the most importance issues
- Responsiveness and service quality of any affiliates, e.g. distribution partners

ASPECTS OF MEASURING CUSTOMERS

- First of all the company has to find out how it and its offering are perceived by the customers. It is essential to identify what the customer is actually buying and which features are most important to him. Only this way it is possible to align the internal focus and recourses to the customers' expectation. This information is of greater value if it can be compared to the customers' perception of competitive offering. Not only will this several relative strength and weakness, it is also a valuable source of ideas for improvement.
- Besides that, surveys should also identify the relative importance of several influencing variables in the eyes of the customer. To know what matters most to the customer helps to set priorities for projects.
- It should be based on careful customer segmentation. Customer groups that differ by frequency of use, social status, geographical region or other criteria, are likely to have different expectations and preferences. Hence, they will probably perceive an offering in different ways.

BENEFITS OF A CUSTOMER PERCEPTION STUDY

- It enables fact-based decision making about the business
- Helps understand what customers like about the company and why
- Identifies opportunities for improvement
- Priorities changes based on customer feedback
- Strengthens customer relationships
- Measures effectiveness of advertising and PR programmers'
- Develops a focused and effective communications programme
- Benchmarks against the competitors

HISTORY OF THE ORGANISATION

Housing Development Finance Corporation Limited (HDFC Ltd.,) was established in 1977 with the primary objective of meeting a social need encouraging home ownership by providing long-term finance to households. Over the last three decades, HDFC has turned the concept of housing finance for the growing middle class in India into a world-class enterprise with excellent reputation for professionalism, integrity and impeccable service. A pioneer and leader in housing finance in India, since inception, HDFC has assisted more than 4.02 million customers to own a home of their own, through cumulative housing loan approvals of over Rs.4.63 trillion and disbursements of over Rs.3.74 trillion as at March 31, 2012.

STATEMENT OF THE PROBLEM

A home loan is not only a profit giving business but a brilliant answer to those who are finding ways to acquire a house without down paying a large amount of money. Customers are the core focus of any organization and thus of prime importance to the marketers. It is important for the focus of any organization and thus of prime importance to the marketers. It is important for the service providers to know the level of customer expectations so that they can meet and even exceed them to again maximum customer satisfaction. Hence understanding customer expectation is a prerequisite for delivering superior service. HDFC had been into housing finance for over three decades. It has a huge market share and a large customer base yet emerging competitors offering home loans at lower rates of interest and other facilities are attracting majority of the customers. There is cut throat competition to HDFC which makes it essential for it to understand the needs and expectations of its customers in order to retain them. Hence the researchers observed and analyzed the need for a study on "Customers' Perception"

OBJECTIVES OF THE STUDY

1. To study the customers’ perception on home loans offered by HDFC Ltd.,
2. To study the factors influencing the customers’ choice of housing finance companies
3. To study the reasons for pre closure of home loans by customers at HDFC Ltd.,

SCOPE OF THE STUDY

The scope of the study is limited Coimbatore district only and the sample includes only the customers walking in to HDFC Ltd.,(Head office), Coimbatore. The study is about the customers’ perception towards HDFC.

RESEARCH METHODOLOGY

RESEARCH DESIGN

The type of research design used here is the descriptive research. Descriptive research is carried out describe the characteristics of consumer segment viz., demographic, socio-economic, geographic, psychographic and benefits sought.

SAMPLING TECHNIQUE

The sampling technique used in this research is convenience sampling. Convenience sampling is a non probability sampling technique where subjects are selected because of their convenient accessibility and proximity to the researcher.

METHOD OF DATA COLLECTION

The study depends on primary data. A structured questionnaire is used for collection of data.

TOOLS USED

- The tools that are used are Percentage analysis, Chi-square analysis and Mean score.
- Percentage analysis used to reduce all numbers to a range from 0 to 100.
- Factor analysis is used to reduce a vast number of variables to, and manageable factors.
- Chi-square analysis is used to find out the relationship two independent variables.
- Mean score is used to rank the factors according to the respondent’s preference.

LIMITATIONS

- The study is restricted to only the customers walking in to the Coimbatore head Office of HDFC Ltd.,
- The customers’ perception may vary from time to time.
- The accuracy of the data collected may be subject to respondents’ bias.
- False information may be given by the respondents.

ANALYSIS AND INTERPRETATION

This chapter deals with the analysis and interpretation of the data collected through questionnaire. The data is presented under various headings:

- Demographic profile of the respondents.
- Perception of customers based on the people, product, and process factors.
- Factors influencing the choice of housing finance agency.
- Factors indicating the opinion of customers about Electronic Clearing Service.

PERCENTAGE ANALYSIS

TABLE 1: PERCEPTION OF CUSTOMERS BASED ON THE PEOPLE FACTOR

People	Excellent		Very Good		Good		Fair		Poor	
	No.	%	No.	%	No.	%	No.	%	No.	%
Courteousness	55	36.6	47	31.3	28	18.6	17	11.3	3	2
Communication in understandable terms	51	34	50	33.3	35	23.3	4	2.6	10	6.6
Expertise	49	32.6	52	34.6	27	18	15	10	7	4.6
Guidance	60	40	50	33.3	31	20.6	5	3.3	4	2.6
Explanations on terms and conditions	48	32	49	32.6	38	25.3	8	5.3	7	4.6
Readiness to meet customers	45	30	45	30	34	22.6	23	15.3	3	2
Behaviour post sanction/disbursement	50	33.3	55	36.6	28	18.6	15	10	2	1.3
Query handling	43	28.6	45	30	32	21.3	27	18	3	2
Overall Service	32	21.3	60	40	51	34	5	3.3	2	1.3

- From the above table, most (36.6%) of the respondents have perceived that the courteousness of the employees is very good.
- Most (34%) of the respondents have perceived that the employee’s communication is in understandable terms and is very good.
- Most (34.6%) of the respondents have perceived that the expertise of the employees is very good.
- Most (33.3%) of the respondents have perceived that the expertise of the employee is very good.
- Most of the respondents (32.6%) have perceived that the employees’ explanation on terms and conditions is equally excellent and very good.
- Most (32.6%) of the respondents have perceived that the employees’ readiness to meet the customers is very good.
- Most (36.6%) of the respondents have perceived that the employees’ behaviour post sanction/disbursement is very good.
- Most (30%) of the respondents have perceived that the query handling by employee is good.
- Most (40%) of the respondents have perceived that the overall service by the employees is very good.

TABLE 2: PERCEPTION OF CUSTOMERS BASED ON THE PRODUCT FACTOR

Product	Strong Agree		Agree		Neutral		Disagree		Strongly Disagree	
	No.	%	No.	%	No.	%	No.	%	No.	%
Variety of home loan products	35	23.3	75	50	25	16.6	12	8	3	2
Competitive interest	27	18	69	46	34	22.6	11	7.3	9	6
Reasonable processing fees	20	13.3	65	43.3	40	26.6	18	12	7	4.6
Flexible schemes	19	12.6	74	49.3	40	26.6	15	10	2	1.3
Flexible tenure	26	17.3	69	46	41	27.3	13	8.6	1	0.6
Availability of prepayment and part payment option	35	23.3	69	46	31	20.6	15	10	1	0.6

- From the above table, most (50%) of the respondents agree that there is a variety of home loan products in HDFC.
- Most (46%) of the respondents agree that HDFC offers a competitive interest rate.
- Most (43.3%) of the respondents agree that HDFC charges a reasonable processing fees.
- Most (49.3%) of the respondents agree that HDFC offers flexible schemes.

- Most of the respondents (46%) agree that HDFC offers flexible tenure.
- Most (46%) of the respondents agree that there is an availability of prepayment and part payment option with HDFC.

TABLE 3: PERCEPTION OF CUSTOMERS BASED ON THE PROCESS FACTOR

Process	Strongly Agree		Agree		Neutral		Disagree		Strongly Disagree	
	No.	%	No.	%	No.	%	No.	%	No.	%
Reasonable documentation and legal formalities	40	26.6	79	52.6	22	14.6	8	5.3	1	0.6
Transparency	52	34.6	70	46.6	21	14	3	2	4	2.6
Faster processing	25	16.6	66	44	42	28	12	8	5	3.3
Reasonable lobby waiting time	40	26.6	68	45.3	30	20	8	5.3	4	2.6
Quicker sanctioning	41	27.3	73	48.6	26	17.3	4	2.6	6	4
Disbursements at the right time	45	30	70	46.6	23	15.3	7	4.6	5	3.3
Prompt and accurate updation of repayment	47	31.3	65	43.3	24	16	9	6	5	3.3
Return of deleted cheques within specified time	31	20.6	69	46	33	22	10	6.6	7	4.6
Provision of statements at the right time	45	30	65	43.3	25	16.6	12	8	3	2
Release of documents on due dates	37	24.7	71	47.3	33	22.0	8	5.3	1	0.7

- From the above table, Majority (52.6%) of the respondents agree there is reasonable documentation and legal formalities in HDFC.
- Most (46.6%) of the respondents agree that there is transparency in the processes offered by HDFC.
- Most (44%) of the respondents agree that the processing is faster in HDFC.
- Most (45.3%) of the respondents agree that the lobby waiting time is reasonable.
- Most of the respondents (48.6%) agree that there is quicker sanctioning of loans.
- Most (46.6%) of the respondents agree that their disbursements happen at the right time.
- Most (43.3%) of the respondents agree that there is a prompt and accurate updation of repayment.
- Most (46%) of the respondents agree that the provision of statements happen at the right time.
- Most of the respondents (47.3%) agree that the documents are released on due dates.

CHI-SQUARE ANALYSIS

Chi-square analysis is used to find the significant relationship between the demographic variables and the most controlling factors.

This part of the analysis deals with relationship between the customers’ association with HDFC and the customers’ perception on the people factor (human resources) of HDFC. For this purpose, the following hypothesis is formed.

Ho: There is no significant relationship between the customers’ association with HDFC and their perception on the people factor (human resources).

Ha: There is significant relationship between the customers’ association with HDFC and their perception on the people factor (human resources).

TABLE 4: CHI-SQUARE TEST ON THE RELATIONSHIP BETWEEN CUSTOMERS’ ASSOCIATION WITH HDFC AND THE PEOPLE FACTOR

Factors	Chi-square value	‘p’	Result
Courteousness	7.260	0.840	Accepted
Communication in understandable terms	9.671	0.645	Accepted
Expertise	12.370	0.416	Accepted
Guidance	15.275	0.227	Accepted
Explanations on terms and conditions	12.943	0.373	Accepted
Readiness to meet customers	16.138	0.185	Accepted
Behavior post sanction/disbursement	12.709	0.391	Accepted
Query handling	9.750	0.638	Accepted
Overall Service	6.210	0.905	Accepted

From the above table it is inferred that there is no significant relationship between the customers’ association with HDFC and their perception on the people factor (human resources) of HDFC.

MEAN SCORE ANALYSIS

Mean score analysis is used to rank the factors indicating the average of respondents’ opinion about the reasons for pre closure of home loans.

TABLE 5: MEAN SCORE-REASONS FOR PRE CLOSURE OF HOME LOANS

Reasons	Mean score	Rank
High interest rate	3.11	2
Availability of ready funds	2.87	1
Plan for availing new loans	4.37	4
Reduction of financial commitments	4.05	3
Extensive mortgage period	4.44	5
Plan of selling the property	5.51	6
Moving to a different geographic location	6.51	8
Demise of the customer	7.46	10
Change in career	6.54	9
Additional responsibilities (Mortgage, Children)	5.91	7

From the mean score analysis, it can be inferred that the major reasons for the pre closure of home loans in the order of their importance are availability of ready funds, high interest rate, reduction of financial commitments, plan for availing new loans, extensive mortgage period, plan of selling the property, additional responsibilities like marriage and children’s education, moving to a different geographic location, change in career and demise of the customer.

RECOMMENDATIONS

The following suggestions and recommendations are offered based on the knowledge gained during the study and based on the findings of the analysis. The customers felt that there is no problem updating of repayments. The company can improve the service by enabling automatic generated SMS or e-mails to be sent as soon as the entries are made in the loan accounts of the customers in the system. The customers felt that the RBI guidelines and any such changes on rates are not properly conveyed to them. The company can improve the service by tele calling, sending SMS and e-mail to the customers regarding the information within a time limit of one or two weeks. From the factor analysis that has been made, it is observed that the major factors that influence customers in choosing housing finance company are competitive interest rate, flexible repayment system, progressive funding and prepayment penalty. If HDFC keeps focusing on these factors, it can attract new customers and can also retain more loyal customers in the long run. Majority of the customer are not aware of the various other home loan products offered by HDFC, other than the product availed by them. Awareness can be created through display boards within the office and newspaper interests.

CONCLUSION

The success of a business depends upon its ability to attract and retain customers that are willing to purchase goods and services at prices that are profitable to the company. Consumer perception describes how customers and potential customers view a company and its products and services. Consumer perception is important to businesses since it can influence consumer behavior, which ultimately affects the profitability of a business. Many businesses spend large amounts of resources to influence consumer perceptions. The concept of customer perception is built up by customer experiences. The customers perceive the service the customers are offered and ultimately by whether the customers actually are satisfied with the experiences or not.

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PROBLEMS AND MARKETING STRATEGY OF HANDLOOM SECTOR**R. VINAYAGAMOORTHY****RESEARCH SCHOLAR****P.G. & RESEARCH DEPARTMENT OF COMMERCE****DHARMAPURAM ADINAM COLLEGE****MAYILADUTHURAI****DR. B. BASKARAN****ASSOCIATE PROFESSOR****P.G. & RESEARCH DEPARTMENT OF COMMERCE****DHARMAPURAM ADINAM COLLEGE****MAYILADUTHURAI****ABSTRACT**

Marketing is a major constraint for the handloom sector. The middlemen play a major role in selling the cloth to the consumer. If the family is very poor, any delay in marketing of the cloth, creates harm to the weavers. The power loom dominates textile production in India and have encroached upon the handloom sector traditional market because of lack of proper marketing. Still the appropriate marketing strategy has not been evolved as a whole by the handloom sector. In this paper, need for market assessment, problems, marketing strategy & marketing mix and suggestions for the development of handloom sector and its market are discussed.

KEYWORDS

marketing strategy, handloom sector.

INTRODUCTION

The market for handloom products in the country is included the self-consumption sector, rural market (where weavers do the marketing themselves), the distant domestic market (largely urban and which is beyond the reach of weavers) and export markets. Master weavers and private traders are both together marketed 90 percent of handloom products in the country. The traders either retail these products through their own outlets or act as intermediaries supplying wholesalers or retailers. The bulk of exports are handled through merchant exporters and manufacturer exporters-the former getting their supplies from manufacturers and master weavers while the later having their own production facilities.

NEED FOR MARKET ASSESSMENT

Whole textile industry also can be classified into two different segments, organized (mill) and unorganized (handlooms and power looms). Specific analysis of handlooms and textile market is important because there are different players in the market like handloom, power looms and mills. If we look into the handloom sector there are different channels and number of players at various levels. Due to the complexity of its nature there is a need of market assessment, which would enable us to know the position of other competitors that would help us in preparing a competitive marketing strategy.

In textile industry, roles of different government agencies are not well defined. Within handloom also there are various agencies, which deal with different issues without any coordination with others. This increases the repetition of job as well as creates confusion about roles and responsibilities. NHPC, HEPC, HHEC, NIFT and Ministry of textiles and commissioner of handloom etc., are some of the organizations/agencies working at the national level and various co-operative societies are also working in the same region with same focus. Due to lack of coordination and communication among agencies and institutions the efficiency of these are deteriorating. To have the proper coordination and to know where the gaps are we need to assess the handloom sector.

Handloom sector is a peculiar sector with the complex trading practices. The trading practices vary from place to place and the structure of the business also differs from one weaving center to another. Whatever may be the business model and the practice of the trade, it helps the traders or master weavers but not the weavers who put their efforts in production. When the weavers produce value added and specialized products then they will have higher benefits.

PROBLEMS IN MARKETING OF HANDLOOM PRODUCTS

The problems in the field of marketing of handloom products, which are mostly existing because of current system's drawbacks. There are few challenges for handloom because of changing market environment like globalization, industrialization and mechanization. Timely intervention from government is required for a bright future in the handloom sector.

Lack of availability of market information: There is no reliable information available regarding the marketing of handloom products. This creates hurdles at the market end resulting in unsatisfied customers. The weavers are unaware of the market demand and new designs & colours because of the lack of customer feedback. This hampers their creativity and innovation.

Insufficient Promotion and Advertisement of Handloom: Handloom sector is far lagging behind in promotion and advertising of its product as compared to the textile sector. Generally, the promotion is only through exhibitions and fairs with limited outlets. Hence the customer purchases only when available and switches to the other competing product when it is unavailable. Therefore, this sector needs a continuous promotion and regular advertising campaign to have a durable and effective impact of the handloom products on the customer.

Lack of Quality Standardization: The handloom is famous for the production of the finest quality of cloth. It uses the unique selling proposition in many cases like carpets, furnishings and fine designs. But the quality and standardization of the product is not regularly mentioned. Hence a procedure is needed for checking the quality standards of the products like durability, shrinking etc., so that the customer is assured about this. Also the government should take initiative and conduct research on the related issues.

MARKETING STRATEGY AND MARKETING MIX FOR HANDLOOMS

To improve the current situation of handloom sector and to make the sector more competitive in current scenario, where market situation is changing very fast it is very necessary to design appropriate marketing strategies. Marketing is all about creating customer value and profitable customer relationships. To get a success in today's competitive market place, handloom sector need to be a customer centered. It must capture customers from competitors, then keep and grow them by delivering greater value. The handloom sector first understand the customer needs and wants before satisfying them. Thus, sound marketing requires a careful customer analysis. Marketing strategy for handlooms involves two key decisions: which customers it will serve (segmentation and targeting) and how it will create a value for them (differentiation and positioning). It defines the total market, then divides it into smaller segments, select the most promising segments and

focuses on serving and satisfying the customers in these segments. Then, the handloom sector should design a marketing program – the four Ps – that delivers the intended value to targeted consumers.

SUGGESTIONS FOR THE DEVELOPMENT OF HANDLOOM SECTOR AND ITS MARKET

Product quality does not alone serve the customer's purpose. The business should understand who is his customer, where the customer wants the product or service, in what form, at what price. To sustain in the competitive business environment every industry is trying to understand these aspects and practice it in reality.

The major activities such as manufacturing, supplying and marketing should be properly organized through the implementation of suitable strategies.

The sector has great market opportunities if it is ready to take them. Products made by using organic cotton yarn and natural dyes in high demand in the developed nations and upper segment that are health conscious. For these kinds of products research and development, training and knowledge sharing are crucial things. These R&D, training, information centers and mini spinning mills to be come up at weaving center level so that the weaver can have easy access to primary business needs.

To bring superior quality in handloom products the pre and post loom process development should take place. Innovative and faster weaving processes and techniques to increase efficiency of weavers as well as loom will make handloom more competitive and profitable.

CONCLUSION

Merchandising and marketing have been recognized as being central to the growth and development of handloom sector in India. Domestic marketing is important for providing a link between the producer and consumer. The marketing and export promotion scheme is needed to promote the marketing of handlooms in the country and to improve the levels of awareness among handloom weavers and the general public in the interest of overall development of the handloom sector and to give assistance to handloom agencies for building up, developing and marketing of export – worthy handloom products and helps in international marketing by way of participation in international exhibitions and buyer – seller meets.

Reduce the prices, increase availability, improve the quality/ colour durability, innovative design, more varieties, latest fashion and trends, more organized, more advertising, increase awareness, special market survey for handloom products, customization, suitable to weather conditions and reduce intermediaries etc. are needed to improve the satisfaction level of handloom customer. Promotion/advertisement, availability/increase number of outlet, exhibitions, develop new designs, awareness, price to be reduced, proper marketing, more customization of products, link it with brand India, improve the quality, customer friendly services, improve durability, provide machines to weavers, remove middleman from chain and fashion orientation etc. are needed to make handloom more popular. Government should help in opening more outlet, exhibition and trade fair, loans to setup a shop Subsidized the products, relaxation on duties and taxes, improve the marketing strategy, encourage the mechanization, special outlets, implementation of the rules strictly, outlets at village level/ Taluk, better technology for weavers at cheaper rates, discount, competitive customer service, compulsory selling of handloom products at all textile outlets, compulsory for school uniform, helps in generating in more designs and Government should see overseas opportunities to make the handloom sector survive.

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A STUDY ON TYPE OF POLICY-HOLDING AND POLICY HOLDERS SATISFACTION ON THE POLICIES OF SELECTED PRIVATE LIFE INSURANCE COMPANIES

D. INDHUMATHI
RESEARCH SCHOLAR
NATIONAL COLLEGE (AUTONOMOUS)
TIRUCHIRAPPALLI

DR. B. SEKAR
ASSOCIATE PROFESSOR
NATIONAL COLLEGE (AUTONOMOUS)
TIRUCHIRAPPALLI

ABSTRACT

The Indian life insurance industry has moved into a more competitive arena with the arrival of private players. It leads to heavy competition among the life insurance companies in retaining sustainable growth in collection of premium and capture the market share. The product designed by life insurance companies possess the vital features of life insurance policies like risk coverage, family protections, children benefit, tax benefit, savings, provision for old age, loan facilities etc. The main objective of the study is to analyze the factors influencing the purchase of policy and analyse the level of satisfaction of policyholders. Area of the study is Tiruchirappalli. 4 private life insurance companies are selected for the study based on their market performance. The sample size of the study is 240. Interview schedule is directed to collect the primary data. Orthodox tools like descriptive tables, percentages and mean scores were used for the study. The study concludes that the key strategy of a Life Insurance Company is to attract, motivate and satisfy the customers in all fibers by means of formulating products with core and additional benefits.

KEYWORDS

policy-holding, policy holder's satisfaction, private life insurance companies.

INTRODUCTION

The Indian life insurance industry has moved into a more competitive arena with the arrival of private players. The products designed by life insurance companies possess the fundamental features of life insurance policies like risk coverage, family protections, children benefit, tax benefit, savings, provision for old age, loan facilities etc. The policies issued by the life insurers should also satisfy the policyholders' expectations after the purchase of the policy. Only such life insurance companies can endure and thrive in the competitive insurance industry. In this context the researcher believes that there is a necessity to study and analyze the factors influencing to purchase the policy, types of policy-holdings and level of satisfaction of policyholders on the policies of private life insurance companies. Hence, the researcher has undertaken this research work.

REVIEW OF LITERATURE

1. ParomitaGoswami (2007) "customer satisfaction with service quality in the Life Insurance Industry in India. She concludes that Proper CRM application would not only ensure increased customer satisfaction but also help in acquiring new customers, at the same time retaining the old customers.
2. Kirubashini (1991) in her study has strived to know the level of awareness, preference, and influential factors pertaining to policy holdings and to test the relationship between the influencing factors and policy holdings. The study reveals that majority of the respondents preferred to buy Endowment Assurance policy and consider ranking it as number one.

Hence the perception of the policyholders regarding the purpose of life insurance products may also be changed. In this perspective the researcher wishes to analyse the influencing factors to purchase the policy, types of policy-holdings and this study also explores the level of satisfaction of policyholders on the policies of private life insurance companies.

OBJECTIVES

1. To analyse the factors influencing the purchase of policy and types of policies purchased by the policyholders from private Life Insurance Companies.
2. To analyse the level of satisfaction of policyholders on the policies of private life insurance companies.
3. To offer suitable suggestions based on the findings of the study.

METHODOLOGY

The study is descriptive and analytical in nature. Area of the study is Tiruchirappalli.

SAMPLE SIZE

The sample of 240 policy holders is only selected on the basis of convenience sampling method.

TABLE 1: SAMPLE DISTRIBUTION OF POLICY-HOLDERS OF PRIVATE LIFE INSURANCE COMPANIES

S.NO.	Private Life Insurance companies	No. of Respondents	%
1.	Bajaj Allianz Life Insurance Co.	60	25
2.	HDFC standard Life Insurance Co.	60	25
3.	SBI Life Insurance Co.	60	25
4.	ICICI Prudential Co.	60	25
	Total	240	100

DATA SOURCES

In order to have an accurate data, the researcher has gathered data through both primary and secondary sources.

PERIOD OF THE STUDY

The fieldwork was carried from Nov 2014 to Oct 2015.

ANALYSIS AND INTERPRETATION

1.1 ANALYSIS WITH REGARDS TO FACTORS INFLUENCING TO PURCHASE THE PARTICULAR POLICY.

TABLE 2: INFLUENTIAL FACTORS WHILE PURCHASING THE POLICY

S.No.	Influential factors	Private life insurance companies			
		Bajaj	HDFC	SBI Life	ICICI
1	Risk coverage	2.80	3.20	3.57	3.07
2	Savings	3.32	3.07	3.13	2.90
3	Family protection/children benefits	2.22	2.65	2.82	2.45
4	Tax relief	4.62	4.72	4.05	4.25
5	Provision for old age	4.10	4.23	4.78	4.50
6	Investment/wealth creation	4.75	4.22	3.50	4.50
7	Loan facilities	6.20	5.92	6.15	6.33
	Kendall's W	0.389	0.272	0.280	0.375

The ranks were assigned as 1 for the most important factor, and 2 for the next important factor. Likewise, the least important factor was given the lowest rank. The data in the above table reveal that 'family protection/children benefit' is the most important influential factor for the respondents of all private life insurance companies. The 'loan facility' is the least important influential factor for the respondents of all the Life Insurance Companies.

1.2 ANALYSIS WITH REGARDS TO TYPE OF POLICY-HOLDINGS

TABLE 3: POLICIES TAKEN BY THE RESPONDENTS OF BAJAJ ALLIANZ

S.No	Types of plans	No.of Respondents	%	Number of policies			
				Mini	Maxi	Mean	S.D
1	Life Time Care Plans	31	51.67	1	3	1.23	0.50
2	Endowment Plans	17	28.33	1	1	1.00	0.00
3	Money Back Plans	17	28.33	1	2	1.12	0.33
4	Children Plans	11	18.33	1	3	1.18	0.60
5	Pension Plans	8	13.33	1	1	1.00	0.00
6	Term Plans	7	11.67	1	3	1.57	0.98
7	Group Plans	1	1.67	1	1	1.00	0.00
8	Unit Linked Plans	15	25.00	1	2	1.13	0.35
9	Women Insurance Plan	1	1.67	1	1	1.00	0.00

Table-3 reveals that 51.67 % of the respondents have taken Life Time Care Plans, 1.67 % Group Plans and 1.67 % Women Insurance Plan. The respondents who have opted Life Time Care Plans are higher in the case of Bajaj Allianz.

TABLE 4: POLICIES TAKEN BY THE RESPONDENTS OF HDFC STANDARD

S.NO	Types of Policies	No. of Respondents	%	Number of policies			
				Minimum	Maxi	MEAN	S.D
1	Whole life Plan	13	21.67	1	1	1.00	0.00
2	Endowment Plan	19	31.67	1	1	1.00	0.00
3	Money Back Plan	24	40.00	1	2	1.04	0.20
4	Children Plan	24	40.00	1	2	1.04	0.20
5	Retirement Plan	7	11.67	1	1	1.00	0.00
6	Protection Plan	6	10.00	1	1	1.00	0.00
7	Group Plan	2	3.33	1	1	1.00	0.00
8	Unit linked Plan	23	38.33	1	1	1.00	0.00

The table above shows that 40 % of the respondents have taken Money Back Plans; another 40 % Children Plans and 3.33% Group Plan. The respondents who have taken Money Back Plans and Children plans are higher in the case of HDFC Standard.

TABLE 5: POLICIES TAKEN BE THE RESPONDENTS OF SBI LIFE INSURANCE

S.No	Types of Policies	No.of Respondents	%	Number of Policies			
				Minimum	Maxi	Mean	S.D
1	Protection-Savings Products	35	58.33	1	3	1.14	0.43
2	Money Back Products	18	30.00	1	1	1.00	0.00
3	Unit Plus Products	21	35.00	1	1	1.00	0.00
4	Pension Products	11	18.33	1	2	1.09	0.30
5	Horizon Products	15	25.00	1	2	1.07	0.26
6	Group Products	6	10.00	1	1	1.00	0.00
7	Smart ULIP Products	6	10.00	1	1	1.00	0.00
8	ULIP Products	17	28.33	1	2	1.12	0.33

From the given table, it is clear that 58.33 % of the respondents have taken protection Cum Savings Products, 10 % Group Products and 10 % Smart ULIP Products. The respondents who have taken Protection Cum Savings Products are higher in the case of SBI Life Insurance Company.

TABLE 6: POLICIES TAKEN BY THE RESPONDENTS OF ICICI PRUDENTIAL

S.No	Types of Policies	No. of Respondents	%	Number of Policies			
				Minimum	Maximum	Mean	S.D
1	Wealth Creation Plans	26	43.33	1	2	1.08	0.27
2	Protection Plans	31	51.67	1	2	1.13	0.34
3	Education Insurance Plans	21	35.00	1	2	1.14	0.36
4	Retirement Plans	22	36.67	1	2	1.32	0.48
5	Premium Guarantee Plans	10	16.67	1	1	1.00	0.00

Table-6 points out that 51.67 % of the respondents have taken Protection Plans and 16.67 % Premium Guarantee Plans. The respondents who have taken Protection Plans are higher in the case of ICICI Prudential.

1.3 LEVEL OF SATISFACTION OF THE RESPONDENTS ON LIFE INSURANCE POLICIES

The level of satisfaction of the respondents on policies they have purchased has been studied through mean ratings. Ratings were assigned as 5 for highly satisfied, 4 for satisfied, 3 for moderately satisfied 2 for dissatisfied and 1 for highly dissatisfied. It is assumed that the higher the rating is higher the level of satisfaction.

TABLE 7: LEVEL OF SATISFACTION OF THE RESPONDENTS OF BAJAJ ALLIANZ REGARDING THE POLICIES THEY HAVE TAKEN

S. NO	Policies	Minimum	Maximum	Mean	S.D.
1	Life Time Care Plans	2.00	5.00	4.16	0.93
2	Endowment Plans	3.00	5.00	4.53	0.62
3	Money Back Plans	3.00	5.00	4.12	0.78
4	Children Plans	3.00	5.00	4.36	0.81
5	Pension Plans	3.00	5.00	3.50	0.76
6	Term Plans	3.00	5.00	3.71	0.95
7	Group Plan	4.00	4.00	4.00	0.00
8	Unit Linked plans	2.00	5.00	3.00	1.00
9	Women Insurance Plan	4.00	4.00	4.00	0.00

Table-7 points out those Endowment policyholders are having the highest satisfaction followed by Children policyholders, Life Time Care policyholders and so on. In life insurance policies of Bajaj Allianz, Endowment policyholders' level of satisfaction is highest. The Unit Linked policyholders, it is understood that the level of satisfaction is low among them.

TABLE 8: LEVEL OF SATISFACTION OF THE RESPONDENTS OF HDFC STANDARD REGARDING THE POLICIES THEY HAVE TAKEN

S.NO	Policies	Minimum	Maximum	Mean	Std. Deviation
1	Whole Life Plan	3.00	5.00	3.92	0.76
2	Endowment Plan	2.00	5.00	3.79	0.79
3	Money Back Plan	3.00	5.00	4.17	0.70
4	Children Plan	2.00	5.00	3.88	0.74
5	Retirement Plan	4.00	4.00	4.00	0.00
6	Protection Plan	2.00	5.00	3.67	1.03
7	Group Plan	4.00	4.00	4.00	0.00
8	Unit Linked Plan	2.00	5.00	3.13	0.76

As far as the life insurance policies of HDFC Standard are concerned, Money Back policyholders' level of satisfaction is the highest. From the mean rating relating to the Unit Linked policyholders, it is understood that the level of satisfaction is low among them.

TABLE 9: LEVEL OF SATISFACTION OF THE RESPONDENTS OF SBI LIFE REGARDING THE POLICIES THEY HAVE TAKEN

S.NO	Policies	Minimum	Maximum	Mean	S.D
1	Protection cum Savings	2.00	5.00	4.23	0.84
2	Money Back Products	4.00	5.00	4.61	0.50
3	Unit Plus Child Products	3.00	5.00	4.24	0.83
4	Pension Products	3.00	5.00	4.09	0.83
5	Horizon Products	2.00	5.00	4.27	0.88
6	Group Products	3.00	5.00	4.17	0.98
7	Smart ULIP	3.00	5.00	3.83	0.98
8	ULIP Elite	1.00	5.00	3.76	1.15

As far as the life insurance policies of SBI Life are concerned, Money Back policyholders' level of satisfaction is the highest. From the mean ratings pertaining to the ULIP Elite policyholders, it is understood that the level of satisfaction is low among them.

TABLE 10: LEVEL OF SATISFACTION OF THE RESPONDENTS OF ICICI PRUDENTIAL REGARDING THE POLICIES THEY HAVE TAKEN

S.No	Policies	Minimum	Maximum	Mean	S. D
1	Wealth Creation Plan	3.00	5.00	4.38	0.57
2	Protection Plan	2.00	5.00	3.58	0.81
3	Education Insurance Plan	3.00	5.00	3.86	0.79
4	Retirement Solutions	3.00	5.00	3.95	0.72
5	Premium Guarantee Plan	1.00	4.00	3.30	0.95

As far as the life insurance policies of ICICI Prudential are concerned, the level of satisfaction of the policyholders of Wealth Creation Plan is the highest. From the mean ratings pertaining to the policyholders Premium Guarantee Plans, it is understood that the level of satisfaction is lowest among them.

FINDINGS

In 4 private life insurance companies, from the mean rank analysis it has been found that while purchasing the policies, 'family protection and children benefit' is considered to be the most important influential factor and loan facility is least. From the Kendall's Coefficient of Concordance (W), it was found that there was less similarity the respondents while assigning the ranks.

FACTORS INFLUENCING TO PURCHASE THE PARTICULAR POLICY

With reference to the types of policy holdings, it has become known that majority (51.67%) of the respondents of Bajaj Allianz 'Life Time Care Plans'. Majority of the respondents of HDFC Standard, have opted for both 'Money Back Plans' and 'Children plans' each 40 %. Majority (58.33%) of the respondents of SBI Life insurance have opted protection cum Savings Products.

Majority (51.67%) of the respondents of ICICI Prudential 'protection Plans'.

POLICIES TAKEN BY THE RESPONDENTS

In the case of Bajaj Allianz, the number of policies possessed by the respondents is higher in relation to Term Plans. Regarding HDFC Standard, the number of policies possessed by the respondents is higher in connected with 'Money Back Plans' and 'Children Plans'.

As far as SBI Life Insurance is concerned the number of policies possessed by the respondents is higher with reference to 'protection Cum Savings Plans'. In the case of ICICI Prudential, the number of policies possessed by the respondents is higher in connection with 'Retirement Solutions Plan'.

LEVEL OF SATISFACTION OF THE RESPONDENTS ON LIFE INSURANCE POLICIES

Mean values have been calculated to find out the level of satisfaction of the respondents on their policy holdings and the following results have been obtained. Relating to the life insurance policies of Bajaj Allianz, the mean values pertaining to the level of satisfaction of the Endowment policyholders (4.53) are the highest

and the Unit Linked policyholders (3.00) are the lowest. In the case of HDFC Standard, the level of satisfaction of the Money Back policyholder (4.17) is the highest and the Unit Linked policyholder (3.13) are the lowest.

As regards the SBI Life Insurance Company, the level of satisfaction of the Money Back policyholders (4.61) is the highest and the satisfaction level of ULIP Elite policyholders (3.76) is the lowest. In case of ICICI Prudential, the level of satisfaction of Wealth Creation policyholders (4.38) is the highest and Premium Guarantee policyholders (3.30) are the lowest.

SUGGESTION

In comparison with other life insurance policyholders, the level of satisfaction of the Unit Linked Policyholders is less. In order to tide over the imbalance, the position of Unit Linked Policies is to be elevated by means of assurance of minimal returns to the policyholders. At the same time policyholders may have to be made aware of the real and final returns of ULIP. According to our study result, the respondents ranked family protection and children benefit as important factor to purchase the policies. In order to attract the people in general, the policyholders in particular, the life insurance companies may introduce variety of family protection and children benefits based policies.

CONCLUSION

The study reveals that the policyholders render due importance for family protection and children benefits to purchase the policy than other factors like risk coverage, tax benefit, provision for old age, loan facilities etc. The levels of satisfaction of policyholders of all the life insurance companies regarding the life insurance policies show above the moderate level. But, the level of satisfaction of unit linked policyholders is lower. Nevertheless, the products of the life insurance companies should highly satisfy the policyholders' expectations.

Hence, the study concludes that the key strategy of a Life Insurance Company is to attract, motivate and satisfy the customers in all aspects by means of formulating products with core and additional benefits.

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A STUDY OF PERCEPTION OF CUSTOMER TOWARDS PLASTIC MONEY WITH SPECIAL REFERENCE TO HDFC BANK

ANAND TRIVEDI
ASST. PROFESSOR
MALWA INSTITUTE OF SCIENCE & TECHNOLOGY
INDORE

NAND KISHORE SHARMA
ASST. PROFESSOR
ACROPOLIS TECHNICAL CAMPUS
INDORE

VANDANA SHARMA
ASST. PROFESSOR
MALWA INSTITUTE OF SCIENCE & TECHNOLOGY
INDORE

ABSTRACT

The aim of this research is to find out proper logical solution through proper analysis of data and information scientifically to overcome above mentioned problems so that the organization can run their business efficient and competitively in the long run. The purpose behind this research is to increase the rich customers list in a bank. Plastic Money title itself says the use of Credit Card and Debit Card in day to day transaction of the business. Idea behind this research is to sale the bulk product. Target customer of this research are two parties one is Wholesaler and second is Retailer. Due to this idea bank also sell their swipe machine to wholesaler and create brand image in the market. The idea of research behind this, bank gives the credit card swipe machine to wholesalers and retailers use the credit card of the bank. Bank gives the 45 days' credit to their credit card holders. So here retailers can get benefit of long credit period and on the other side wholesalers can get the benefit of same day payment. As a result, bank got the wide list of customers of wholesalers and retailers. Idea for research behind it, to convenience both the parties and create the group transaction between them so bank can get the maximum benefit from it. Each wholesaler has more than 15 to 20 retailers, so by this way bank sell the bulk product. Bank always find those customers who are more involve in the banking transaction. This type of group transaction between the wholesalers and retailers maintain the well account in a bank. The main aim of study is to analyze the perception of customer.

KEYWORDS

customer perception, plastic money, HDFC bank.

INTRODUCTION OF BANKING INDUSTRY

The Indian Banking industry, which is governed by the Banking Regulation Act of India, 1949 can be broadly classified into two major categories, non-scheduled banks and scheduled banks. Scheduled banks comprise commercial banks and the co-operative banks. In terms of ownership, commercial banks can be further grouped into nationalized banks, the State Bank of India and its group banks, regional rural banks and private sector banks (the old/ new domestic and foreign). These banks have over 67,000 branches spread across the country.

The development of plastic money is one of the recent Phenomenon's in the banking sector. Plastic money is a charge card. It is a direct charge against the limit sectioned. IT is a debt instrument issued by some specialized companies. It is one step forward towards cashless and cheque less society. The operation is through electronic funds transfer {EFT} installations and inter-bank network. Credit cards are key to the opening of bank accounts for daily payments by the card holders. Credit card has been rightly called "PLASTIC MONEY". The objective is to provide convenience and security. It eliminates cash transactions, and protects from the danger of pick pocketing a lot of cash. There is usually interest free credit for 30 to 45 days. These plastic cards have the photo identity and holders signature embossed on the card. It also has the issuing banks name and validity period of the card. The bank issuing the credit card knows well the customer and his creditworthiness. Basically, the use of credit cards helps the holder to take the advantage of the two essential aspects of the financial services functions:

- 1) TRANSMISSION OF PAYMENTS
- 2) THE GRANTING OF CREDIT

Carrying Credit cards are innovative ones in the line of financial services offered by commercial banks. The idea of credit card was first developed by a *BAVARIAN FARMER, FRANZ NESBITUM MC NAMARA*, an American business man who found himself without cash at a weekend resort founded Dinners card in 1950. Right from that time, the commercial banks and non banking companies in USA developed the idea of credit card to develop their business. BARCLAYS BANK was the first bank to introduce credit card in 1966 in Britain. The credit card business got momentum in 60's and a number of banks entered the field in a big way

PLASTIC MONEY

The objective behind this project is to increase the rich customers list in a bank. Plastic Money title itself says the use of Credit Card and Debit Card in day to day transaction of the business. I prepared the presentation on it and submitted to bank and Bank already started work on this project. Idea behind this project is to sale the bulk product. Target customer of this project are two parties one is Wholesaler and second is Retailer. Due to this idea bank also sell their swipe machine to wholesaler and create brand image in the market.

The idea behind this, bank gives the credit card swipe machine to wholesalers and retailers use the credit card of the bank. Bank gives the 45 days credit to their credit card holders. So here retailers can get benefit of long credit period and on the other side wholesalers can get the benefit of same day payment. As a result bank got the wide list of customers of wholesalers and retailers.

Idea behind it, to convenience both the parties and create the group transaction between them so bank can have got the maximum benefit from it. Each wholesaler has more than 15 to 20 retailers, so by this way bank sell the bulk product

Bank always find those customers who are more involve in the banking transaction. This type of group transaction between the wholesalers and retailers maintain the well account in a bank.

CREDIT CARDS

WHAT IS A CREDIT CARD?

A credit card is a card or mechanism which enables to purchase goods, travel and dine in a hotel without making immediate payments. The holders can use the cards to credit from banks upto 45 days. The credit card relieves the consumer from the botheration cash and ensures safety. It is a convenience of an extended credit without formality. Thus, credit card is a passport to, "SAFETY, CONVENIENCE, and PRESTIGE AND CREDIT."

WHO CAN BE A CREDIT CARD HOLDER

The general criterion applied is a person spending capacity and not merely his income and his wealth. The other criterion is the worthiness of the client and his average monthly balance. Most of the banks have clear out the norms for giving the credit cards.

1. A person who earns a salary of Rs. 60,000/_ per annum is eligible for a card.
2. A reference from a banker and the employers of the applicant is insisted upon.
3. He should have a savings current account in the bank.
4. His assets and liabilities on a particular date are reported to bank.
5. A statement of annual or monthly income.
6. He is considered credit worthy upon to certain limit depending upon his income, assets and expenditure. The eligible customer is asked to fill in application form giving the details of account number, name, address, income, wealth status and a proof of his income/wealth etc.

PARTICULARS DISPLAYED ON THE CREDIT CARDS

Every credit card bears the following particulars:

1. **NAME OF THE CUSTOMER:** Every card displays the name of customer. It should be spelled correctly. In case, it does not, the customer can contact the customer service cell/helpline and get the necessary correction done. This facility is provided free of cost by the bank.
2. **16-DIGIT CARD NUMBER:** A unique 16-digit number is allotted to every customer/ cardholder.
3. **VALIDITY DATE:** The card mentions the period through which it is valid. The card is usually valid from the it is received by the customer unto and including the last day of the month indicated on the card. After the card has to be renewed.
4. **HE VISA HOLOGRAM AND THE VISA LOGO:** The hologram and the logo ensure that all the establishments throughout the world displaying the visa logo will accept the card.
5. **NAME OF THE ISSUING BANK:** The card indicates on the top the name of the issuing bank.
6. **SIGNATURE PANEL:** The back of the card contains the signature panel. The customer must put his signature on the signature panel to prevent misuse by any other person. This identifies the card holder. Signature on the panel would imply that card holder has given his consent to abide by the terms and conditions governing the use of the credit card. The card is valid is only if signed.
7. **MAGNETIC STRIP:** The black magnetic strip contains important information in encoded from and needs special handling. The card should not be kept in an area where there is a continuous magnetic field. It should not be left on the top the television. Set or near any electronic appliance. The card should be kept away from heat and direct sun light.
8. **PIN (PERSONAL IDENTIFICATION NUMBER):** Each card holder is issued a password or pin to enable use of the card for accessing his/her card account on the ATM and internet and also for availing any privilege, benefit or service that may be offered by bank on the card. The pin is communicated to the cardholder entirely at his/her risk who shall not disclose the pin to any person and shall take all possible care to avoid its discovery by any person. The card holder shall be liable for all transactions made with the use of the pin whether with or without the knowledge of the cardholder.

Besides arming you with unmatched spending power, our Credit Cards are designed to meet your unique needs. Choose one that's tailored for you. The best credit cards are available here, including even the online credit cards service Net safe.

FIG. 1



PREMIUM CREDIT CARDS	COMMERCIAL CARDS
Platinum Plus Credit Card	Corporate Platinum Credit Card
Platinum Plus Chip Credit Card	Corporate Credit Card
Visa Signature Credit Card	Business Platinum Credit Card
Visa Signature Chip Credit Card	Business Gold Credit Card
World MasterCard Credit Card	Purchase Card
	Distributor Card
Titanium Card	Other Cards
Titanium Credit Card	Silver Credit Card
	Visa Value Plus Credit Card
Gold Credit Cards	
Gold Credit Card	
Woman's Gold Card	

DEBIT CARDS

HDFC Bank Debit Cards give you complete and instant access to the money in your accounts without the risk or hassle of carrying cash. Choose from:

Classic Cards	Premium Cards
	Easy Shop Gold Debit Card
	Easy Shop Platinum Debit Card
Specialized Cards	
Easy Shop International Business Debit Card	
Easy Shop Woman's Advantage Debit Card	
Easy Shop NRO Debit Card	
Easy Shop Titanium Debit Card	
Easy Shop Titanium Royale Debit Card	

COMPANY PROFILE OF HDFC BANK

The Housing Development Finance Corporation Limited (HDFC) was amongst the first to receive an 'in principle' approval from the Reserve Bank of India (RBI) to set up a bank in the private sector, as part of the RBI's liberalization of the Indian Banking Industry in 1994. The bank was incorporated in August 1994 in the name of 'HDFC Bank Limited', with its registered office in Mumbai, India. HDFC Bank commenced operations as a Scheduled Commercial Bank in January 1995.

HDFC is India's premier housing finance company and enjoys an impeccable track record in India as well as in international markets. Since its inception in 1977, the Corporation has maintained a consistent and healthy growth in its operations to remain the market leader in mortgages. Its outstanding loan portfolio covers well over a million dwelling units. HDFC has developed significant expertise in retail mortgage loans to different market segments and also has a large corporate client base for its housing related credit facilities. With its experience in the financial markets, a strong market reputation, large shareholder base and unique consumer franchise,

HDFC was ideally positioned to promote a bank in the Indian environment. HDFC Bank began operations in 1995 with a simple mission: to be a "World Class Indian Bank." We realized that only a single minded focus on product quality and service excellence would help us get there. Today, we are proud to say that we are well on our way towards that goal.

HDFC Bank's mission is to be a World Class Indian Bank. The objective is to build sound customer franchises across distinct businesses so as to be the preferred provider of banking services for target retail and wholesale customer segments, and to achieve healthy growth in profitability, consistent with the bank's risk appetite. The bank is committed to maintain the highest level of ethical standards, professional integrity, corporate governance and regulatory compliance. HDFC Bank's business philosophy is based on four core values: Operational Excellence, Customer Focus, Product Leadership and People.

HDFC is India's premier housing finance company and enjoys an impeccable track record in India as well as in international markets. Since its inception in 1977, the Corporation has maintained a consistent and healthy growth in its operations to remain the market leader in mortgages. Its outstanding loan portfolio covers well over a million dwelling units. HDFC has developed significant expertise in retail mortgage loans to different market segments and also has a large corporate client base for its housing related credit facilities. With its experience in the financial markets, a strong market reputation, large shareholder base and unique consumer franchise, HDFC was ideally positioned to promote a bank in the Indian environment.

TECHNOLOGY USED IN HDFC BANK

HDFC Bank operates in a highly automated environment in terms of information technology and communication systems. All the bank's branches have online connectivity, which enables the bank to offer speedy funds transfer facilities to its customers. Multi-branch access is also provided to retail customers through the branch network and Automated Teller Machines (ATMs).

The Bank has made substantial efforts and investments in acquiring the best technology available internationally, to build the infrastructure for a world class bank. In terms of core banking software, the Corporate Banking business is supported by Flex cube, while the Retail Banking business by Fin ware, both from I-flex Solutions Ltd. The systems are open, saleable and web-enabled.

The Bank has prioritized its engagement in technology and the internet as one of its key goals and has already made significant progress in web-enabling its core businesses. In each of its businesses, the Bank has succeeded in leveraging its market position, expertise and technology to create a competitive advantage and build market share.

In the era of globalization each and every sector faced the stiff competition from their rivals. And world also converted into the flat from the globe. After the policy of liberalization and RBI initiatives to take the step for the private sector banks, more and more changes





Are taking the part into it and they create competition between the private sector banks and public sector bank.

Private sector banks are today used the latest technology for the different transaction of day to day banking life. As we know that Information Technology plays the vital role in the each and every industry and gives the optimum return from the limited resources.

Banks are service industries and today IT gives the innovative Technology application to Banking industries. HDFC BANK is the leader in the industries and today IT and HDFC BANK together combined they reached the sky. New technology changed the mind of the customers and changed the queue concept from the history banking transaction. Today there are different channels are available for the banking transactions.

We can see that the how technology gives the best results in the below diagram. There are drastically changes seen in the use of Internet banking, in a year 2001 (2%) and in the year 2008 (25%).

This type of technology gives the freedom to retail customers.

Centralized Processing Units		Derived Economies of Scale
Electronic Straight Through Processing		Reduced Transaction Cost
Data Warehousing, CRM		Improve cost efficiency, Cross sell
Innovative Technology Application		Provide new or superior products

HDFC PRODUCT RANGE

HDFC Bank India provides the following range of products:

- Savings Account
- HDFC Bank Preferred
- Sweep-In Account
- Super Saver Account
- HDFC Bank Plus
- Demat Account

- HDFC Mutual Fund
 - HDFC Standard Life Insurance
- HDFC India innovative services
- HDFC Phone Banking
 - HDFC ATM
 - HDFC Inter-city/Inter-branch Banking
 - HDFC Net Banking
 - HDFC International Debit Card
 - HDFC Mobile Banking
 - HDFC Bill Pay
- HDFC Bank Loans
- HDFC Personal Loan & Home loan
 - HDFC New Car Loan and Used Car Loan
 - HDFC Loan Against Shares
 - HDFC Two Wheeler & Consumer Loan

BUSINESS STRATEGY

HDFC BANK mission is to be “a World Class Indian Bank”, benchmarking themselves against international standards and best practices in terms of product offerings, technology, service levels, risk management and audit & compliance. The objective is to build sound customer franchises across distinct businesses so as to be a preferred provider of banking services for target retail and wholesale customer segments, and to achieve a healthy growth in profitability, consistent with the Bank's risk appetite. Bank is committed to do this while ensuring the highest levels of ethical standards, professional integrity, corporate governance and regulatory compliance. Continue to develop new product and technology is the main business strategy of the bank. Maintain good relation with the customers is the main and prime objective of the bank.

FUNCTIONAL DEPARTMENT OF HDFC BANK LIMITED

In order to gain professional efficiency, it has emerged with different useful functional departments in every as per following:



HDFC BANK business strategy emphasizes the following:

Increase market share in India’s expanding banking and financial services industry by following a disciplined growth strategy focusing on quality and not on quantity and delivering high quality customer service.

- Leverage our technology platform and open saleable systems to deliver more products to more customers and to control operating costs.
- Maintain current high standards for asset quality through disciplined credit risk management.
- Develop innovative products and services that attract the targeted customers and address inefficiencies in the Indian financial sector.
- Continue to develop products and services that reduce bank’s cost of funds.
- Focus on high earnings growth with low volatility.

RESEARCH METHODOLOGY

STUDY OF RESEARCH PROBLEM

HDFC BANK LTD. is a structured and developing organization in the field of Banking and Financial sector. Though It is providing good service to both the customer in order to rise their attention level into this industry it needs to get more efficiency in its operation flow. what I have felt while working within the organization is that the customer organizations are very much specific to their needed criteria which is being very hard to match with the bank profiles. Therefore, I carried out the research to get proper findings on the problem that :

Why the customer requirement is not being matched properly with the required criteria?

STATEMENT OF RESEARCH OBJECTIVES

The aim of this research is to find out proper logical solution through proper analysis of data and information scientifically to overcome above mentioned problems so that the organization can run their business efficient and competitively in the long run.

Here we have to determine the causes related to the problem. We have to measure the frequency of the causes in order to minimize the rate of factors affecting the problems regarding organizational growth and smooth flow of its operations.

- 1) A study of perception of customer to words plastic money.
- 2) To study the customer preferences for modes of transaction.

RESEARCH DESIGN: Here in order to carry out the research we have arranged conditions for collections and analysis of data in a manner that aims to combine relevance to the research purpose with economy in procedure. The research design is being conceptually structured within which research has been conducted; It constitutes the blueprint for the collection, measurement and analysis of data.

The designing decisions are made in respect of

- a. Research study is carried out within Indore and the zones across the city.
- b. Technical data (qualitative and quantitative data) is used.
- c. The study includes 2 and ½ months of time.
- d. Systematic and snowball sampling designs are made.
- e. By scaling technique (likert scaling technique) data is analyzed.
- f. To study about the growth banking market
- g. To find out the attributes that can enhance economy of company

For this research project exploratory method is used,

DATA COLLECTION METHOD: Data collected for the research can be classified as primary data and secondary data.

PRIMARY DATA: Primary data is by visiting existing clients and business developers and also the customers being served and yet to serve, making them to fill up questionnaires.

SECONDARY DATA: Secondary data is from Internet, books, available codes and rules.

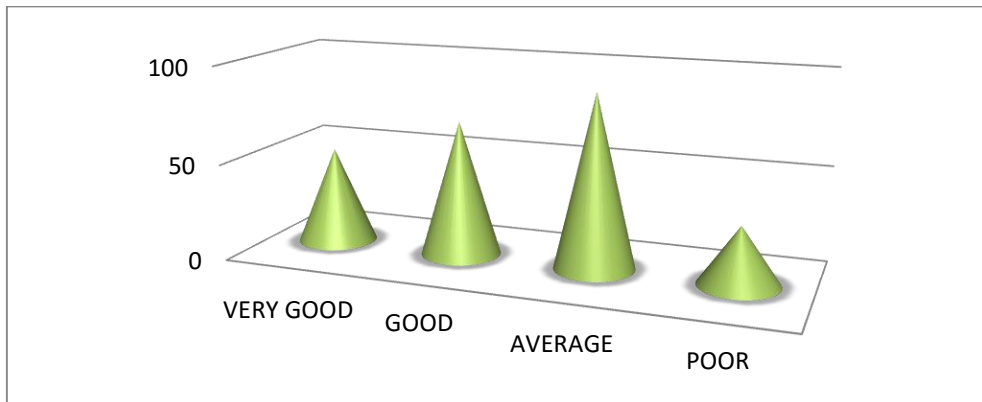
RESEARCH INSTRUMENT: This instrument is used for data collection is structured questionnaire. Questions are open and closed ended depending upon the information that needed to be elicited. We are also using the scaling technique to assess the attitude of the customer through participative and non participative observations, scheduled interviewed.

SAMPLING PLAN: Keeping all the constrains in mind a sample size of 100 Clients. The sampling procedure is systematic and snowball sampling.

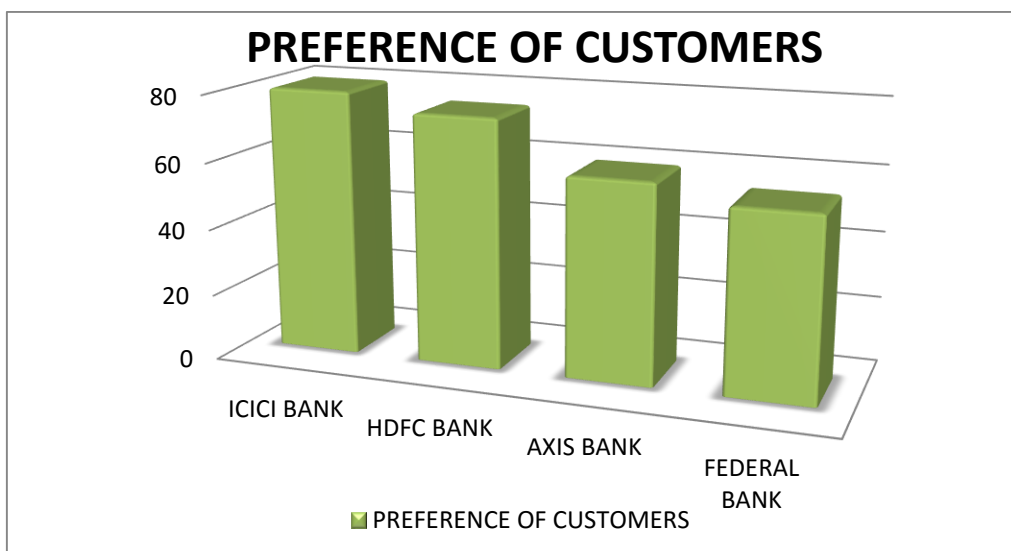
DATA ANALYSIS

The data, after collection, has been processed and analyzed in accordance with the outline laid down for the purpose at the time of developing the research plan. This is essential for a scientific study and for ensuring that we have all relevant data for making contemplated comparison and analysis. Technically speaking, processing implies editing, coding, classification and tabulation of collected data so that they are amenable to analysis. we have surveyed within 100 Clients in order to know their view and opinion regarding their interests in different product. I made a questionnaire and converse with them and encourage them to fill up the questions. Some of the questions with their’ opinions are shown as follows

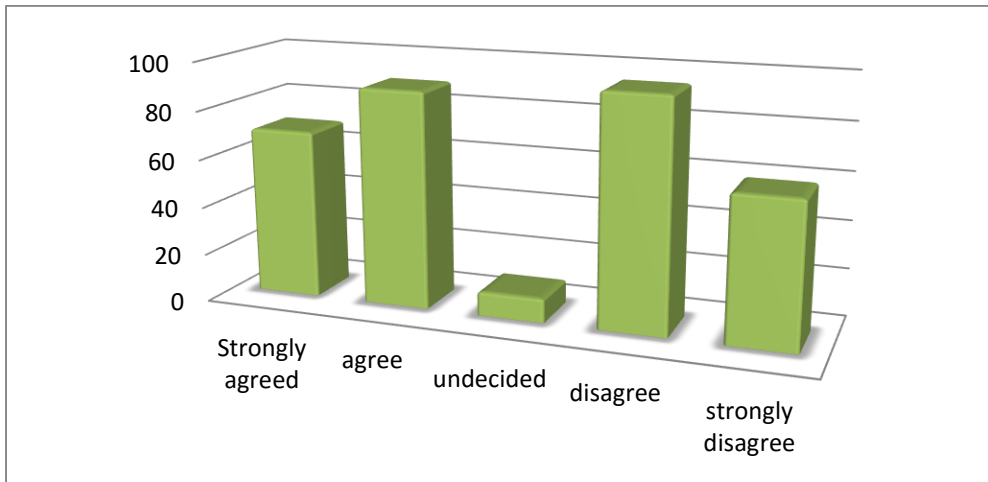
➤ HOW DO YOU RANK THE SERVICE OF HDFC BANK LTD?



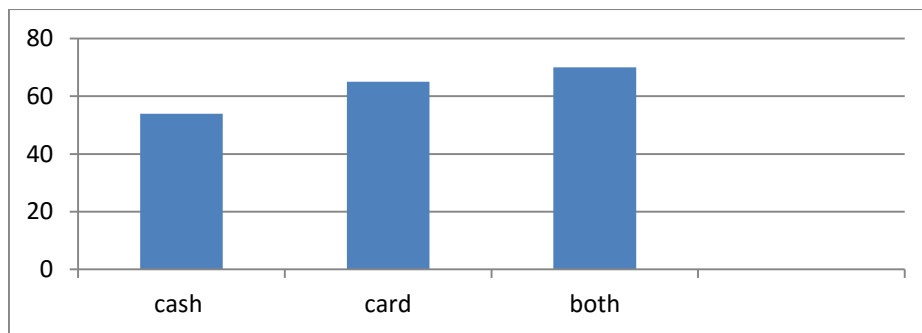
➤ HOW WOULD YOU RANK THE COMPANY IN COMPARISON TO OTHERS?



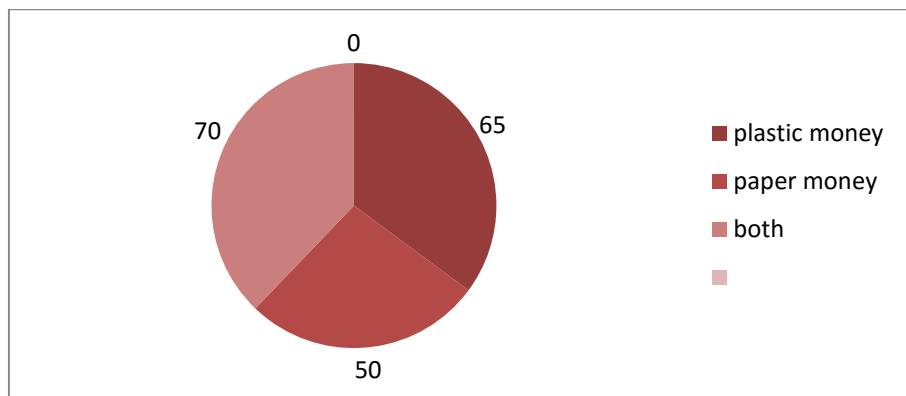
➤ IS THE OVERALL SERVICE OF THE COMPANY GOOD?



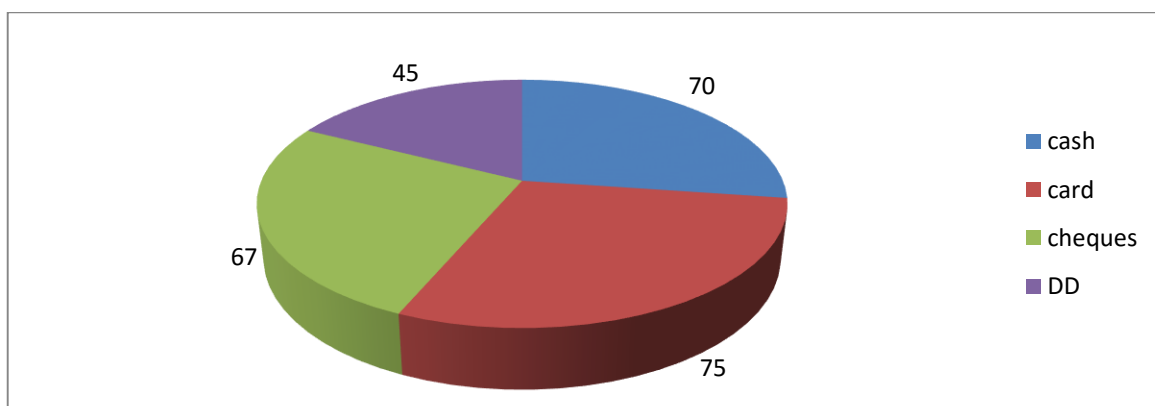
➤ WHICH IS THE MOST CONVENIENT WAY TO PAY?



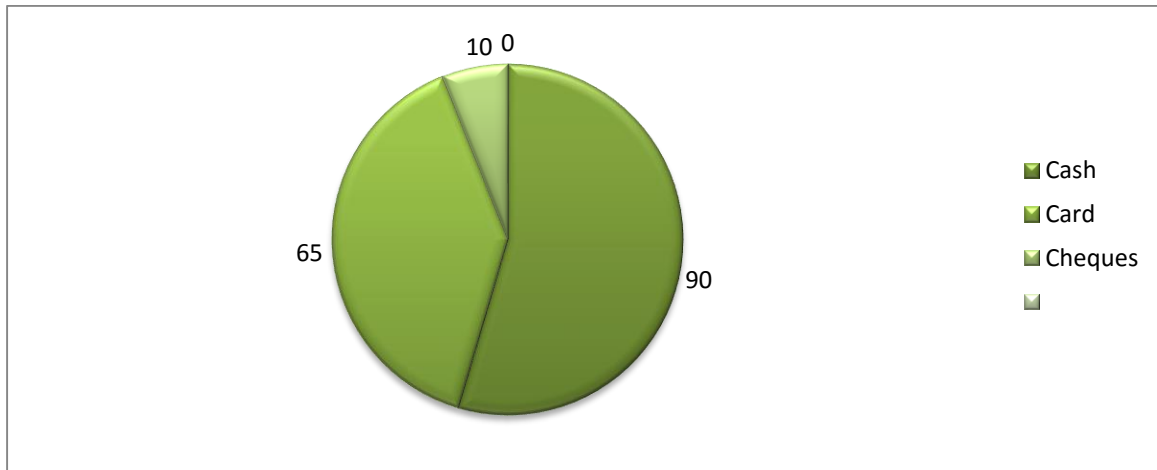
➤ WHICH YOU CONSIDER MORE RELIABLE AND SECURED?



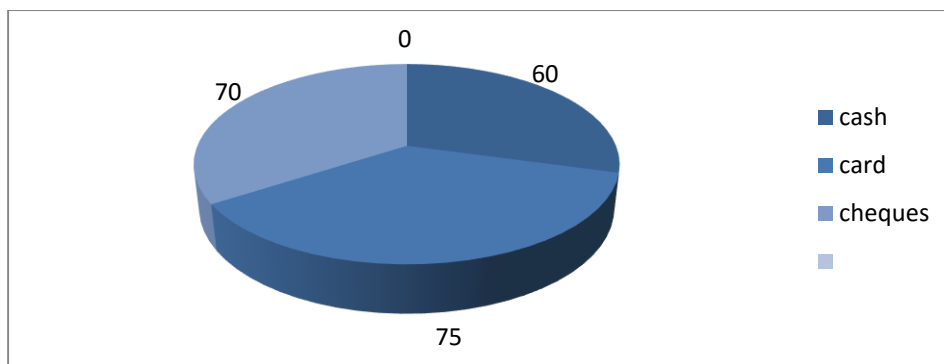
➤ HOW DO YOU PREFER TO PAY YOUR UTILITIES BILLS?



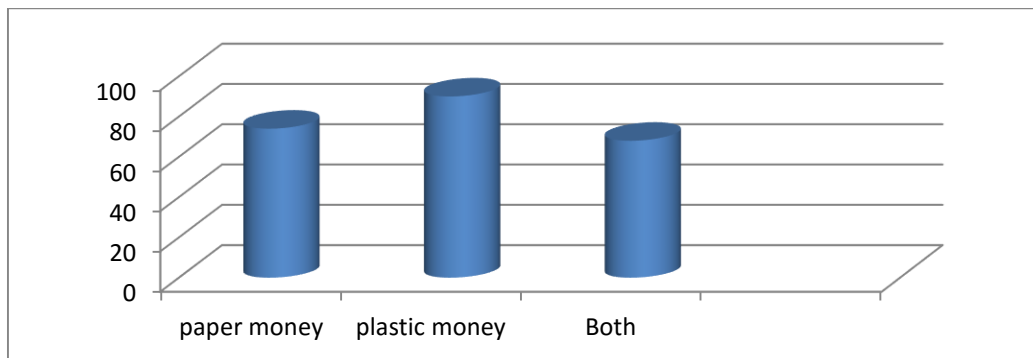
➤ HOW DO YOU MAKE PAYMENT FOR PURCHASES OF HOUSEHOLD CONSUMABLES?



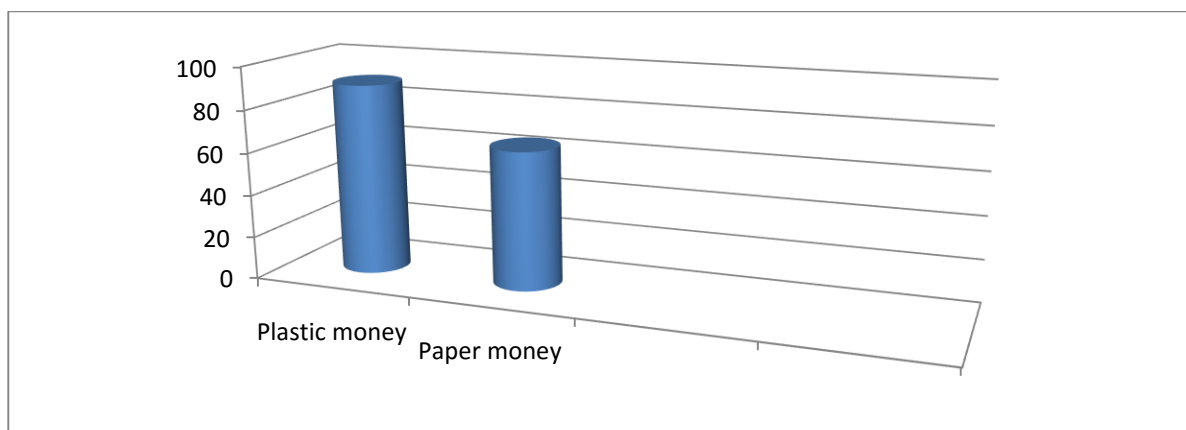
➤ HOW DO YOU MAKE PAYMENT FOR PURCHASES OF LUXURY AND DURABLE GOODS?



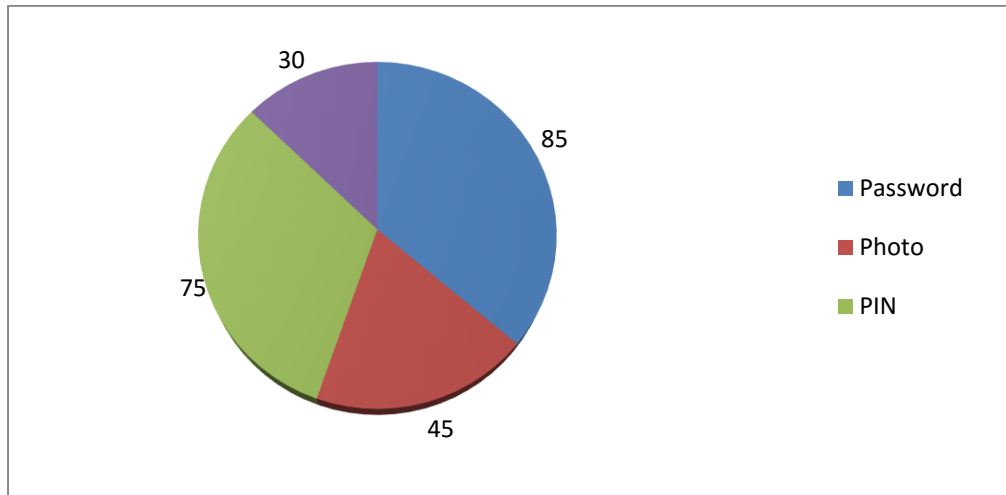
➤ WHICH YOU CONSIDER MORE RELIABLE AND SECURED?



➤ WHICH CAN BE CARRIED AND KEPT EASY AND HAS MORE LIFE?



➤ WHICH TYPE OF SECURITY MEASUREMENT YOU EXPECT FOR STEPPING MISUSE OF PLASTIC MONEY?

**RESULTS**

From the above chart we can see that averagely 50 % of the Customer has given a favorable response, 40 % of them having a neutral attitude towards the statement asked, 10 % of them has shown a least favorable response.

From the above analysis we can say that the overall performance of rendering service in terms quality, time, market position and customer satisfaction is average. What we observed while working over there in HDFC BANK LTD, the service profile provided by the company is AVERAGE. So some changes in their OPERATIONS has to be done and must be liberal to some extent in order to increase more CUSTOMER involvement and for their growth and development in future prospect.

CONCLUSION

As we move into the 21st century, payment through cash and cheques itself has undergone a transformation. It has moved from being a physical paper-based exchange of value to a virtual electronic one. This is in line with the development of electronic payments the world over. Plastic money has an added function of identification along with that it keeps track of transactions as they are incurred with all details of purchases such as shop name, date of purchase, amount of purchase, city of purchase etc. Thus holder has the facility of "refreshing" his memory about his purchases which is denied to the paper money holder. On a macro level, since the data is available electronically, spending patterns, emerging trends, demographic details and such other information can be compiled easily which in turn can be used for boosting economic development and for reducing unnecessary and superfluous survey costs. A major drawback of plastic money as payment mode is heavy dependence on technology (satellite phone lines, computer links, LANs, WANs etc). A snag in any one of these can cause a major disruption in acceptance procedures. Another risk attached to the usage of plastic money is that the conservative consumers are not responding to the expensive campaigns launched to introduce cards; the other hazards that remains are those inherent to this type of business, viz. legislative controls, frauds and bad debt. Plastic Money i.e. usage of Credit card was measured a luxury, and has become needed. These plastic money and electronic payments was and used by only higher income group. Among the various financial services rendered by commercial banks and other financial institutions, extending their credit card facility to customers is an important modern day function. This facility extended not only to customers in urban areas or cities, but also to customers residing in rural area. However, today, with development of banking and trading activity, the fixed income group or salaried classes are also start using the plastic money and electronic payment systems and particularly Credit cards. There may be the criticism that, it induces far more purchases or make people spendthrift. This may be so in the initial stage, but when once a customer gets used to the credit cards, they will know how to use the same in a discretionary manner.

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PRODUCTION FUNCTION ANALYSIS OF MEMBERS DAIRY COOPERATIVE SOCIETY FOR MILCH BUFFALO IN DISTRICT ETAWAH, INDIA

ASHISH CHANDRA
ASST. PROFESSOR
AMITY BUSINESS SCHOOL
AMITY UNIVERSITY
LUCKNOW

DR. ARUN BAHADAURIA
ASST. PROFESSOR
AMITY BUSINESS SCHOOL
AMITY UNIVERSITY
LUCKNOW

ABSTRACT

The international body on the farm sector in its latest 'Food Outlook' report estimates global milk production in 2020 grow by 2 percent to 772 MTs. India's milk production rose by 4 percent i.e., 127.9 MTs in 2011-12 and per capita availability was 291 gms per day while in 2010-11 milk production was 121.8 MTs and per capita availability was 281 gms per day. In domestic market there is surge in demand of milk and dairy products not adequately met by the production and processing facilities of the same so far. The study analyzed various factors of production in (INR) like Feeding cost included (dry fodder + green fodder), expenditure of Concentrate included (grain + khali + mineral material and chunni / choker) and miscellaneous expenses included (labor charge and fixed cost) on milk produced by the buffalo of dairy cooperative society members in annual in different categories of farmers i.e, landless, marginal, small, medium and large on the basis of land holding capacity. Further, the researchers have found out the comparative analysis of all the categories of dairy cooperative society members. Cobb Douglas production function and Tukey and Kramer analysis is applied on member's dairy cooperative society for milch buffalo in district Etawah of U.P, INDIA by means of taking post- stratified sample of Landless, Marginal, Small, Medium and Large herd size categories.

KEYWORDS

elasticity of fodder, elasticity of concentrate, elasticity of miscellaneous, return to scale.

INTRODUCTION

As per an assessment made by the Planning Commission Report-2012, the domestic demand for the milk by 2020-21 is expected to be 172.20 Million Tonnes (MTs) and hopefully India would have sufficient production to complement surging demand. The international body on the farm sector in its latest 'Food Outlook' report also estimates global milk production in 2020 grow by 2 percent to 772 MTs. India's milk production rose by 4 percent i.e., 127.9 MTs in 2011-12 and per capita availability was 291 gms per day while in 2010-11 milk production was 121.8 MTs and per capita availability was 281 gms per day. In domestic market there is surge in demand of milk and dairy products not adequately met by the production and processing facilities of the same so far. The study analyzed various factors of production in (INR) like Feeding cost included (dry fodder + green fodder), expenditure of Concentrate included (grain + khali + mineral material and chunni / choker) and miscellaneous expenses included (labor charge and fixed cost) on milk produced by the buffalo of dairy cooperative society members in annual in different categories of farmers i.e, landless, marginal, small, medium and large on the basis of land holding capacity. Further, the researchers have found out the comparative analysis of all the categories of dairy cooperative society members. At last Tukey and Kramer test was applied to all the categories of dairy cooperative society members in milch buffalo to get into the depth of the problem under investigation. This study is helpful to find out the elasticity of different factors of milk production and comparative analysis in all categories of member's dairy cooperative society in milch buffalo.

"Etawah" in Uttar Pradesh is famous for its Bhadawari breeds of buffalo and Jamunapari breed of goats. The said breed of buffalo was also known for consuming less fodder relative to the production of high fat content milk. However, all the milch animals such as buffalo, cow and goats are grazed in the ravines and the forest area between Jamuna and Chambal rivers of Etawah district of U.P. The numbers of milch livestock of Etawah district during 2012 were reported as total number of female adult cows 1, 10,825 total number of adult females' buffaloes 92065 and total female adult goats were 2, 41, 61.

The trend shows that very soon Etawah district will get an important place in the future, map of "milk Grid" of India by producing on an average of 2.801 lakh liters per day during 1986-87 which was increased to 3.83 lakh litres per day during 2006-07 and now 2011-12 it will be increasing 5.20 lakh litres per day. There were 3020 cooperative milk producer societies during 1986-87, which has increased to 4272 during 20011-12. Cooperative milk societies of Etawah produced 0.22 lacs liters per day in 1986-87 while they produced 2.53 lacs liters per day in 2006-07. Recently the latest production of milk in 2011-12 was 3.86 lacs liters per day.

REVIEW OF LITERATURE

Murithi, Festus Meme, (2002), study was motivated by the need to find means of increasing milk supply in Kenya in order to meet an expected rise in demand. The study was concerned with the efficiency of resource use in smallholder milk production. The major objective of the study was to determine whether there are possibilities of increasing milk production through re-allocation of the resources used in milk production. The problems encountered by farmers involved in milk production were also examined. The data used in the study were collected from 60 smallholders who are members of five Dairy Co-operative Societies which are affiliated to the Meru Central Farmers Co-operative Union. A Cobb-Douglas milk production function was fitted using the inputs used in milk production. The results showed that concentrates significantly influenced milk yields. The test for efficiency of resource use revealed that there was inefficiency in the used concentrates. Profit maximization requires that the marginal value product of an input be equated to the price. If this condition is fulfilled in the study area with respect to concentrates, the average milk yield per animal per year would increase by 73% above the current levels. An important conclusion of the study is that there could be substantial in milk output and consequently gains in farm profits if the amount of concentrates fed to the animals is increased above the current levels. It is recommended that:- (i) efforts be intensified to educate the benefits of increased feeding of concentrates to the (i) animals, constraints which contribute to the unavailability of concentrates when farmers need them be removed, (iii) farmers be educated on how they can the excess animal feeds which is produced the wet season to feed the animals during the (iv) be and educated on how best season, they can utilize the farm by-products while they are of high nutrition value to feed the animals.

Prajneshu, (2008), the set of Cobb-Douglas production functions is usually fitted by first linearize the models through logarithmic transformation and then applying method of least squares. However, this procedure is valid only when the underlying assumption of multiplicative error-terms is justified. Unfortunately, this assumption is rarely satisfied in practice and accordingly, the results obtained are of doubtful nature. Further, nonlinear estimation procedures generally yield parameter estimates exhibiting extremely high correlations, implying thereby that the parameters are not estimated independently. In this paper, use of expected-

value parameters has been highlighted and the advantages of their use have also been discussed. Finally, the developed methodology has been illustrated by applying it to the wheat yield time-series data of Punjab.

Venkatesh P. and Sangeetha V., (2011), study was conducted to examine the cost structure and resource use efficiency of dairy farms at the Madurai district of Tamil Nadu. The dairy farmers were selected by using multi stage random sampling technique. Tabular analysis and Cobb-Douglas production function were used in this study. Total costs per lactation per animal estimated were of the order of INR 12776.09, INR 11791.20 and INR 12079.28 and returns per rupee of investment 0.78, 1.08 and 0.95 respectively on small, large and pooled farms. Feed cost was the higher input cost in dairy farming (61.6 percent). The cost of production milk per litre was less in case of large farms (INR 4.62) compared to small farms (INR 5.39). Results indicated the inverse relationship with the size and the herd of the total costs, due to economies of scale. Functional analysis showed barring human labour on small farms all the selected input variables such as green fodder, dry fodder, concentrates and health care were positive and significant impact on the production of milk indicating the potentiality of their further use.

Meena G. L. et.al., (2012), study was undertaken in Alwar District of Rajasthan with the objectives to examine the input-output relationships and assess the resource use efficiency in milk production. The study covered 75 cooperative member milk producers and 75 non-cooperative member milk producers. The results of Cobb-Douglas production function revealed that concentrate had positive and significant influence on returns from buffalo milk across all the household categories for both the member and non-member groups. Green fodder and dry fodder were also influenced the returns from milk significantly across all the household categories for both the member and non-member groups with the sole exception of large category of non-member group. D1 (winter) and D2 (Rainy) dummy variables were found to be positive and statistically significant. The results of Chow's test clearly revealed that the production functions between member and non-member groups differed significantly. The results of the resource use efficiency revealed that green fodder was over-utilized in small and medium categories for both the member and non-member groups, dry fodder was over-utilized by medium category of member group, concentrate was over-utilized by only medium category of member group and by small & medium categories of non-member group while it was under-utilized by large category of non-member group and labour was over-utilized by only small category of member group.

RESEARCH METHODOLOGY

District Etawah milk producers' cooperative union was purposively selected from state of Uttar Pradesh. Exhaustive lists of all the milk producers' cooperative societies in Etawah district milk producer's cooperative union were prepared. Researchers have selected randomly 150 non member of dairy cooperative society & 150 members of dairy cooperative society from 10 Villages of 2 blocks selected in district Etawah. All the milk producing households members and non members were classified into five categories, viz., Land less, Marginal, Small, Medium and Large farmers on the basis of land holding capability. Thus in all, 300 households were interviewed during the year 2008-09. The primary data were collected with help of well structured pre-tested schedule by personal enquiry method. The data collected were subjected to tabular analysis in order to study the comparative economics of milk production. Cobb-Douglas type Production Function analysis was applied on buffalo milk production with three variables like-fodder, concentrate and miscellaneous of different categories landless, marginal, small, medium and large member farmers of dairy cooperative society.

The study effect of various factors of production in (INR) in case of milk cooperative societies members in annual in different categories.

$$y = a x_1^{b_1} x_2^{b_2} x_3^{b_3} \dots (1)$$

$$\log y = \log a + b_1 \log X_1 + b_2 \log X_2 + b_3 \log X_3 \dots (2)$$

Where,

- Y = Production of milk in (Rs.)
- X₁ = Feeding cost included (dry fodder + green fodder)
- X₂ = Expenditure of Concentrate included (grain + khali + mineral material and chunni / choker)
- X₃ = Miscellaneous expenses included a labor charge and fixed cost.
- b_i = Respective elasticity's of milk production
- a = constant

Having estimated the cost of milk production, it is desirable to ascertain the reliability of these fodder cost, concentrate cost and miscellaneous expanses estimates. The most commonly used "t" test was applied to ascertain whether the cost of milk is significantly different from zero or not at some specified probability level. "t" cal=b_i / standard error of b_i.

If calculated "t" value is greater than the table value of "t" at a specified probability level and "n-k-1" degree freedom, bag is said to be statistically significant.

RESEARCH AND FINDINGS

TABLE 1: COBB DOUGLAS PRODUCTION FUNCTION ANALYSIS OF MEMBERS DAIRY COOPERATIVE SOCIETY (BUFFALO)

Category of farmers	Elasticity Fodder	Elasticity of Concentrate	Elasticity of Miscellaneous	R ² value
Land less	1.4070	0.94780	-1.39421	86.82
"t" test value	0.35	1.50	-0.34	
S.E value	(4.0316)	(0.6307)	(4.0610)	
Marginal	0.0221	1.04526*	-0.02030	57.51
"t" test value	0.10	4.62	-0.46	
S.E value	(0.2262)	(1.2262)	(0.0.04379)	
Small	-0.05292	0.5855*	0.2374	77.70
"t" test value	-0.82	2.48	0.71	
S.E value	(0.0644)	(0.2360)	(0.3323)	
Medium	-0.80540	0.74999	1.15337	96.04
"t" test value	-1.49	0.91	1.65	
S.E value	(0.5393)	(0.8206)	(0.6962)	
Large	0.15615*	0.84582	0.0566	93.29
"t" test value	0.34	0.85	0.09	
S.E value	(0.4538)	(0.9911)	(0.6206)	

The analysis has revealed that Landless member farmers of dairy cooperative society failed to give sufficient all input variables like Fodder, Concentrate and Miscellaneous to the milch buffalo so it could not provide significant effect result on buffalo milk production and further marginal and small category only concentrate could provide a significant effect on milk production and next medium member farmers were doing same as land less farmers and in large member farmers, only fodder could provide a significant effect on milk production of milch buffalo The analysis further revealed that 86.82, 57.51, 77.70, 96.04 and 92.29 percent of the variation was explained by three input variables in land less, marginal, small, medium and large member farmers of dairy cooperative society respectively. Moreover, all the variables in this category remained the same. In R2 analysis maximum variation was occur in marginal category (57.51 percent) and minimum variation in medium category (96.04 percent).

FIG. 1: ONEWAY ANALYSIS OF PRICE BY CATEGORY

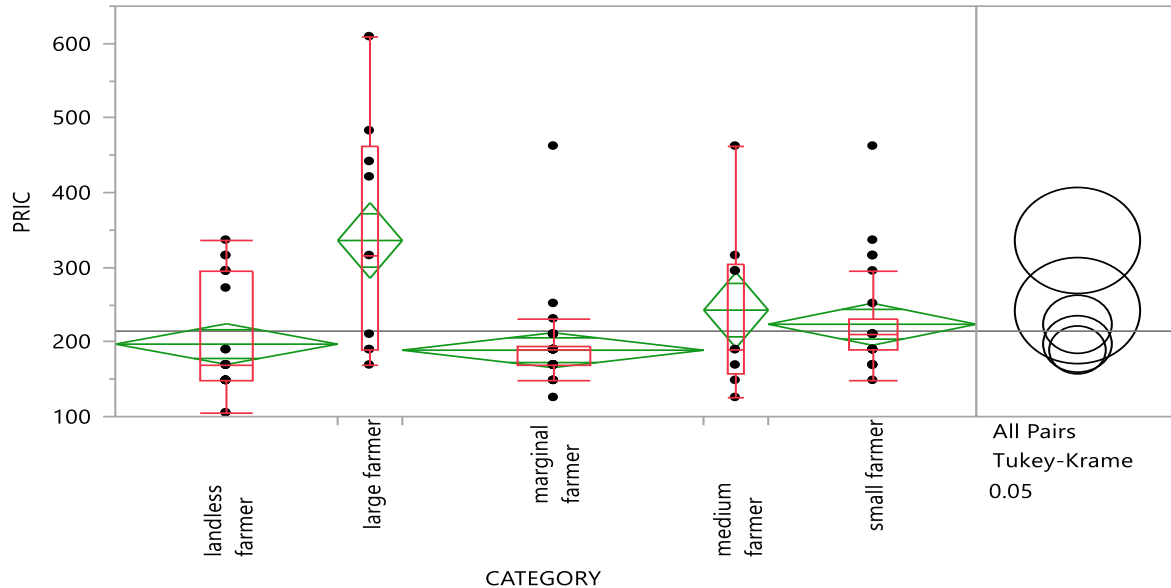


TABLE 2: CONNECTING LETTERS REPORT

Level		Mean
large farmer	A	336.00000
medium farmer	A B	242.66667
small farmer	B	223.75862
landless farmer	B	197.12903
marginal farmer	B	189.00000

Levels not connected by same letter are significantly different.

TABLE 3: ORDERED DIFFERENCES REPORT

Level	- Level	Difference	Std Err	Dif	Lower CL	Upper CL	p-Value
large farmer	marginal farmer	147.0000	28.13673	69.0181	224.9819	<.0001*	
large farmer	landless farmer	138.8710	29.00429	58.4846	219.2574	<.0001*	
large farmer	small farmer	112.2414	29.22846	31.2337	193.2491	0.0019*	
large farmer	medium farmer	93.3333	36.11005	-6.7469	193.4136	0.0799	
medium farmer	marginal farmer	53.6667	28.13673	-24.3153	131.6486	0.3193	
medium farmer	landless farmer	45.5376	29.00429	-34.8488	125.9241	0.5196	
small farmer	marginal farmer	34.7586	18.49439	-16.4992	86.0165	0.3343	
small farmer	landless farmer	26.6296	19.78929	-28.2171	81.4763	0.6634	
medium farmer	small farmer	18.9080	29.22846	-62.0997	99.9157	0.9669	
landless farmer	marginal farmer	8.1290	18.13804	-42.1412	58.3992	0.9916	

SUMMARY OF ALL CATEGORIES OF DAIRY COOPERATIVE SOCIETY MEMBERS OF MILCH BUFFALO

The analysis is revealed that mean of large farmers was observed Rs. 336.00 followed by medium farmers INR 242.667, small INR 223.759, land less farmers INR 197.129 and least for marginal farmers INR 189.00. This indicated the fact that large member farmers interestedness in milch animals, especially in buffalo is the highest.

Tukey test was applied to get into the depth of the problem under investigation. This indicated that there is no significant difference between large and medium farmers for milch buffalo. Further, there is no significant difference between Medium, Landless, Marginal and Small farmers.

Further, indicated the fact that the P value for Large and Marginal farmers, large and landless farmers and large and small farmers were observed significant at the 5 % level of probability (0.0001,0.0001 and 0.0019) respectively.

TABLE 4: RETURN TO SCALE FOR THE DAIRY COOPERATIVE SOCIETY MEMBERS (BUFFALO)

S.n.	Category	β_1	β_2	β_3	Total ($\beta_1 + \beta_2 + \beta_3$)	Return to Scale ≥ 1
1	Landless	25.217	8.8674	-24.786	9.2984	≥ 1
2	Marginal	1.0522	11.0983	-1.04785	11.10265	≥ 1
3	Small	-1.1295	3.8503	1.7274	4.4482	≥ 1
4	Medium	-6.3898	5.6232	14.2354	13.4688	≥ 1
5	Large	1.4326	7.0116	1.1392	9.5834	≥ 1

β_1 = Elasticity of Fodder

β_2 = Elasticity of Concentrate

β_3 = Elasticity of Miscellaneous expanses

The above table no 4 reveal that Elasticity of milk production for all the five categories of member of dairy cooperative society in buffalo namely Landless, marginal, small, medium and large farmers. The last number indicates their economies of scale. Their respective value was observed 9.2984, 11.1026, 4.4482, 13.4688 and 9.5834 i.e., out of these five categories none of the any category member farmers were observed had decreasing return to scale.

The all five categories i.e., landless, marginal, small, medium and large exhibited increasing returns to scale and analysis, further reveals that return to scale was the highest for medium farmers followed by marginal, large, landless and small member farmers of dairy cooperative society in case of buffalo.

CONCLUSION

The results of the study revealed that Landless member farmers of dairy cooperative society failed to give sufficient Concentrate and Miscellaneous inputs to the milch cow but Fodder could provide significant effect result on cow milk production and further medium category only fodder and concentrate could provide a significant effect on milk production and next small farmers were doing same as marginal farmers and in large member farmers, only fodder could provide a significant effect on milk production of cow but in medium members farmers, none of the variables like Fodder, Concentrate and miscellaneous inputs could provide a significant effect result on buffalo milk production. Analysis of Tukey test indicated that there is no significant statistical difference between small, large and medium member farmers and no difference between Large, Landless and Marginal farmers.

Analysis of Elasticity of milk production for all the five categories of member of dairy cooperative society in buffalo, namely Landless, marginal, small, medium and large farmers. Out of these five categories that return to scale was the highest for marginal farmers followed by landless and medium member farmers.

It will here mention that the policy makers and planners engaged in dairy enterprise should concentrate all the above two categories small and large member farmers in case of buffalo should be given proper attention to enhance milk production in the area under jurisdiction.

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ROLE OF GROWTH IN MONEY MARKET WITH CONTEXT TO INDIAN ECONOMY**M. SUGANYA****ASST. PROFESSOR****DEPARTMENT OF MANAGEMENT STUDIES****MAHENDRA COLLEGE OF ENGINEERING****MINNAMPALLI****R. BHUVANESHWARI****ASST. PROFESSOR****DEPARTMENT OF MANAGEMENT STUDIES****MAHENDRA COLLEGE OF ENGINEERING****MINNAMPALLI****ABSTRACT**

A well regulated financial sectors is necessary in globalize economy. Financial modernization has contributed in the economic progress. A Financial Institution is an institution that provides financial services for its patrons and members. Perhaps the most significant a financial service provided by financial institutions is performing as financial intermediaries. Most financial institutions are highly controlled by government. The definition of money for money market purposes is not limited to bank notes but includes a range of assets that can be turned into cash at short notice, such as short-term government securities, bills of exchange, and banker's acceptances. This paper analyses the real possessions of financial markets consequent to financial liberalization in an economy with risk reluctant savers and learning by lending. Transition from complete financial repression to complete financial liberalization might initially slow down the growth practice or even persuade a recession, whenever the initial level of expensive investments known by the financial institutions is sufficiently inadequate. However, lending activity leads to gathering of information regarding valuable investments. The purpose of this paper is to encourage financial markets in the overall development of the economy.

KEYWORDS

money market, financial modernization, Indian economy, economic progress, financial institution.

INTRODUCTION

Financial directness is often regarded as providing important prospective remuneration. Access to money markets expands investors' opportunities for achieving higher risk – adjusted rates of return. It also allows the countries to make use of even consumption in the face of the potential expansion and welfare gains resulting from such international hazard sharing can be large. It has also been argued that by increasing the rewards of good policy and the penalty for bad policies, free flow of capital across borders may stimulate countries to follow more closely controlled macroeconomic policies that convert into greater macroeconomic stability. An increasingly common dispute in favor of financial directness is that it may enhance the depth and breadth of domestic financial markets and lead to an enlarge in financial intermediation method by lowering costs and "extreme" profits associated with monopolistic markets, thereby lowering the cost of investment and improves resource allocation. Organized financial markets have existed in India for more than a century. Today, markets of varying development exist in equity, debt, commodities and foreign exchange. There are 25 stock markets all over the country, the most vital of which, are the Bombay Stock exchange and the National Stock Exchange. The rupee has been adaptable on the current account ever since 1992. India financial market helps in promotes the savings of the economy-help to implement an effective channel to transmit various financial policies. The Indian financial sector is competitive, efficient and integrated to all stocks. In the Indian financial market there are varieties of financial products whose price are determined by the abundant buyers and sellers in the market. The additional determinant factor of the prices of the financial goods is the market forces of demand and supply. The Reserve Bank of India (RBI) has always been in performance of the major role in regulating and calculating the Indian money markets. The involvement of RBI is varied curbing crisis situations by reducing the cash reserve ratio (CRR).

ROLE OF MONEY MARKET IN ECONOMY

Money market plays a key function in banks' liquidity executive and the conduction of monetary policy. By providing the appropriate instruments and partners for liquidity trading, the money market allows the refinancing the short and medium term position and facilitates the improvement of your business' liquidity hazard. The banking system and the money market represented the exclusive setting monetary policy. A developed, active and efficient bank market enhances the efficiency of central bank's monetary policy; transmit its impulse into the economy. The expansion of the money market smooths the development of financial intermediate and boost lend to economy, hence improving the country's economic and social benefit. Therefore, the expansion of the money market is in all employee interests: the banking system itself, the Central Bank and the economy on the whole.

PRODUCING INFORMATION AND ALLOCATING CAPITAL

Financial systems can advance growth by spurring technological innovation by identify and funding entrepreneurs with the best chance of successfully implement creative procedures. For sustained increase at the frontier of technology, acquiring information and strengthening incentive for obtain information to improve resource allocation become key issues.

RISK SHARING

The functions of a financial system are to achieve an optimal allocation of risk. There are many study that directly analyzing the interaction of the risk sharing role of financial systems and economic growth. These theoretical analyses elucidate the conditions under which financial development that facilitates risk sharing promotes economic growth and welfare. In these studies, however, authors focus on either markets or mediators, or a comparison of the two excessive cases where every financing is conduct by either markets or intermediaries. The intermediate case in which markets and institutions Co-exist is not often analyzed in the context of growth models because the addition of markets can destroy the risk-sharing opportunity provide by mediators. In addition, studies focus on the role of financial systems that face diversified risks.

LIQUIDITY

Money market funds provide expensive liquidity by investing in commercial paper, public securities and repurchase agreements: Money market funds are major participants in the commercial paper, public securities and repurchase agreement (or REPO) markets. Money market funds hold approximately 40% of all outstanding commercial paper, which is now the prime source for short-term funding for corporations, who issue commercial paper as a lower cost alternative to

short-term bank loans. The REPO market is a central means by which the Federal Reserve conducts monetary policy and provide daily liquidity to global financial institutions.

ENCOURAGEMENTS TO SAVING AND INVESTMENT

Money market has optimistic investors to save which results in support to investment in the economy. The saving and investment equilibrium of demand and supply of a loan able fund helps in the allocation of resources.

GROWTH OF MONEY MARKET IN INDIA

The long term financing is met by the capital or financial markets, money market are a mechanism which deals with lending and borrowing of short term funds. Post reform period in India has witnessed incredible growth of the Indian money markets. Banks and other financial institutions have been able to meet the high expectations of short term funding of imperative sectors like the industry, services and agriculture. Decision of the government to allow the private sector banks to operate has provided much needed healthy rivalry in the money markets, resulting in light amount of enhancement in their functioning.

INTER BANK MARKET

Money market denote inter-bank market where the banks borrow and lend among themselves to jointly the short term credit and deposit needs of the economy. Short term usually covers the time period up to one year. The money market operations help the banks rush over the temporary mismatch of funds with them. In case a particular bank needs funds for a few days, it can borrow from another bank by paying the resolute interest rate. The lending bank also gains, as it is able to earn interest on the funds lying inactive with it. In other words, money market provides avenues to the players in the market to hit equilibrium between the surplus funds with the lenders and the requirement of funds for the borrowers. An important function of the money market is to provide a focal point for interventions of the RBI to influence the liquidity in the financial system and apply other monetary policy measures.

RBI INTERVENTION

In the economic situation and available market trends, the RBI intervenes in the money market through a mass of interventions. In case of liquidity crisis, the RBI has the option of either sinking the Cash Reserve Ratio (CRR) or pumping in more money supply into the system.

LINK WITH FOREIGN EXCHANGE MARKET

The lending by the banks and the financial institutions, various companies in the corporate sector also provides fixed deposits to the public for shorter period and to that point it become part of the money market method selectively. The maturity of the instruments issues by the short term (Money market) as a whole, range from a day to one year. The money market is also closely associated with the Foreign Exchange Market, through the process of cover interest arbitrage in which the advance premium acts as a bridge between the domestic and foreign interest rates.

DETERMINATION OF APPROPRIATE INTEREST FOR DEPOSITS

The purpose of appropriate interest for deposits or loans by the banks or the other financial institutions is a difficult method in itself. There are several issues that require to be set on before the optimum rates are determined. The term structure of the interest rate is a very main determinant, the difference between the obtainable domestic and international interest rates also appear as an important factor. Further, there are several credit instruments which involve related maturity but diversely different risk factors. Such distortions are accessible only in developing and assorted economies like the Indian economy and need additional care while handling the issues at the policy levels.

CONCLUSION

The money market is a chief component of the financial system as it is the pivot of monetary operations conducted by the central bank in its recreation of monetary policy objectives. It is a market for short-term funds with development ranging from suddenly to one year and includes financial instruments that are deemed to be close substitutes of money. The money market performs three wide functions. First, it provides an equilibrium system for demand and supply of short-term funds. Second, the borrowers and lenders of short-term funds to complete their borrowing and investment requirements at competent market clearing price. Three, it provides an avenue for central bank involvement in influencing both the quantum and the cost of liquidity in the financial system, in that way transmitting monetary policy impulses to the real economy. The purpose of monetary management by the central bank is to align money market rates with the key policy rate. As too much money market instability could deliver confusing signals about the stance of monetary policy, it is dangerous to ensure orderly market behavior, from the point of view of both monetary and financial immovability. Thus, proficient functioning of the money market is important for the efficacy of monetary policy.

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MONIRUL ISLAM
ASST. PROFESSOR
DEPARTMENT OF BUSINESS ADMINISTRATION
MURSHIDABAD CENTRE
ALIGARH MUSLIM UNIVERSITY
MURSHIDABAD


ABSTRACT

'While in earlier days major marketing tools were confined to the mail and the telephone, today direct marketing uses new age tools viz., computers, mobile phones, the Internet, and the social media. The social media is the best communication channel for creating buzz and referrals. However social media acts as a supportive role for direct marketing arena. Dell is one such company making the most of social media for a supportive role. However, the obvious question is: who are the people interacting online and how engaged are they in online activities? An experimental study was conducted to test the influence of social presence and need to belong on product choice and product rating. This paper aims to answer this question based on a study regarding the online activities of 281 social media users, out of which 169 respondents has revealed their experiences. by identifying different types of users, a segmentation of these users and a linear model to examine how different predictors related to social networking sites have a positive impact on the respondents' perception of online advertisements. The answer can help discover how to engage with different types of audiences in order to maximize the effect of the online marketing strategy.' This research focuses on how social presence and need to belong influence product ratings and product choice in an online context. Thereby identifying different types of users, a segmentation of these users and a linear model to examine how different predictors related to social networking sites have a positive impact on the respondents' perception of online advertisements. The answer can help discover how to engage with different types of audiences in order to maximize the effect of the online marketing strategy. Further implications of this finding are discussed.

KEYWORDS

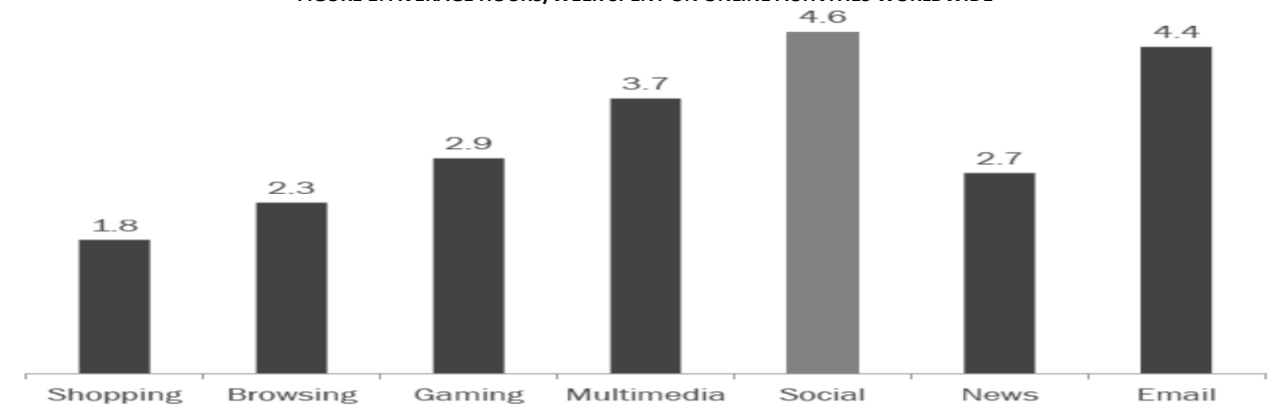
social media marketing, online consumer behavior, need to belong, referent groups and product rating.

INTRODUCTION

 Social Media Marketing is about understanding how technology is making it easier for people to connect socially with their social networks and how your business can profit from that understanding. There is a common misconception that social media and social networking sites (SNS) are two synonymous terms. Social media are tools for sharing and discussing information. It can be described as a kind of online media which encourages every member for feedback and contribution. It is a social instrument of two-way communication facilitating the sharing of information between users within a defined network via web 2.0 (O'Reilly, 2005). It involves online activities in which the user contributes to content creation.

Social Media is growing every day. Even if 90% of the 18-24 age group internet users use social network via any device at least once per month, social media affects every age group with much higher increase rates for the age groups over 35 (Hubspot, 2012). Also, when looking at the average hours per week spent on online activities, we can definitely see that the world is becoming more social, with an average of 4.6 hours per week spend on Social Media Sites worldwide (Figure 1).

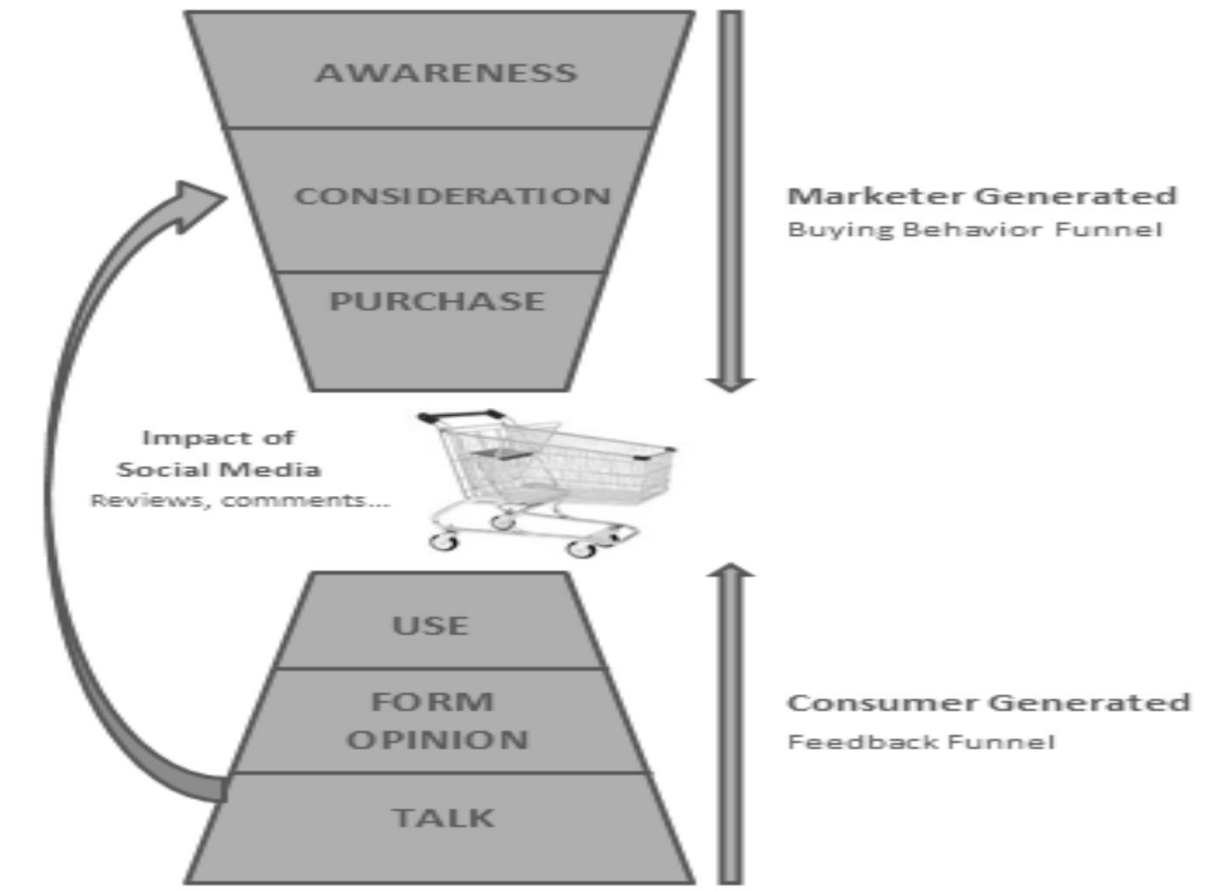
FIGURE 1: AVERAGE HOURS/WEEK SPENT ON ONLINE ACTIVITIES WORLDWIDE



(Source: Hubspot, 2012.)

On the other hand, the contemporary version of the purchase funnel (Figure 2) incorporates the Social Media by showing how the user-generated media in the post-purchase experiences can have impacts on the basic stage of consideration which is usually only part of the marketer-generated content

FIGURE 2: THE SOCIAL FEEDBACK CYCLE

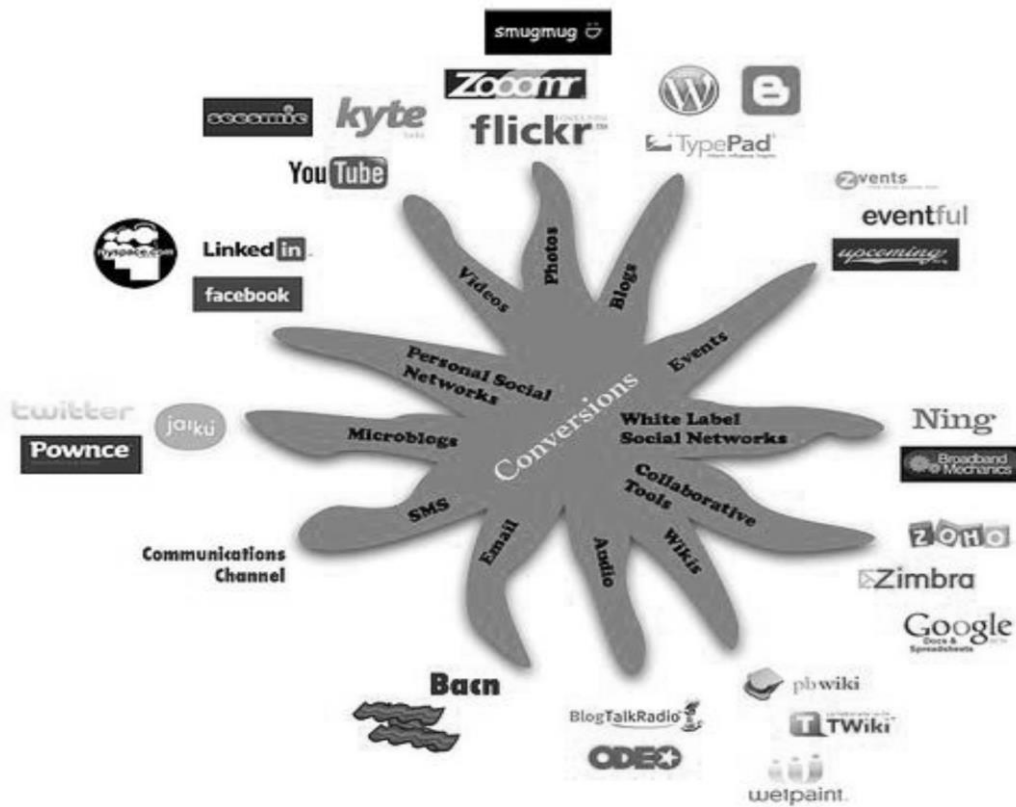


(Source: Own Creation, 2012.)

THE TYPES OF SOCIAL MEDIA CHANNELS

According to Robert Scoble, the Social Media Starfish (Figure 3) illustrates the different Social Media channels that people are using to interact on the Internet. It shows the evolving Social Media landscape.

FIGURE 3: THE SOCIAL MEDIA STARFISH, BY ROBERT SCOBLE



(Source: Scobleizer, 2007.)

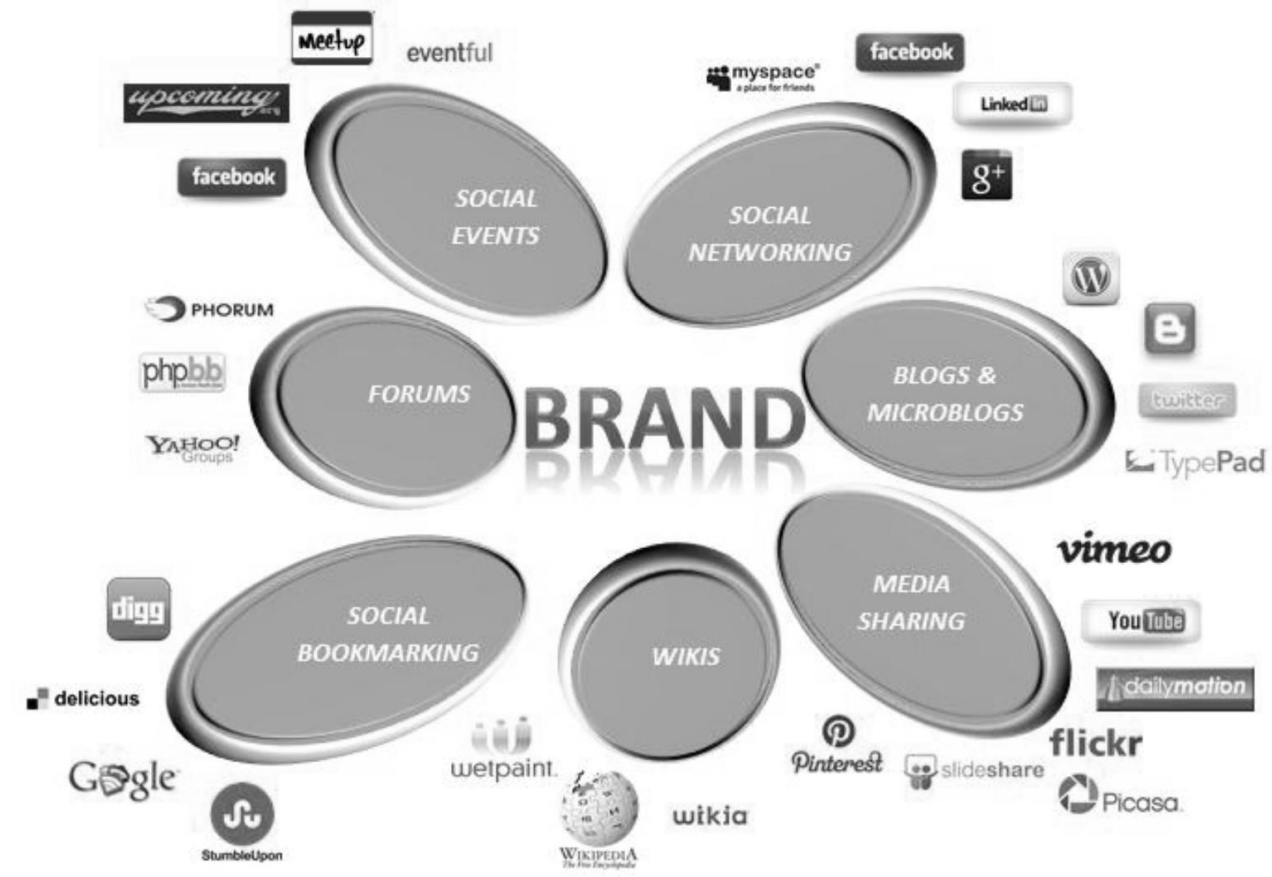
This graph illustrates greatly the very dense ecosystem which symbolizes Social Media, spreading the various services over families:

- **Publishing:** blog engines (WordPress, Blogger...), wiki platforms (Wikipedia, Wikia...), lifeblog services (Tumblr, Posterous...) and social Q&A (Quora) Celine ARCA Master of International Marketing

- **Sharing:** dedicated online services for videos (YouTube, Dailymotion, Vimeo...), pictures (Flickr, Instagram...), links (Delicious, Digg...), products (Pinterest), music (Spotify...) and documents (Slideshare, Scribd...)
- **Playing:** major editors (Zynga, Playdompcap...), dedicated platforms (Hi5...) and smaller but innovative editors (Digital Chocolate, Kobojo...)
- **Networking:** professional (LinkedIn, Viadeo...), personal (MySpace, Badoo...) or for former acquaintances (MyYearBook, Classmates...)
- **Buying:** customer intelligence platforms (Bazaarvoice, PowerReviews...), purchase sharing (Polyvore), recommendation (Hunch) or social commerce offerings (Boosket)
- **Localization:** mobile applications (Foursquare, Path...), socialized city guides (Yelp, DisMoisOu...) or upcoming events or venues (Plancast).

For every business using Social Media Marketing, the challenge is to find on which Social Media channels its audience and customers spend their time and hold conversations (Evans, 2010). Also, people usually visit several Social Media Sites instead of sticking to only one; this is called cross-pollinating. By reading, listening and analyzing their target audience's activities, marketers will be able to determine where, when, who and how the consumers are interacting in the Social Media Universe. It will also help marketers to define who the influencers are and which role they play in the online community: whether they are networkers, everyday users, trendsetters, reporters or opinion leaders.

FIGURE 4: SOCIAL MEDIA UNIVERSE FOR BUSINESSES



(Source: Own Creation, 2012.)

Seven types of Social Media channels affecting businesses will be the following:

- **Social Networks:** e.g. Facebook, MySpace, LinkedIn, Google+...
- **Blogs and Microblogs:** e.g. WordPress Blogger, Twitter...
- **Content Communities or Media Sharing Sites (Video/Audio/Photo/Presentations):** e.g. Flickr, YouTube, Dailymotion, Vimeo, Picasa, Pinterest, Slideshare...
- **Wikis or User Generated Content (UGC):** e.g. Wikipedia, WikiTravel, World66...
- **Social Bookmarking & News Sites:** e.g. Digg, Reddit, Diigo, Delicious, Google Reader...
- **Discussion Forums and Message Boards:** e.g. Phorum, Yahoo Groups, PHPbb...
- **Social Events:** e.g. Eventful, Meetup...

REVIEW OF LITERATURE

Following Angella and Eunju (2012), do social media marketing activities enhance customer equity? An empirical study of luxury fashion brand, the results of the study showed that five constructs of perceived SMM activities as entertainment, interaction, trendiness, customization, and word of mouth had significantly positive impact on value equity, relationship equity, and brand equity. For the relationship between customer equity drivers and customer equity, brand equity had a significant negative effect on customer equity [1].

Vries et al., (2012) in a study Popularity of Brand Posts on Brand Fan Pages: "An Investigation of the Effects of Social Media Marketing", showed that positioning the brand post on top of the brand fan page enhances brand post popularity. But the findings also indicate that different drivers influence the number of likes and the number of comments. Namely, vivid and interactive brand post characteristics enhance the number of likes [2].

Michaelidou et al., (2011) "Usage, barriers and measurement of social media marketing: an exploratory investigation of small and medium B2B brands" showed that over 1/4 of B2B SMEs in the UK are currently using SNS to achieve brand objectives, the most popular of which is to attract new customers. On the other hand, the most significant barrier is the lack of perceived relevance for particular sectors [3].

Shih (2004) based on technology acceptance model considered the effect of variables of easy use, customers' satisfaction, usefulness of use and security of web on tendency to e-shopping. He showed that by increasing customers' perceived ease of use, perceived usefulness and customers' satisfaction web security, individual attitudes toward e-shopping is increased [4].

Chung G. J., Lee S. H. (2008) investigated the effect of effective variables on online shopping. Their findings showed that perception of website security, protecting private aspects of people and production innovation can have positive influence on online purchase [5].

Ha & Stoel (2009) in a study investigated the effective factors on accepting e-shopping. Their results showed that e-shopping quality affects trust, easy use and customers' satisfaction of e-shopping. In addition, usefulness of use and positive attitude of customers, affects their decision to e-shopping positively [6].

Akbari and Hassangholipour (2002) in a study investigated the effective factors on acceptance of Tehrani customers of e-shopping system of Shahrvand store. Their results showed that accepting to purchase from electronic stores of Shahrvand is dependent upon some factors as access of customers to internet, their awareness of electronic store, its free delivery, the attractions and capabilities of Shahrvand internet basis to respond the customers' demands and strong delivery system of this store are the important factors [7].

Olfat et al., (2011) in a study investigated the effective factors on e-shopping and their prioritization. The results of the study showed that purchase risk index is the most important factor in e-shopping and consumers consider e-shopping useful and they trust it [8].

Sanayei et al., (2010) in a study evaluated the effective factors on online buyers trust and its effect on e shopping intention. This study was done by an attitude evaluation by web-based questionnaire of the customers of internet book stores of Isfahan province. The results of the study showed that trust had a direct effect on customer purchase intention of internet stores and security, internet offenses, web-space control, graphic appearance and website structure were effective on trust [9].

Sanayei et al., (2010) evaluated the effective factors on e-shopping. The results of their study showed that the most important factors on e-shopping are attitude to e-shopping, perception of usefulness of shopping at home, interaction speed and response time, privacy and two variables of social benefits and website design had no significant effect on trust in e-shopping [9].

PURPOSE/NEED OF THE STUDY

The following information sought & to find out:

1. What is the influence of social presence on product rating and product choice in an online context?
2. What is the consumer's attitude towards online shopping?
3. What are the key concern areas for consumer's while shopping?
4. How has been recent shift taking place in online shopping?

SCOPE OF THE STUDY

The scope of the study has been limited to social media marketing only. The study has been confined to AMU Centre Murshidabad region as this area is growing & greater internet penetration and plenty of social Network Sites users has been observed

RESEARCH DESIGN & ADOPTED METHODOLOGY

A systematic literature search of multiple databases has been conducted, chosen for their coverage of a range of relevant disciplines, including psychology, sociology, business / marketing, and related social sciences using the keywords "social media" (social sciences/business/periodical databases).

- Exploratory & descriptive study
- Cross sectional study
- Experimental research, survey research & ethnographic studies has been carried out
- Data collection: questionnaire method
- Data Analysis: descriptive statistical techniques viz., frequency, percentage etc

Data Collection

The study is based on descriptive research design. A questionnaire has been designed, to know the point of view of respondent regarding the extent of social media that helps consumers in buying decision making. First part of the questionnaire contains information regarding demographics and usage pattern of social media of the respondent. Second part has series of close-ended indirect questions which are based on impact of social media in making consumer buy a product and expectation from such media. The author collected the data by their selves at AMU Center Murshidabad with the help of some students. A total of 281 students contacted out of which 161 responded.

DATA ANALYSIS

1. PROFILE OF THE RESPONDENT

TABLE 1

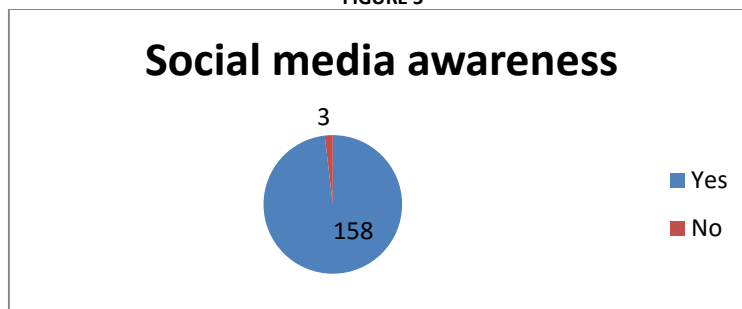
Variable*	Classification	Total N (%)
Gender	Male	123
	Female	38
Age	16-20	58
	21-24	94
	25-30	9
Department	Management	30
	Law	91
	Education	40

- *at 95% the two variables are significantly different

Analysis- Since this is a institution based study majority are male respondents and are in the age of 21-24. Major responses are from the law department students followed by Education & MBA department respectively.

2. AWARENESS REGARDING USE OF SOCIAL MEDIA

FIGURE 5



Yes -158 respondents, No-3 respondents

Analysis- As all are students, almost everyone is aware about social media and online purchasing while studying except 3 respondents who are from the rural areas & are not pretty tech savvy.

3. TIME PERIOD OF USE OF SOCIAL MEDIA

FIGURE 6

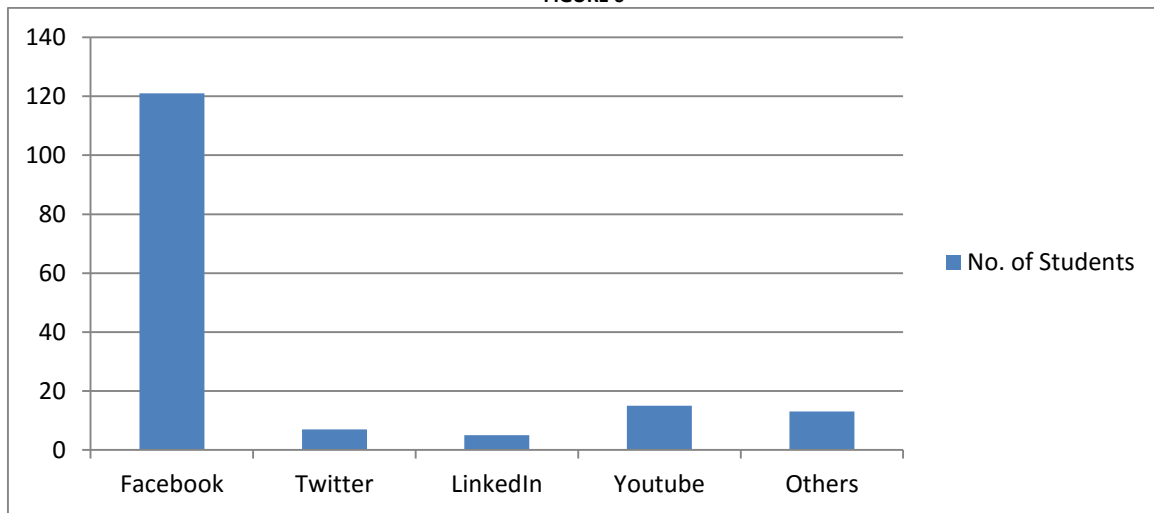


TABLE 2

0-6 months	9
>6 months-1 year	46
>1-2 years	88
>2-4 years	15
above 4 years	3

Analysis- 88 students are using social media for various purposes from more than 1 year to 2 years, it means they are quite novice in this field.

4. FREQUENCY OF VISITING SOCIAL MEDIA WEBSITES BY RESPONDENTS

FIGURE 7

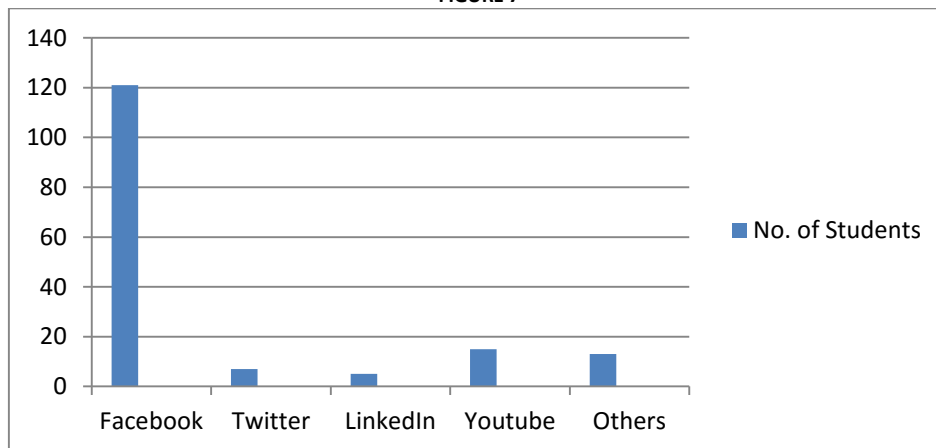


TABLE 3

Facebook	121
Twitter	7
LinkedIn	5
Youtube	15
Others	13

Analysis- Most of the respondents visit Facebook & Youtube as social media.

5. PURPOSE OF SOCIAL MEDIA VISIT

FIGURE 8

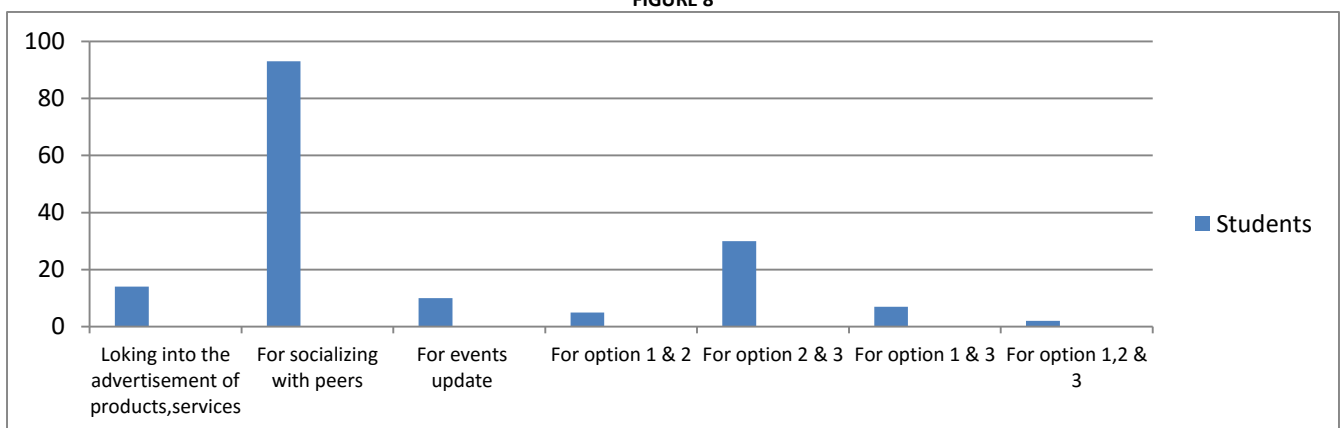


TABLE 4

For looking into the advertisement of products/services	14
For socializing with peers	93
For events update	10
For option 1 & 2	5
For option 2 & 3	30
For option 1 & 3	7
For option 1,2 & 3	2

Analysis- The purpose of social media visit has mixed responses based on their personal preferences & need. Nevertheless, most one are utilizing as medium for socialization, products/ services/events update.

6. SOCIAL MEDIA CONTRIBUTION:

- a) Effective for Brand awareness
- b) Revolutionized marketing of products/services
- c) Effectiveness for buying
- d) Effective ads
- e) Consumer engagement
- f) Increased online shopping

FIGURE 9

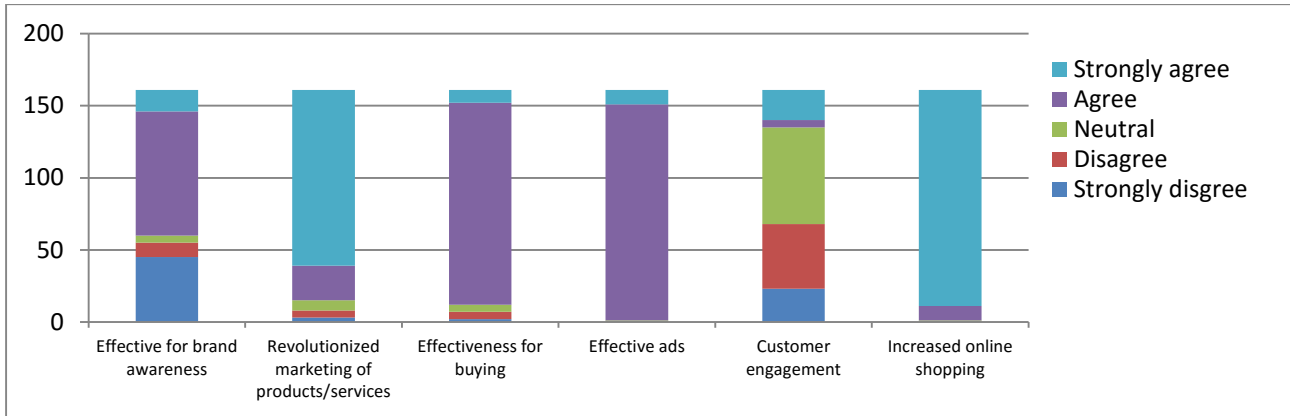


TABLE 5

	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
Effective for brand awareness	45	10	5	86	15
Revolutionized marketing of products/services	3	5	7	24	122
Effectiveness for buying	2	5	5	140	9
Effective ads	0	0	1	150	10
Customer engagement	23	45	67	5	21
Increased online shopping	0	0	1	10	150

Analysis- Most of them have positive perception regarding online shopping which affects their total purchasing behavior, attitude, learning, experience, motivation etc.

7. ONLINE SHOPPING TRANSACTION FREQUENCY

FIGURE 10

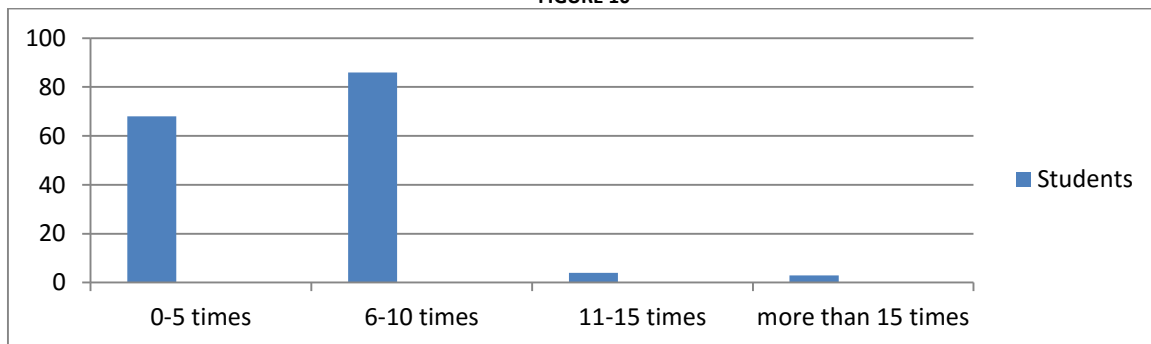


TABLE 6

	Students
0-5 times	68
6-10 times	86
11-15 times	4
>15 times	3

Analysis- This feature is directly proportional to the usage & frequency of respondents to visit social media. Moreover, more the visit more the prospects: sales conversion ratio.

8. USEFULNESS OF SOCIAL MEDIA IN DAY TO DAY OPERATION & RECOMMENDATION TO OTHERS

FIGURE 11

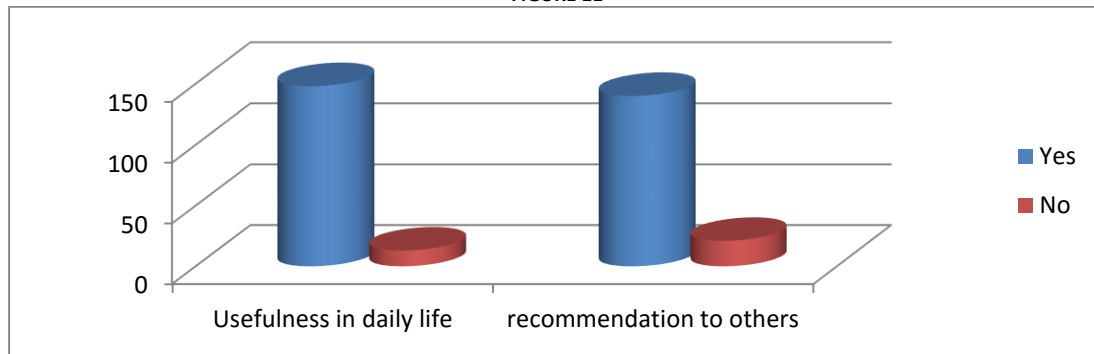


TABLE 7

	Yes	No
Usefulness in daily life	148	13
recommendation to others	140	21

Analysis- Well it is quite evident that social media do play an important role in our daily life. However, it is becoming inevitable and occupied a major position in our purchase attitude & orientation. So we do spread positive word-of-mouth (WOM) regarding online service providers.

FINDINGS

It has been found that younger people are adopting social media like anything and with a pace that was never before in the past. It has also been found that almost every social media user who were respondent in this case use to go to brand pages to learn more about the product/services, to learn about the exclusive offers, to find the reaction of their friends and peer on the selected brands. The affectivity of social media as a marketing tool will only be possible when organization having their presence on social media provide the concrete and timely information needed by the consumers. The desire to engage with the brand either through dialog with the brand’s representatives or with other consumers (business to consumer + consumer to consumer communication) leads to advocacy and loyalty towards the brand and such consumer starts working as a brand ambassador of the product/service.

There is a gap between consumer expectations and actual delivery at social networking websites; Consumers do not get the information timely and adequately.

LIMITATIONS & SCOPE FOR FURTHER RESEARCH

Limitations of this study include those commonly associated with questionnaires, including unsystematic sampling procedures and low response rates. While representativeness can always be improved, for the present research great efforts have been made in order to have a higher response rate for the sample. This study presented responses gathered from students of Aligarh Muslim University, Center Murshidabad. The respondents do not, therefore, reflect customer attitudes and behaviors related to social media users in other countries. Moreover, given the sample, the research did not include in its analysis demographic variables, such as sex, age, social class, and ethnicity.

DISCUSSION AND CONCLUSIONS

In conclusion, business today is being transformed from a transactional relationship to a social relationship. With the present growth and scale of social networking, we would even be able to buy products and services through the social medium. The medium is growing very fast and holds huge potential but is still in its nascent stage in India. Thereby time for the companies to make effective strategies and execute them to win larger share of business through this revolutionary medium and become the innovative firm of coming future.

Social media leads to friendly relations among people via the relations between the customers of a company. Indeed, via the interactions in social media among people, many values are exchanged among people and this leads to much information exchange among people, groups and companies.

This result showed that awareness of services and products of company increases brand capital of travel agency companies via social media, interesting items of social media in relation to brand for customers, providing information sharing, and transferring beliefs, updating information regarding the company services and searching the customized information regarding company services. It can be said that brand capital is closely associated with brand selection and it can facilitate decision-making process of consumer and activate brand purchase.

Based on this finding, when the company provides suitable services via social media for customers, it leads to easy access of customers to services and goods of company and there is a consistency between price and quality of services and it also increases the value of this company for customers and the customer’s intention to shopping is increased based on the value of this company to them.

Time is bringing new opportunities every day in the Social Media universe. Each channel is evolving regularly, offering more and more valuable marketing features for businesses. Also, new Social Media channels are being launched every month, offering new business possibilities and new areas of marketing research. The question is: how will businesses combine Social Media Marketing, Mobile Marketing and Email Marketing together?

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ANNEXURE

QUESTIONNAIRE

Hello Dear Students, We are conducting a survey at our Institute premise regarding “SOCIAL MEDIA MARKETING AND ITS IMPACT ON CONSUMER BUYING DECISION” for which I need your unbiased & genuine responses. The information being collected is purely for academic research purpose and will be kept confidential.

Please spare some time to make it viable and oblige. Please tick the suitable & appropriate option.

PROFILE OF THE RESPONDENT: (qualifying questions)

- a) GENDER MALE FEMALE
- b) AGE 16-20 21-25 26-30
- c) FACULTY/DEPARTMENT MANAGEMENT LAW EDUCATION

QUESTIONS

1. Do you use social media? (verifying question)
Yes No
2. How long you have been using social media?
a) 6 months b) 1 year c)2-3 years d) 4-5 years e) above 5 years
3. Which social media websites do you use more often?
a) Facebook b) Twitter c) LinkedIn d) YouTube e) Any other
4. For what purpose/s do you use social media? (Select as many choices as you like)
a) For looking into the advertisement of products/services
b) For socializing with peers
c) For events update
5. How useful do you think that social media has been for you?
a) Very useful
b) Don't know
c) Not very useful
d) Useless
6. On the scales of 1-5 below, please state how much you agree with each statement, 1 = strongly disagree, 5 = strongly agree
1 2 3 4 5
a) Social media is effective for brand awareness
b) Social media has revolutionized the marketing of a product/service
c) Social media is effective for buying a product/service
d) Social media uses effective advertising for product/service
e) Social media is great for engaging with consumers
f) Social Media is better than any other type of media for the purposes of product purchase.
7. How many times has social media helped you to purchase/buy a specific product/service?
a) 0-5
b) 6-10
c) 11-15
d) More than 15 times
8. Would you recommend using social media to others, for buying a product/service?
a) Yes b) No
- 9) Do you feel that you should use social media more in its day to day operations?
a) Yes b) No
- 10) Would you like to share any experience of your shopping through social media?
.....
.....

Thanks for your assistance and generosity

SKILL DEVELOPMENT: THE KEY TO ECONOMIC PROSPERITY

ANJALI JAIN
ASST. PROFESSOR
S. A. JAIN COLLEGE
AMBALA CITY

ABSTRACT

Skills and Knowledge are the driving forces of economic growth and development of any country. They have become even more important because of increasing pace of globalization and technological changes taking place in the world. As education is both a cause and consequence of development, Vocational education and industrial training may create and nurture a knowledge enhancing and skill development system. Skill Development is the key factor of increased employability and productivity which in turn leads to economic growth. It is an aid to individual's economic achievements as well as national development. India has the lowest proportion of trained youth in the world. 80% of entrants to workforce have no opportunity for skill training and development. This paper attempts to study the challenges for skill development and suggest some strategies regarding the phenomenon.

KEYWORDS

skills, knowledge, skillful development, vocational education, employability.

INTRODUCTION

Era of Globalization has brought tremendous transformations in all aspects of life. It has been a major force for social, economic, political and cultural development around the world. Globalization has created numerous jobs on one side but it has put several challenges for traditional service providers and receivers resulting in to unemployment of the workforce. New job opportunities have created higher demand of skilled workforce. Knowledge management and skill development can be viewed as an instrument to improve the effectiveness and contribution of workforce. It can be seen as a means to empower the individual and improve his employability.

OBJECTIVES

Some of the Objectives are:

- To study the background of skill development in India
- To study the challenges before the Employers as well as Govt.
- To analyze the role of vocational education & training centres in the field of skill development
- To suggest measures to improve employability in India

METHODOLOGY

This paper is the outcome of secondary data on Knowledge Management and skill development with special reference to Indian context. To complete this, annual reports, various books, journals and periodicals have been consulted, several reports on this particular area have been considered and internet surfing has also been done.

SKILL DEVELOPMENT MISSION

Prime Minister Narendra Modi has recently launched a project **Skill India Campaign** hopes to make India a hub of skilled manpower which included the launch of the National Skill Development Mission and unveiling of the new National Policy for Skill Development and Entrepreneurship to train 500 million people by 2022 by empowering all individuals through improved skills, knowledge and qualifications to gain access to decent employment and ensure India's competitiveness in global market. This mission is not only linked to skill but it is linked with entrepreneurship too.

In India, skill acquisition takes place through two basic structural streams- formal & informal. The formal structure includes vocational education in schools, technical & professional education imparted through professional colleges, technical training centres (polytechnics), apprenticeship training in factories etc. The informal structure includes the transfer of skills from one generation to another. For e.g. Traditional Crafts. Various NGO's, Krishi Vigyan Kendras and other institutions are also participating in imparting skills at various levels.

The Government of India having conceptualized the need of Skill Development has coordinated Three-Tier institutional structure consisting of-

P.M.'s National Council

National Skill Development Coordination Board

National Skill Development Corporation

CHALLENGES TO SKILL DEVELOPMENT IN INDIA

Our country presently faces a dual challenge of paucity of highly trained workforce as well as non employability of large sections of conventionally educated youth who possess little or no job skills. The challenge pertains not only to a huge quantitative expansion of facilities of skill training but also to equally important task of raising their quality. Some of the challenges to Skill Development in India are as follows-

LACK OF CO-ORDINATION

The biggest problem is lack of co-ordination because of tedious governance structures of regime. Govt. is pre occupied with financing and implementation work. Employment Exchanges are also not utilized properly for training and information dissemination.

ISSUE REGARDING MOBILIZATION

In India, people live with traditional mindset. So, Student mobilization to get trained has been a major issue due to unwillingness to migrate, low salaries at entry level etc.

NON-INVOLVEMENT OF INDUSTRIES

Involvement of Industry and employers in the Skill Training structures is almost nothing. They could not be brought forward to proactively participate in the field of curriculum development, training of instructors for skill development because this would entail larger autonomy to institutions.

MISMATCH BETWEEN YOUTH ASPIRATIONS AND JOBS

In the present scenario, it is very difficult to find students to fill the classrooms and getting them to accept new kind of jobs. There is a huge gap between their aspirations and available jobs.

FRAGMENTED VOCATIONAL EDUCATION SYSTEM

India has a fragmented vocational education system, managed by multiplicity of bodies. Lack of coordination among them has resulted in ineffectiveness of the approaches to skill development. Quality of vocational institutes is also very low.

LOW ENROLMENT IN VOCATIONAL COURSES

A large number of students with vocational education need to look for placement in private organizations or for self employment. The condition of private industrial employments and self employment are inferior in India in comparison to other countries. Subsequently, only a smaller fraction of students opt for vocational education.

POOR PERFORMANCE OF VOCATIONAL INSTITUTES

Funding of vocational education in India is restricted largely to Govt. where little attention was paid to quality. Once an institution begins to receive funding, subsequent funds are assured regardless of the institution's performance. Such institutions itself do nothing to cater to the market requirements.

SUGGESTIONS

The focus of the Skill Development Mission is to suggest bold ideas, concrete policies, initiatives and interventions to help in development of employability skills on a large scale to meet the needs of the industry and to help youth enter the job market. It is an effort to enhance skill development among the youth of India and give them an opportunity to contribute towards nation building. Some of the suggestions are as follows-

- The ultimate aim of vocational training is employment. Therefore, education system has to be linked to the job market. In this way, the socio-economic relevance of education can be enhanced.
- The competence of the teacher should be measured in terms of theoretical knowledge, technical and pedagogical skills as well as being abreast with new technologies in the workplace. Industry leaders should be asked to teach.
- Private organizations should be given full liberty to impart education and skills by working hand-in-hand with the industry. They have funds, are flexible and innovative. There should be policies and incentives that will support increased private sector participation in Training delivery.
- There should be wide and easy availability of computers, softwares, tools, gadgets, machines, equipments etc. in technical institutes for the practical exposure of the teachings. Training for high-quality skills requires appropriate training equipment and tools, adequate supply of training materials, and practice. Other requirements include relevant textbooks and training manuals and qualified instructors with experience in enterprises.
- Equal importance should be given to the vocational skills comparably with academics as they are equally required in the modern job scenario.
- The curriculum must be prepared jointly by the industry and the educators simultaneously. It should be regularly updated to ensure that youth are exposed to the latest technology. It should include more of practical learning than theoretical.

CONCLUSION

In brief, the building blocks of any skills strategy must be solid foundation for skills and stronger links between the worlds of education and work. This in turn requires good quality in childhood education; good information on changes in skill demands; responsiveness of the education and training system to structural changes; and recognition of skills and competences. To be effective, connecting vocational education and training and skills development to the world of work is the need of hour. Broad and continued access to training and skills development fosters opportunities and benefits of initial and lifelong learning to all, meeting the aspirations of people. Dedicated policies and measures are required to facilitate access to training and skills development. Timely information enables the world of learning to monitor the match between the supply of skills and the demand. The pace of change of the world of work, set by innovation, technology and markets, is high. Keeping up with this pace of change is a continuing challenge. Most importantly, skills by themselves do not automatically lead to more and better jobs. Skills policies must be part of a broad set of policies that are conducive to high rates of growth and investment, strong employment generation of high quality, investments in basic education, health and infrastructure, respect for workers' rights.

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A CONCEPTUAL STUDY ON PRADHAN MANTRI JAN-DHAN YOJANA: A TOOL FOR FINANCIAL INCLUSION (THE SUCCESS RATES AND AN OVERVIEW OF PEOPLES ACCEPTANCE)

SINDU AKILESH
JR. ASST. PROFESSOR
DEPARTMENT OF MANAGEMENT
NEW HORIZON COLLEGE
KASTURINAGAR, BANGALORE


ABSTRACT

The main theme of this paper is to highlight the requirement of Pradhan Mantri Jan-Dhan Yojana (PMJDY)" and financial inclusion and how well the government's initiatives have been successful. The paper also focuses on estimating the social benefit the society derived from these initiatives. The objective of "Pradhan Mantri Jan-Dhan Yojana (PMJDY)" is ensuring access to various financial services such as availability of basic savings bank account, access to need based credit, remittances facility, insurance and pension to the excluded sections i.e. weaker sections & low income groups. PMJDY is a HUGE step towards improving the state of Financial Inclusion in India. Banks were nationalized to bring about social development, induce priority sector lending and develop banking habits. However, 45 years later; we are nowhere near these goals! Almost 68% of the Indian population is out of the banking system and they depend on moneylenders for loans. This means, a rich person gets a loan at a cheaper rate while a poor person living in the village will get a loan at twice the interest rate from the local money lender. This paper seeks to provide evidence on impact of Pradhan Mantri Jan-Dhan Yojana and financial inclusion in India. In this paper secondary data has been drawn for arriving at the conclusion. The study also focuses whether with this initiative the poorer section of the society will get benefit for their development and growth. The government of India & RBI has brought out with major initiative towards ensuring the inclusive growth through financial inclusion. So that access of financial service will reach to the mass population.

KEYWORDS

banking system, financial inclusion, Pradhan Mantri Jan-Dhan Yojana.

INTRODUCTION

 Government of India lays special emphasis on financial inclusion of citizens as it is crucial to poverty reduction. Exclusion of a large number of people from any access to financial services prevents the growth of our country. A scheme to empower citizens financially was highly needed so that everyone can reap the benefits of growth and development.

PMJDY stands for Pradhan Mantri Jan Dhan Yojana. It is the name of the national mission on Financial Inclusion launched by the Prime Minister Narendra Modi on 15th August which aims to provide access to banking, savings, remittances, micro pensions, insurance and other financial services to all eligible Indians in a cost effective manner by 2018. The first phase of this scheme will last till August 14, 2015 and will involve opening of Savings Accounts for those who have no bank accounts and the issuing of Rupay Debit Cards. The name Jhan Dhan was selected through an online competition on the My Gov platform slogan of the scheme- 'My Khata My Bhagya Vidhata which when translated into English means" My Bank Account The Creator of the Good Fortune". Prime minister has referred to a ancient Sanskrit verse 'sukhasya Moolam Dharma, Dharmasya Moolam Artha, Arthasya Moolam Rajyam - which puts the onus on the state to involve people in economic activity.

REVIEW OF LITERATURE

1. Dr. Anupama Sharma and Ms. Sumita Kukreja in, "An Analytical Study: Relevance of Financial Inclusion for Developing Nations", states the role of financial inclusion, in strengthening the India's position in relation to other countries economy. The study gathered data through secondary sources including report of RBI, NABARD, books on financial inclusion and other articles written by eminent authors.
2. A research paper on, "Pradhan Mantri Jan Dhan Yojana (PMJDY) A National Mission on Financial inclusion.", by Deenanath Jha Chief Manager (Research), State Bank Institute of Information and Communication Management(SBIICM). In this paper, the author explains the salient features of the PMJDY scheme.
3. Research Paper on, "Overview of Financial Inclusion in India", by C. Paramasivan and V. Ganeshkumar, Financial inclusion aimed at providing banking and financial services to all people in a fair, transparent and equitable manner at affordable cost. This paper is an attempt to discuss the overview of financial inclusion in India.

NEED OF THE STUDY

1. To analyze whether the PMJDY scheme was successful; what where the draw backs in the scheme.
2. To have a review over any improvement in financial inclusion in accordance with PMJDY.
3. To study whether the common man has understood about the scheme and how far the scheme is implemented in each state.

MAJOR OBJECTIVE OF JAN-DHAN YOJANA

The Jan-Dhan Yojana is aimed to provide basic banking accounts with a debit card with inbuilt accident insurance. The Government plans to open at least one crore bank accounts on the first day itself. Other State Governments also flagged-off this scheme. Prime Minister also revealed a logo and a Mission Document on Financial Inclusion. He also dedicated the mobile banking facility on the basic mobile phone to the nation. Its main features include Rs 5,000 overdraft facility for Aadhar-linked accounts, RuPay Debit Card with inbuilt Rs 1 lakh accident insurance cover and minimum monthly remuneration of Rs 5,000 to business correspondents who will provide the last link between the account holders and the bank. The banking network is all set to open bank accounts of the uncovered households in both rural and urban areas.

MEANING OF FINANCIAL INCLUSION

The Reserve Bank of India (RBI) today said that financial inclusion is not restricted merely to opening of bank accounts and should imply provision of all financial services like credit, remittance and overdraft facilities for the rural poor. The accounts must be operational to provide benefits beyond deposit of money like availability of credit, remittance facility and overdraft among others". In the past, state policies of financial inclusion overwhelmingly relied on extending credit to poor households through subsidized schemes like the Integrated Rural Development Programme or self-help groups (SHGs) and no-frills bank accounts. In order to reduce the degree of "financial untouchability" the new government has come up with a big bang action plan which is popularly known as "Pradhan Mantri Jan-Dhan Yojana". It's a mega financial inclusion plan with the objective of covering all households in the country with banking facilities along with inbuilt insurance coverage. The purpose is to accelerate growth, fight poverty effectively and to empower the last man in the last row in Indian economy. The policy makers in India have been focusing on financial inclusion of rural and semi-rural areas, primarily for three most pressing needs:

- 1. Creating a platform for inculcating the habit to save money** – The lower income category has been living under the constant shadow of financial duress mainly because of the absence of savings. The absence of savings makes them a vulnerable lot. Capital formation in the country is also expected to be boosted once financial inclusion measures materialize, as people move away from traditional modes of parking their savings in land, buildings, bullion, etc.
- 2. Providing formal credit avenues** – So far the unbanked population has been vulnerably dependent on informal channels of credit like family, friends and moneylenders. Availability of adequate and transparent credit from formal banking channels shall allow the entrepreneurial spirit of the masses to increase outputs and prosperity in the countryside.
- 3. Plug gaps and leaks in public subsidies and welfare programmes** – Government therefore is pushing for direct cash transfers to beneficiaries through their bank accounts rather than subsidizing products and making cash payments. This laudable effort is expected to reduce government’s subsidy bill (as it shall save that part of the subsidy that is leaked) and provide relief only to the real beneficiaries. All these efforts require an efficient and affordable banking system that can reach out to all.

OBJECTIVES OF THE STUDY

1. To study the effectiveness of PMJDY SCHEME.
2. To assess the progress made by the scheme and its features.
3. To study whether each household has understood the role of banking and opening of account.
4. To study the need of financial inclusion in India.

The PMJDY scheme is being implemented in two phases.

The first phase: 15 Aug, 2014 - 14 Aug, 2015 and the second phase from 15 Aug, 2015 - 14 Aug, 2018. The aim of the first phase is –

Universal access to banking facilities in all areas except areas with infrastructure and connectivity constraints like parts of North East, Himachal Pradesh, Uttarakhand, J&K and 82 Left wing Extremism(LWE) districts.

- Providing basic banking accounts and Rupay Debit card which’s inbuilt accidenting insurance cover of rupees 1 lakh. AadhaarNumber will be seeded to make account ready for DBT payment.

The second phase will have-

- Overdraft facility up to Rs. 5000 after six months of satisfactory Operation/history
- Creation of Credit Guarantee Fund for coverage of defaults in A/Cs with overdraft limit up to Rs.5000.
- Micro insurance
- Unorganized sector Pension schemes like Swayalamban

RESEARCH METHODOLOGY

SOURCES OF DATA COLLECTION

The study is based on secondary data collected from RBI, RBI REPORTS, journals, magazines, and websites, Newspapers. Published sources include government publications, and other publications like research articles published in journal and available on website.

CURRENT STATUS AND ACHIEVEMENTS OF PMJDY

1. Rs 19.34 crore account has been opened so far.
2. Rs 26,956.45 crore deposits have been opened.
3. Guinness world records recognize achievements under PMJDY.
4. Banking correspondents under PMJDY exempted from service tax.
5. Progress of Pradhan Mantri Jan-Dhan Yojana PMJDY 2014 is a comprehensive financial inclusion programme, targeting opening of 7.5 crore new accounts within five months with insurance and pension facilities. BCs are employed in places where banks do not have branches. Following Table shows the progress of PMJDY:

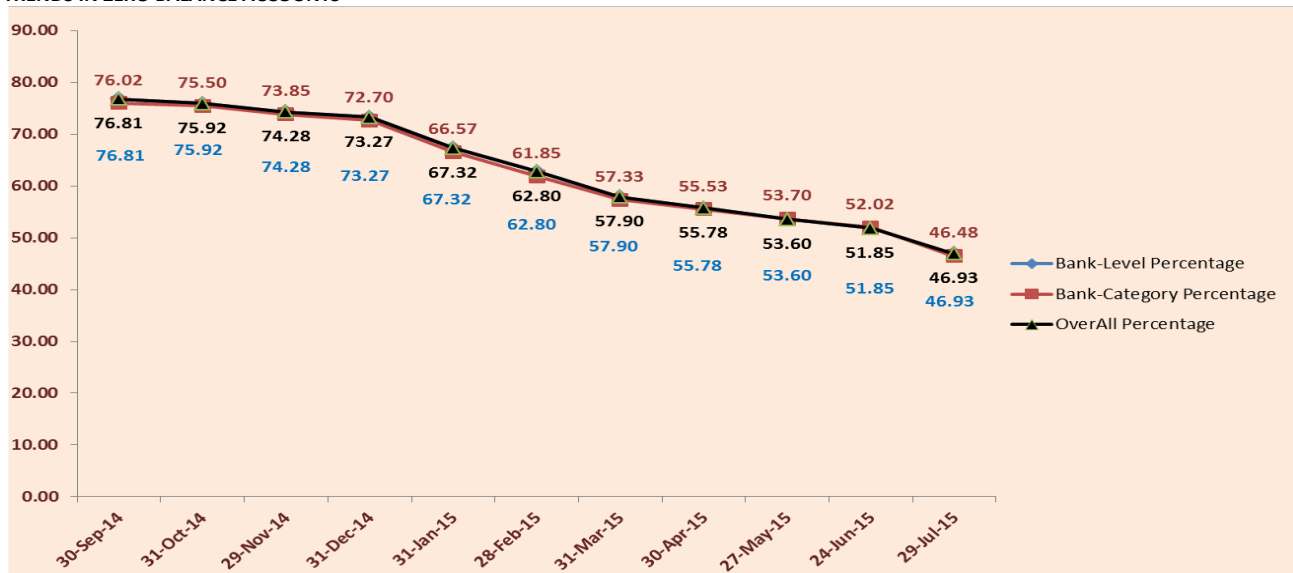
TABLE 1: PRADHAN MANTRI JAN - DHAN YOJANA (Accounts Opened as on 09.12.2015) *(All Figures in Crores)*

BANK NAME	RURAL	URBAN	TOTAL	NO OF RUPAY CARDS	AADHAAR SEEDED	BALANCE IN ACCOUNTS	% OF ZERO-BALANCE-ACCOUNTS
Public Sector Bank	8.44	6.83	15.27	13.50	7.06	21772.65	33.75
Regional Rural Bank	3.01	0.50	3.51	2.53	0.99	4756.91	31.45
Private Banks	0.44	0.29	0.73	0.64	0.23	1166.20	40.89
Total	11.89	7.63	19.52	16.67	8.28	27695.76	33.60

SOURCE: www.pmjdy.gov.in

Disclaimer: Information is based upon the data as submitted by different banks/SLBC.

6. TRENDS IN ZERO BALANCE ACCOUNTS



SOURCE: www.pmjdy.gov.in

7. PROGRESS-REPORT OF PMJDY (STATE WISE)

Name	Rural Accounts	Urban Accounts	Total Accounts	Deposit (in Crore)	Aadhaar seeded	Zero Balance Accounts	Rupay Card Issued
ANDAMAN & NICOBAR	37295	15031	52326	14.19	16257	21438	46744
ANDHRA PRADESH	4077734	3012630	7090364	582.16	5360114	2415163	6383124
ARUNACHAL PRADESH	86938	31975	118913	23.18	12144	44497	105287
ASSAM	4734632	1606373	6341005	1053.37	305523	2071649	5012073
BIHAR	10510211	4254751	14764962	2041.92	2288309	5281143	13395141
CHANDIGARH	42680	166818	209498	49.03	160979	40294	204298
CHHATTISGARH	5895617	2892115	8787732	748.85	2190482	4257507	6753615
DADRA & NAGAR HAVELI	44157	8911	53068	15.63	32496	17081	47937
DAMAN & DIU	14891	7880	22771	6.12	11644	6575	19488
GOA	92212	31793	124005	41.98	83703	24756	128381
GUJARAT	3906296	3416737	7323033	1108.80	2724772	2353814	6596671
HARYANA	2881763	2102656	4984419	1136.95	3376194	1344032	4220551
HIMACHAL PRADESH	725345	101413	826758	221.51	616322	178440	742109
JAMMU & KASHMIR	1400686	246726	1647412	315.44	110695	782630	1098503
JHARKHAND	3677644	1521157	5198801	443.98	3732535	2428558	4141440
KARNATAKA	5420923	3428623	8849546	1088.56	5260874	2858638	8197107
KERALA	1299424	1138430	2437854	544.29	1762422	715882	2187898
LAKSHADWEEP	4524	568	5092	4.05	3369	1679	4081
MADHYA PRADESH	8406277	8437342	16843619	1084.51	7323177	7115015	13971155
MAHARASHTRA	5796680	6469428	12266108	1519.00	8040888	4888114	11220306
MANIPUR	250426	308003	558429	75.76	151594	163758	486563
MEGHALAYA	178499	56165	234664	52.95	3882	74934	184106
MIZORAM	55728	70656	126384	9.46	2567	61560	84392
NAGALAND	86625	67659	154284	15.80	34806	65692	136074
DELHI	351845	2536325	2888170	690.08	1953763	916646	2583926
ORISSA	5566305	1882226	7448531	1091.79	2470260	2408242	5959864
PUDUCHERRY	55035	54392	109427	17.07	77645	31607	94735
PUNJAB	2748908	1842185	4591093	1294.72	3497987	1046424	4290878
RAJASTHAN	9821282	5423815	15245097	2203.34	8463269	5068637	13101520
SIKKIM	61177	10901	72078	14.69	55833	23757	61742
TAMIL NADU	4177969	3461023	7638992	851.82	2623790	2598221	6988965
TELANGANA	4503749	3169985	7673734	648.89	5056732	2854148	6157544
TRIPURA	447650	188069	635719	222.06	500345	119956	450691
UTTAR PRADESH	17810107	11822439	29632546	4077.69	7924481	10261312	27042820
UTTARAKHAND	1176687	534039	1710726	359.76	462122	474591	1473492
WEST BENGAL	11402608	5367406	16770014	3286.86	5211059	4654385	12444231

SOURCE: www.pmjdy.gov.in

BENEFITS OF PMJDY SCHEME

1. Interest on deposit.
2. Accidental insurance cover of Rs.1.00 lakh.
3. No minimum balance required.
4. Life insurance cover of Rs.30, 000/-
5. Easy Transfer of money across India
6. Beneficiaries of Government Schemes will get Direct Benefit Transfer in these accounts.
7. After satisfactory operation of the account for 6 months, an overdraft facility will be permitted
8. Access to Pension, insurance products.
9. Accidental Insurance Cover, RuPay Debit Card must be used at least once in 45 days.
10. Overdraft facility up to Rs.5000/- is available in only one account per household, preferably lady of the household.

DOCUMENTS REQUIRED TO OPEN AN ACCOUNT UNDER PRADHAN MANTRI JAN-DHAN YOJANA

1. If Aadhaar Card/Aadhaar Number is available, then no other documents are required. If address has changed, then a self certification of current address is sufficient.
2. If Aadhaar Card is not available, then any one of the following Officially Valid Documents (OVD) is required: Voter ID Card, Driving License, PAN Card, and Passport & NREGA Card. If these documents also contain your address, it can serve both as "Proof of Identity and Address".
3. If a person does not have any of the "officially valid documents" mentioned above, but it is categorized as 'low risk' by the banks, then he/she can open a bank account by submitting any one of the following documents:
 - a) 1. Identity Card with applicant's photograph issued by Central/State Government Departments, Statutory/Regulatory Authorities, Public Sector Undertakings, Scheduled Commercial Banks and Public Financial Institutions;
 - b) Letter issued by a gazette officer, with a duly attested photograph of the person.

SALIENT FEATURES AND BASIC PILLARS OF PMJDY

- **UNIVERSAL ACCESS TO BANKING FACILITIES**

All the more than 6 lakh villages in the country are to be organised into Sub Service Areas and allocate to banks. Banks are required to provide one fixed point banking outlet as an either branch or Business Correspondent (known as 'Bank Mitra') to cater services to 1000 to 1500 households.

- **PROVIDING BASIC BANKING ACCOUNTS**

The National Payments Corporation of India recently launched Indigenous debit card called as RuPay Debit Card which is India's own card system. Further, the Kissan Credit Card is also to be provided with the RuPay Card. This card covers an accidental insurance benefit of Rs. 1 lakh and life insurance of Rs.30, 000.

• FINANCIAL LITERACY

It is necessary to create awareness among the people about the benefits of formal financial system, banks, savings, credit, timely repayment of loans and other services; before implementing any programs like micro finance and self help groups.

The knowledge regarding basic financial literacy, operating an ATM card, benefits of timely repayment of loan and overdraft due, etc, will be imparted through awareness camps and camps conducted for opening of bank accounts.

• CREDIT GUARANTEE FUND

This fund will give a security to banks to provide over draft credit and will bring in discipline in the monitoring mechanism. The CGF will be created and kept under the National Credit Guarantee Trust. Out of total CGF, half of the amount will be contributed by banks in terms of Guarantee fee and rest of the amount of fund will be given by the government.

• MICRO INSURANCE

The existing 'Aam Aadmi Bima Yojana' is a micro insurance policy with the coverage of only 4.6 crore against the target of about 12 crore beneficiaries. The 'Bank Mitra' mechanism will offer micro insurance policies in order to cover the rest of the beneficiaries. Micro life and general insurance policy is given under this scheme to provide insurance coverage to the poor and economically vulnerable sections of the society.

• PROVISION OF PENSION SCHEME

The central government has launched a co-contributory pension scheme in 2010 known as 'Swavlamban Pension Scheme' to encourage workers in the unorganized sector to save income on their Own for their old age. Under this scheme, National Pension Scheme account is open in a bank and Rs 1000 to Rs. 12,000 are deposited per annum for a period of five years. The government has to contribute Rs. 1000 per annum in each NPS account. The Pension Fund Regulatory and Development Authority were set up by the government to implement the NPS and 79 Aggregators are appointed by the PFRDA to operate the NPS.

SCOPE OF FINANCIAL INCLUSION IN COMMERCIAL BANKS

In India, the focus of the financial inclusion at present is confined to ensuring a bare minimum access to a savings bank account without frills, to all. Internationally, the financial inclusion has been viewed in a much wider perspective. Having a current account / savings account on its own, is not regarded as an accurate indicator of financial inclusion. 'Financial Inclusion' efforts should offer at a minimum, access to a range of financial services including savings, long and short term credit, insurance, pensions, mortgages, money transfers, etc. and all this at a reasonable cost.

BANKING AND THE SERVICES

- To ensure banking services are attractive to those with low incomes, banking products must have features that meet the needs of this group of consumers. For this, the banks have to develop:
 - Basic Banking Account
 - Low cost bill payment systems
 - Technology driven products
 - Bio-metric ATMs
 - Pre-paid Cards
 - Internet Kiosks
 - Deposit accounts, which offer an overdraft and an easy route to debt.
 - Affordable insurance products
 - For individuals
 - For business enterprise Banking and Other Related Services

FINANCIAL INCLUSION CURRENT STATUS – INDIA

The concept was first mooted by the Reserve Bank of India in 2005 and branchless banking through banking agent called Bank Mitra (business correspondent). The Bank Mitra (Business Correspondent) outlets (in both rural and urban areas) would be fully equipped with the required infrastructure including the computers and other peripherals like Micro ATM, Bio-metric scanners, Printer, Web cam and internet connectivity. Despite various measures for financial inclusion, poverty and exclusion continue to dominate socio-economic and political discourse in India even after six decades of post economic independence era. India is still home of 1/3 of world's poor.

- Census, 2011 estimates that only 58.7% of the households have access to banking services.
- The present banking network of the country (as on 31.03.2014) comprises of a bank branch network of 1, 15,082 and an ATM network of 1, 60,055. Of these, 43,962 branches (38.2%) and 23,334 1 ATMs (14.58%) are in rural areas.

Implementation of Financial Inclusion Project has contributed to the Indian Economy in a productive Way. Following are the major contributions of Financial Inclusion initiatives:

1. Regulation of unbanked and under banked sectors of the country.
2. Reduction in unorganized financial sectors like moneylenders.
3. Help in reduction of Poverty.
4. Generate employment opportunity.

FINDINGS

1. Gains of PMJDY
 - Interest on deposit
 - No need for minimum balance
 - Easy money transfer
 - Government scheme beneficiaries get DBT in accounts
 - Access to Pension, Insurance Products
2. Expansion of Key Service Sectors like banking sector.
3. Closing the Gaps - PMJDY will close the divide in the subsidy system ensuring transparency.
4. Promoting Accountability
 - PMJDY will cut chances of black money accumulation and counter corruption.
5. Many States Achieved 100% Coverage
 - Even sensitive states like J&K have high coverage (94%).
 - All States Have Above 90% Coverage.

DRAW BACKS OF PMJDY

1. Most Accounts with Zero Balance Private Sector Participation below Par.
2. Free Accident Insurance Conditional
 - Jan Dhan Yojana provides free accident insurance cover only if RuPay Debit Card used once in 45 days.

- Not possible for poor low income individuals.
- As NPCI paying premium, they want RuPay card to be used.

SUGGESTIONS

- It has been found that there are immense dormant accounts opened which are malfunctioning.
- The government /the bank have to review that the account is operated accordingly and assistance has to be provided to individuals whenever required.
- The society has to be made much more aware of the benefits of scheme and how it has to be operated.
- While providing overdraft facility the banker has to take the responsibility and it has to be followed properly without any pressure from the banker for which the banker has to explain the guidelines properly.

CONCLUSION

The PMJDY is superior over the UPA's financial inclusion programme because the earlier Programme had no focus on individual households.

Success of Pradhan Mantri Jan Dhan Yojana Scheme:

- Banks, primarily the PSBs, have opened 11.5 crore accounts under the Pradhan Mantri Jan Dhan Yojana.
- (PMJDY), covering 99.74% households and paving the way for transfer of over ₹65,000 crore of subsidies.
- And other transfers directly into these accounts. Of the accounts opened under PMJDY, 51% were held by women, while over 59% were in rural areas. By any standard, the Pradhan Mantri Jan Dhan Yojana (PMJDY) is an extraordinary achievement for the government.
- As part of the effort, the program aimed to provide 75 million unbanked adults in India with accounts by late January 2015. As of September 2015, about 180 million accounts had been opened; about 44 percent of these accounts did not carry a balance, down from about 76 percent in September 2014.
- The PMJDY initiative is a component of the JAM trinity, or "Jan-Dhan, Aadhaar and Mobile." Under this approach, government transfers (also known as Direct Benefit Transfers or DBT) will be channeled through bank accounts provided under Jan-Dhan, Aadhaar identification numbers or biometric IDs, and mobile phone numbers.

The scheme can be much improved and implemented until and unless the society is aware; and all people are made aware and literate about the scheme. The government has to implement and introduce awareness programmes in villages and backward areas so that the people can understand how to operate. As far the current study the scheme is being successful in records; but can't access properly whether the scheme is understood in the exact manner. Hence, this is the mission to eradicate poverty through the financial inclusion programme. The poor and the underprivileged people in rural, semi-urban and urban areas are expected to get all the benefits such as financial inclusion, financial stability and financial freedom through the PMJDY.

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STANDARDIZATION OF PERCEIVED PROFESSIONAL SUCCESS SCALE FOR POLICE PERSONNEL

RASMITA DAS SWAIN
SR. RESEARCH FELLOW
NTPC SCHOOL OF BUSINESS
NOIDA

SHIV MANGAL SINGH
LECTURER
DEPARTMENT OF PSYCHOLOGY
GOVERNMENT COLLEGE FOR WOMEN
GANDHI NAGAR, JAMMU

ABSTRACT

The aim of this paper is to develop a scale for Perceived Professional Success for Indian Police Personnel. Charles Horton Cooley (1902) used the idea of looking-glass self which implies that we always imagine what others think about us, and what we think, they think about us affects our own self-evaluation. This theory was used as a base for preparing the test. The scale was administered on 400 Police Personnel including 160 middle level police officers and 240 lower level police officers. Statistical techniques like correlation, factor analysis and Cronbach alpha reliability were used to standardize the scale. The scale's reliability, validity and norms too were established. This scale is expected to help in understanding their perceived professional success.

KEYWORDS

perceived professional success scale, reliability, factor analysis and norms.

INTRODUCTION

Perception may be understood as the study of how body and mind cooperate in establishing our awareness of the external world. We select, process, interpret, and act upon information from our social environment based on social cognition. Social cognition is to understand how social objects are represented within the cognitive system. We learn a great deal about ourselves as a result of social interaction. The process of perceiving what we are like, and feeling that we are good or bad on the basis of what other people think of us, has been called reflected appraisal (Gergen 1971). It is one of the most important processes affecting our self concept. Looking glass self theory refers to the idea that how we appraise ourselves reflects, or mirrors, how others appraise us. Charles Horton Cooley (1902) used the idea of looking-glass self which implies that we always imagine what others think about us, and what we think, they think about us affects our own self-evaluation. George Herbert Mead (1934) said that we pay close attention to the opinion of us that is implied in the behaviour of 'significant others' that is important other people, such as parents and friends. Felson (1989) said that imagined appraisals of parents do affect self-appraisals, even though these imagined or reflected appraisals are frequently inaccurate i.e. what we imagine our parents and significant others think of us may not be what they actually think. People are motivated to see themselves in a good light as we all have self-serving bias.

PERCEIVED PROFESSIONAL SUCCESS

Perceived Professional Success refers to perception by others including oneself about one's accomplishment and work behaviors. The dynamics of perceptual process is contingent upon professional success of role partners in the given situations (Jones, E.E., Goethals, G.R., Kennington, G.E. and Severance, L.J. (1972)). The scale is thus designed to know about one's own perception and of others including colleagues, seniors, subordinates, the general public and other stake holders. In police performance appraisals though confidential reports viewed as measures of professional success. This success is based on the achievement of set objectives like knowledge of law, police rules, procedures, knowledge about area, attitude to work, initiatives to learn, decision making, handling unforeseen, ability to inspire oneself and others, communication skills, interpersonal relations, teamwork, public relations, attitude towards weaker sections of society, maintaining communal harmony, police welfare etc. These parameters are important to measure professional success of police personals.

PERCEIVED PROFESSIONAL SUCCESS SCALE

Four stages of scale development (Schwab, 1980) include:

- Defining the theoretical construct to be measured.
- Item generation: this stage involves creating items (item writing and item editing) that are to be used to measure the construct.
- Scale development: In this step the response format of the items, as well as the manner in which the items are combined to form the scale, is decided. Scale development consists of collecting data with the use of a preliminary form and analysing the data in order to select items for a more final form.
- Scale evaluation: In this stage the psychometric properties (reliability and validity) of the scale is tested.

ITEM GENERATION

The item generation based on the philosophy of Charles Horton Cooley's (1902) idea of looking-glass self which implies that we always imagine what others think about us, and what we think, they think about us affects our own self-evaluation.

To develop items to measure Perceived Professional Success, several specific examples of such behaviors were generated taking cues from existing scales and literature related to perceived success. Skilful interviewing can elicit a wide range of statements about the variable in question (Dawis, 1987). To generate items for the purpose of developing the Perceived Professional Success Scale, several group discussions and interviews were conducted with police officers, professors and some research scholars. The items generated by these professionals were combined with those generated from review of literature and existing scales. While editing the items, the utmost care was taken to avoid double-barrelled questions, non-monotonic questions and question using any jargons. The combined pool thus generated consisted of 36 items. To avoid useless data and other problems the scale was given to 5 high level police officials and 5 police administration experts. 26 items were selected for the final scale. The instructions, scoring key, time limits and response patterns were decided for the administration of the scale.

ASSESSMENT OF VALIDITY

To assess the construct validity of the combined pool of items generated, these items were presented to 15 judges (consisting of police officers, professors, and Ph.D. scholars) along with the definition of Professional Perceived Success. These judges were, therefore, requested to respond whether the items in the following scale belong to the construct of Perceived Professional Success or not and the responses were recorded in yes or no format.

On the basis of the above responses, those items were included in which 90% of the judges were of the opinion that the item belonged to the construct of Perceived Professional Success.

PRE-TESTING OF SCALE

The scale was pre-tested to assess the meaningfulness of dimensions and to find out response differentiation on each item in the scale. A pilot study was conducted on 50 police personnel. Out of 50 police personnel, 25 were middle level police officers and 25 were lower level police officers. Dy. SPs, SPs, and SSPs were included in middle level police officers and Inspectors, Sub Inspectors, ASIs, and lower subordinates were included in lower level police officers.

The perceived professional success scale having 26 items was given to 50 subjects to rate each item on a 5-point scale. Subjects were requested to respond in a manner that would best express their reactions to particular items. The items were scored according to the already decided pattern i.e. 1 mark for negligibly successful, 2 for somewhat successful, 3 for reasonably successful, 4 for substantially successful and 5 marks for remarkably successful. Subjects were also asked to report freely about their understandability of items and the need for modifications, if any. The data on 50 subjects were analysed using inter-item correlation and factor analysis. The reliability coefficients were found in terms of Cronbach Alpha.

ORGANIZATION OF FINAL STUDY

After due modifications, based on the result of the pilot study, the final data collection was conducted. The scales were administered to the 400 police personnel, 160 middle level police officers and 240 lower level police officers.

PROCEDURE

The scale was administered by the researcher personally. Subjects were given sufficient time to respond to the scale. Whenever, it was wanted, possible explanations were given regarding the purpose and nature of the study. Respondents were helped individually, whenever they had doubts. Subjects were allowed to take their own time but were asked to respond to all the items. Before administering the scale, the following general instructions were given to the respondents:

CONFIRMATORY FACTOR ANALYSIS

To minimize error variance a confirmatory factor analysis was done on the larger sample (N=400). Principal component analysis and varimax rotation methods were used to identify the underlying factors in the scale. The item total correlation matrix for the perceived professional success scale is presented in Table 1. The relationship suggested that each item independently contributed to total scale and thus, provided the evidence of reliability of each item and reliability of the scale.

Table-2 included the results of factor analysis of perceived professional success Scale, which resulted in 6 factors explaining 72.67% of the total variance.

Factor 1 (Personal Competence)

The factor contained 6 items focusing on the degree to which one is professionally successful in one's own view, in the views of colleagues, seniors and subordinates. The items falling in this factors are also related to how one rate his or her personality strengths, values, habits, attitudes and knowledge as a successful professional. The factor explained 41.515% of variance and has been identified as Personal Competence (Cronbach alpha = 0.8845).

Factor 2 (Professional Competence)

Professional competence factor accounted for 9.477% of variance and contained items about rating one's experience, abilities, professional networking and skills as a successful professional. The items related to respondent's perception about their effectiveness in maintaining communal harmony and persuading their seniors about the work plans. The factor identified as Professional competence contained of 6 items. (Cronbach alpha = 0.88).

Factor 3 (Future Success)

This factor contained 5 items like thinking about progress of their career in future, future attainment of success, evaluation by seniors, general public etc. The factor was primarily concerned with success in one's career in future. It explained 6.354% of variance (Cronbach alpha = 0.79).

Factor 4 (Insight)

The factor explained 5.79% of the variance and contained 2 items on the degree to which they had successfully investigated the crime. (Cronbach alpha = 0.78).

Factor 5 (E.Q.)

E.Q. factor contained 3 items on the degree to which the respondents thinking about their successfulness in taking correct decisions, ability to motivate and getting the support from subordinates and colleagues, and protecting and addressing the problems of weaker sections of society. It explained about 4.95% of the variance. (Cronbach alpha = 0.73).

Factor 6 (Mentoring)

This factor contained 4 items rating oneself on physical fitness, relations with public, welfare of juniors and as a mentor and learner. It explained about 4.57% of the variance. (Cronbach alpha = 0.75).

The reliability of the perceived professional success scale was 0.93 by using Cronbach alpha.

NORMS

The norms for the Perceived Professional Success Scale were established as shown in table -3. For the Perceived Professional Success, who score above 111 on this scale have high perceived professional success and those who score below 45 have very low perceived professional success. The respondents who score between 66 and 90 have an average perceived professional success. Norms were also established for each factor given in table -3.

TABLE 1: INTERITEM CORRELATION MATRIX FOR PERCEIVED PROFESSIONAL SUCCESS SCALE (N=400)

Item 1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26
1.72".39".30".57".57".54".61".27".50".64".58".53".71".64".63".58".05".31".43".30".55".38".45".05".39"																									
2.	.45".22".36".46".49".35".25".43".64".35".52".53".44".58".46".22".26".63".34".48".20".31".28".53"																								
3.	.51".25".36".50".22".39".52".42".22".53".56".52".53".52".-00.32".26".11".22".38".37".13".31"																								
4.	.45".39".52".33".40".49".49".24".29".29".48".32".29".07".32".24".00.16".28".31".22".24"																								
5.	.45".33".44".40".32".54".63".51".53".50".40".48".10".33".36".19".15".21".42".25".25"																								
6.	.73".67".44".36".55".55".52".48".51".57".64".04".40".33".17".41".53".46".34".27"																								
7.	.60".28".53".56".45".52".36".59".55".51".-12".18".26".06".40".33".37".15".22"																								
8.	.29".32".37".66".46".51".64".50".61".04".23".08".00.43".41".21".-14".12"																								
9.	.35".51".27".28".34".42".45".36".11".36".42".46".07".40".16".31".07"																								
10.	.49".38".52".56".53".59".47".08".35".50".24".51".34".48".09".38"																								
11.	.36".41".37".51".45".36".21".41".64".45".40".34".19".34".32"																								
12.	.51".60".47".42".45".08".42".21".13".38".43".46".11".12"																								
13.	.74".50".65".66".11".11".34".17".12".25".38".18".40"																								
14.	.68".77".73".21".30".30".24".45".43".62".08".53"																								
15.	.64".67".21".31".23".14".49".40".45".00.32"																								
16.	.73".14".20".33".23".35".37".43".13".47"																								
17.	.09".31".27".11".33".29".54".03".44"																								
18.	.15".35".14".13".15".05".02".26"																								
19.	.37".42".45".56".40".33".29"																								
20.	.57".36".34".37".44".44"																								
21.	.36".43".21".45".23"																								
22.	.51".48".16".43"																								
23.	.44".24".25"																								
24.	.32".49"																								
25.	.20"																								
26.																									

TABLE 2: ROTATED COMPONENT MATRIX (A) OF PERCEIVED PROFESSIONAL SUCCESS SCALE

Items	Component						Communalities
	1	2	3	4	5	6	
Item 1	.575	.340	.096	.564	.059	.176	.798
Item 2	.246	.406	.097	.725	.274	-.024	.827
Item 3	.072	.476	.698	.109	.032	.089	.722
Item 4	.164	.090	.789	.062	.095	.133	.639
Item 5	.713	.200	.190	.014	.349	-.044	.697
Item 6	.620	.149	.305	.281	.188	.282	.708
Item 7	.407	.148	.508	.500	-.037	.126	.835
Item 8	.779	.016	.201	.298	-.285	.253	.868
Item 9	.348	-.061	.586	-.030	.434	.092	.670
Item 10	.118	.450	.490	.349	.047	.261	.633
Item 11	.326	.007	.435	.603	.414	.087	.856
Item 12	.807	.165	.004	.055	.083	.305	.763
Item 13	.531	.583	.268	.164	.143	-.211	.750
Item 14	.527	.718	.174	.111	.010	.171	.901
Item 15	.507	.328	.462	.260	-.164	.253	.686
Item 16	.437	.567	.352	.285	.021	.031	.728
Item 17	.555	.575	.291	.128	-.063	.085	.752
Item 18	.016	.119	.001	.087	.046	.832	.365
Item 19	.180	.097	.220	-.021	.362	.678	.679
Item 20	.041	.236	.161	.479	.617	.129	.794
Item 21	.035	.049	-.016	.243	.663	.321	.666
Item 22	.119	.265	-.033	.539	-.014	.713	.882
Item 23	.264	.122	.252	.022	.190	.733	.698
Item 24	.243	.678	.071	-.050	.216	.440	.720
Item 25	.005	.108	.087	.008	.836	.112	.570
Item 26	-.047	.724	.037	.290	.170	.165	.688
Variance (%)	41.515	9.477	6.354	5.799	4.951	4.576	72.672

TABLE 3: NORMS FOR PERCEIVED PROFESSIONAL SUCCESS

Description of scores	Total score on PPS	Score of Factor 1	Score of Factor 2	Score of Factor 3	Score of Factor 4	Score of Factor 5	Score of Factor 6
Very High PPS	111 to 130	26 to 30	26 to 30	22 to 25	10	16 to 18	18 to 20
High PPS	91 to 110	21 to 25	21 to 25	18 to 21	8 to 9	13 to 15	15 to 17
Average PPS	66 to 90	16 to 20	16 to 20	13 to 17	6 to 7	9 to 12	10 to 14
Low PPS	46 to 65	11 to 15	11 to 15	9 to 12	4 to 5	6 to 8	7 to 9
Very Low PPS	26 to 45	6 to 10	6 to 10	5 to 8	2 to 3	3 to 5	4 to 6

DISCUSSION

The perceived professional success scale for Indian police which is based on the philosophy of Charles Horton Cooley's (1902) idea of looking-glass self which implies that we always imagine what others think about us, and what we think, they think about us affects our own self-evaluation. The reliability of PPS scale

was.93. The dimensions also yield high internal consistency coefficients. There are a number of possible directions for further improvement of PPS scale including its validation with a wider range of participants. PPS scale can be applied on the other samples by making some changes according to the characteristics of the population.

PPS scale has a number of potential applications for both research and practice. The tool can be used to identify perceived professional success of police personnel throughout the country. To use appropriate interventions for low perceived and high perceived professional success. One of the main purpose in constructing PPS scale was to understand perception of the individual about his or her professional success. The scale may be used in group level to use interventions at macro context for enhancing professional environment. This scale can be useful to identify future success, mentoring, EQ, insight, personal and professional competence of the participants,

FACTORS EMERGED

Factor No.	Factor Name	Item No.
Factor-1	Personal Competence	1, 5, 6, 8, 12 & 15
Factor-2	Professional Competence	13, 14, 16, 17, 24 & 26
Factor-3	Future Success	3, 4, 7, 9 & 10
Factor-4	Insight	2 & 11
Factor-5	EQ	20, 21, & 25
Factor-6	Mentoring	18, 19, 22 & 23

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REDEFINING MANAGEMENT PRINCIPLES FOR THE 'DIGITAL' GENERATION

DR. DEEPIKA DABKE
FACULTY
IBS BUSINESS SCHOOL
MUMBAI

ABSTRACT

The current study aimed to examine the differences in the expectations and priorities of the leaders from the Information Technology and Enabled Services (ITES) sector and their followers belonging to the Digital generation with respect to various work related parameters. Data was collected from 13 Project managers of an ITES organization and 96 team members belonging to the delivery team. Differences in the work values, work motivation and feedback seeking behaviour of Project managers, representing the Gen X cohort, and their team members, representing the Gen Y cohort, was assessed using the Work Ethics scale (Blau, 1997) Work Intrinsic and Extrinsic Motivation Scale (Trembley et al, 2009) and Feedback Seeking scale (Ashford, 1986). An independent t test analysis indicated significant differences in the Gen X and Y representatives on these work related aspects. Results have been discussed in the context of people handling skills necessary to manage these gen Y employees and appropriate leadership model required to deal with the millennials.

KEYWORDS

millennials, work values, work motivation, feedback monitoring, feedback inquiry, leadership.

INTRODUCTION

All businesses are becoming global today. Most organizations either aspire to be present in multiple nations or look to service global clients. The handling of the workforce required to achieve these goals also require a global perspective. One such sector is the Informational technology and Enabled Services (ITES) sector which largely caters to global clientele. The IT industry has shown a continuous growth and is expected to show a year on year growth of 13 % in the year 2015. The export plus domestic revenue for 2015 is estimated to be 146 billion USD (Nasscom Report, 2015). It contributes up to 9.5 % to overall GDP of the country. This sector therefore shows a tremendous opportunity for employment generation and talent acquisition. However, management of the workforce from the IT sector has its own challenges. One of the major problems is the talent crunch or capability deficit that is faced by most IT organizations. There have been serious concerns regarding availability of the right talent for hiring and a corresponding filling up of positions rather than acquisition of talent by organizations. The attraction and retention of the right set of talent has consistently made the HR department look for various measures that will improve the Employer Branding of the organization.

One major concern of this sector is the demographics of the employees. IT is a young sector with a large number of employees belonging to the Gen Y cohort. In fact, most business sectors in general and the IT sector in particular has seen an exponential growth in the percentage of the millennial employees working for them. It is estimated that by 2020, millennial will form 50% of the global working population (PWC Report, 2011). These millennial will pose a number of issues for the leaders from this sector. Millennial consistently challenge the traditional models of leadership that have yield benefits to the organizations. Past study have shown that there is tremendous gap in expectations, priorities and work related beliefs The current study aimed to study the gen Y of this sector and their work related attitudes and beliefs possessed by the Gen X and Gen Y (e.g. Smola and Sutton, 2002; Cugin, 2012; Glass, 2007). These have huge bearing on the management practices and leadership behaviour that should prevail while dealing with group. The current study was designed as a part of a planned Leadership development intervention carried out in an ITES company. The intervention involved psychometric assessment, training and executive coaching conducted for the middle management representative of the company. An attempt was made to assess the leader's work related aspects and compare them with the beliefs of their followers on the same aspect.

The followers have been coined as "Digical" for a number of reasons. To begin this workforce shows an obsessive need to be constantly connected with the external world through the digital and social media platform. Their constant presence on social media can be a boon as well as a bane for organizations. This also poses great challenge to the managers while ensuring a 100 percent psychological presence in the physical form. Thus there is tremendous need to manage them on digital, social as well as physical platform.

The main objectives of the study were:

- To examine the beliefs of the leaders and followers on important work related parameters such as work values, work motivation and feedback seeking.
- To develop a leadership model for training and leadership development
- To suggest interventions that can facilitate the management of the millennial population belonging to the IT sector.

GENERATIONAL COHORTS

A generation is defined as a set of people who develop a similar set of values, beliefs and behavioural patterns developed due to exposure to similar set of political, social and cultural events witnessed by them (Kupperschmidt, 2000). Work places have been accommodating four generations till the recent past namely the veterans The differences between perspectives possessed by the four generations at work namely the Veterans (born between 1925- 1940), baby boomers (born between 1941-1960) Generation X (born between 1961-1976) and the Generation Y (born between 1977-1992) (Glass, 2007). Past research have tried to capture the differences between the values, attitudes, behaviours and preferences in these generations (Glass 2007; Smola and Sutton, 2002; Murphy et al, 2004). The Gen X is smaller in size than the baby boomers as well as the Gen Y. The Gen X are known to be tech-savvy, practical in their approach and focused on outcomes, as compared to the baby boomers.

DIGITAL GENERATION

The current study prefers to coin the Gen Y as the Digital generation. The main reason for this prescription is that the Gen Y is constantly navigating between the real and the virtual world. Their space is defined by the social media platforms more often than the physical world. Gen Y or the Digital generation, is a very confident generation, extremely comfortable with technology and always connected with the world. Past research also suggests that they have a sense of entitlement and believe that promotions should come regularly regardless of the efforts put in (Alsops, 2008). They continuously like to seek praise and have very low threshold for criticism. Millennials also look for meaningfulness and purpose in the roles that they perform (e.g., Ng, Schweitzer, & Lyons, 2010). Murphy et al (2004) have found a significant difference in the instrumental and terminal values in the generational cohorts who have significant bearing on performance, motivation and beliefs of the world of work. Messer (2008) believes that millennial care about salary, benefit, career growth and advancement in that order of importance.

To sum up Gen Y are more inclined to the belief that "I chose to join you" than the belief that "You chose to hire me". As the Gen Y has started becoming the central force of today's world of work, it has become imperative for managers largely belonging to the Gen X to understand the characteristics, attitudes and behavioural pattern of the Gen Y. Such insights would greatly help Gen X managers to create a better working alliance with the millennial employees.

WORK VALUES

The centrality of work and the meaning attached to it has changed over the decades. The values attached to work also have evolved with time. Values are people beliefs of the right or wrong. Work values have been described narrowly, such as a worker's attitudes about what one should expect from the workplace. In the 16th century the Protestant work ethic (PWE) based its premises on the basic assumptions that hard work, dedication, frugality, and perseverance were pathways to salvation (Steiner & Steiner, 2000). Work values mean different things to different researchers (Smola & Sutton, 2002). Dose (1997) indicates that most of the researchers seem to agree that work values are evaluative standards that are relevant on the work context. In her path breaking work she had identified 10 conceptualizations that measure work values.

Belief in certain set of work values determines the attitudes and behavioural patterns of the employees. Gen X and Gen Y show marked difference in their belief in the work values. This fact has been systematically summarized by Cogin (2012) in her seminal work. The difference in work values are seen in the preferences of dressing style and appearance from a more formal to a casual attire (Crumpacker and Crumpacker 2007), job mobility in terms of readiness to change the employer (Morrison, Erickson and Dychtwald 2006), and commitment (Martin 2005). Needless to say almost 58% of the organizations face conflicts between older and younger generations (Burke 2005). Many organizations are struggling to attract and retain the younger talented lot (Michaels, Handfield-Jones and Axelrod 2001). The new age employees are thus forcing HR to rethink on the traditional decisions making methods and leadership models. The current study aims to tap the difference in some of the work values possessed by the two generation cohorts.

WORK MOTIVATION

Understanding the motivational drivers of employees is the core of people management. The expectancy theory endorses that external motivators work only if rewards and incentives are in line of the expectations and beliefs of the employees. Researchers have mixed responses on whether gen X and Gen Y actually differ from each other in terms of work motivation. Eddy Ng et al (2010) studied the factors that motivate the millennial generation (Ng, Schweitzer, & Lyons, 2010) and found that "Millennials rated opportunities for advancement as the most desirable work-related attribute" (Ng, et al., 2010, p. 286). This was followed by people focus, need for training and developmental opportunities and work-life balance. Interestingly good starting salary was rated at number nine in this study (Ng, et al., 2010). On the other hand, Montana & Lenaghan (1999) found that Generation X (recent graduates) and Generation Y (current undergraduates) identified the exact same six motivational factors; steady employment, respect for me as a person, good pay, chance for promotion, opportunity for self-development and improvement, and large amount of freedom on the job. One reason for this may be the small difference in the age considered by them to define the Gen X and Y. The current study looked at work motivation as explained by the self-deterministic theory developed by Tremblay et al (2009).

FEEDBACK SEEKING

Feedback seeking behaviour has its roots in Social Psychology. It becomes a critical driver of self-awareness and self-regulation for an individual committed to growth and excellence. Performance feedback seeking behaviour has currently attracted a lot of empirical attention. Feedback seeking behaviour helps people to assess their strengths and weaknesses (Williams & Johnson, 2000), enhance performance outcomes (Renn & Fedor, 2001) and manage impressions at work (Ashford & Northcraft, 1992). A very detailed review of Feedback seeking behaviour has been presented by Ashford and colleagues (2003). Ashford and Cummings (1983) defined feedback-seeking as conscious devotion of effort toward determining the correctness of the adequacy of the behaviour in achieving the desired goal states. For this purpose, individuals may either monitor self and others behaviour and collect feedback by observation. This is in line with Bandura's (1977) social learning theory where feedback is sought on the basis of vicarious satisfaction. On the other hand, people may directly ask for the feedback by inquiring with key stakeholder. Basically Feedback seeking behaviour has been linked to three types of motives namely the instrumental, the ego-based, and the image-based motive (Anseel, 2007). The instrumental motive helps employees to get a direction to attain meaningful goals and outcomes. The ego-based motive suggests that people will seek feedback when it is likely to result in ego fulfilling prophecies. On the other hand, they would refrain from seeking feedback when the outcomes are seen as endangering their ego and self-esteem. Finally, an image-based motive involves seeking feedback to create a positive image in the organization. Past research has proved that individuals seek feedback when they perceive the environment as positive and non-threatening (e.g.; Brutus & Cabrera, 2004; Levy et al., 2002; Vancouver & Morrison, 1995). Given the findings of the past studies it can be assumed that millennial employees would seek greater feedback given their need to know the organization better, create a positive image for them and exhibit goal oriented behaviour at work.

Thus the current study aims to compare the work values, work motives and feedback seeking behaviour of Gen X and Gen and gather insights for better management of millennial employees.

HYPOTHESES

Smola and Sutton (2002) found that generational work values differences can be explained by the cross-vergence theory. According to this believe values are developed in response to the economic development and cultural heritage that a person experiences (Gustafson, Cheu and Terpsta, 1993). Since the Gen X and Y experience a separate set of economic development and cultural values, it is hypothesized that:

H1: There will a significant difference in the work values of Gen X and Gen Y

Jurkiewicz and brown (1998) have found that generational cohorts are predictors of motivation. Montana and Petit (2008) have found in their study that Gen X and Y do not share the same motivational factors. Thus the hypothesis states that:

H2: There is a significant difference in the work motivation of Gen X and Gen Y

Ashford (1986) has looked at Feedback seeking behaviour with respect to age, gender and other social aspects. It was expected in the current study that Gen X and Y would differ in terms of monitoring and inquiry about the feedback. Thus the hypothesis:

H3: There will be a significant difference in the Feedback seeking behaviour of Gen X and Gen Y.

RESEARCH METHODOLOGY

SAMPLE

The sample for the current study comprised of Project managers and their team members. Out of the total N of 109, 13 participants were project managers who were participants of the leadership development program carried out for the organization. Out of the 13, 9 managers (70 %) were males while 4 (30%) were females. The average age of this group was 44.2 years and the average work experience 21.33 years. All the managers were handling the current role for more than 2 years.

The total number of millennial employees considered for this study was 96. All of them belonged to one of the teams of the project managers in question and were full time employees. The average age of the followers was 24.6 years with an average work experience of 1.2 years. 51 (53. %) of the respondents were males and 45 (47 %) were females. All the participants operated from Mumbai which was the Head Quarter of the organization.

SURVEY INSTRUMENT

The present study used a survey tool comprising of two sections. The first section required the participants to provide demographic data in terms of age, gender and years of experience.

The second section comprised of the following instruments used to measure the work related aspects:

WORK VALUES

The work values were measured using the Work Ethics scale developed by Blau and Ryan (1997). The shortened version of scale comprises of 12 items and provides information on four factors namely hard work, non-leisure, independence and Asceticism. All the scales show adequate internal; consistency (value greater than .70) reliabilities (Nunnally 1978). All the participants were asked to rate their responses on a 5 point Likert scale indicating their agreement from strongly agree to strongly disagree.

WORK MOTIVATION

Work Motivation was measured using the Work Extrinsic and Intrinsic Motivational Scale (WEIMS), based on the self-deterministic theory, developed by Tremblay et al (2009). The 18 item scale comprises of 6 sub sets:

- Amotivation (Amos) which is at the lower end of motivation wherein the person lacks the motivation to act or acts passively
- External Regulation (ER) wherein the act is done only to gain reward
- Introjected Regulation (IR) where task is undertaken for self-esteem needs
- Identified Introjection (IDR) where the individual does the act because they identify with the value or meaning of it and accept it as one's own.
- Integrated Regulation (INTR) where the action is almost a part of one's sense of self
- Intrinsic Motivation (INTM) where the pursuit of an act is purely due to internal need

The first three consolidate in to the non-self-deterministic pattern of motivation and the last three comprise of the self-deterministic pattern of motivation. The alpha values reported for these scales range from 0.64 to 0.84) and are considered to have adequate reliabilities. The response was based on a five point Likert scale ranging from do not correspond at all to correspond completely.

FEEDBACK SEEKING

This was measured using the 2 sub scales from the feedback seeking behaviour scale developed by Ashford (1986). The 2 sub scales were the frequency of feedback seeking in terms of monitoring and inquiry. Reliabilities for the two scales are reported as 0.77 and 0.73 respectively. The responses were based on a five point Likert scale ranging from very frequently to very infrequently.

DATA COLLECTION

Data collection included distribution of the physical copies of questionnaire to the project manager during one of the sessions of the Leadership Development program. The team members were emailed a link of a google doc's form. The link was sent to 112 team members. 16 people did not respond to the request due to miscellaneous reasons yielding a response rate of 87.15%. All the team members were born till the year 1994 and therefore qualified for the study.

DATA ANALYSIS TECHNIQUE

Data analysis was conducted using the Statistical Package for Social Science (SPSS) software version 17.0. An Independent t test was conducted to compare the mean scores of the leaders and followers on work values, work motivation and feedback seeking behaviour.

RESULTS

Table 1 shows the summarized results of the reliability analysis.

TABLE 1: SUMMARY OF CRONBACH'S ALPHA RELIABILITY ANALYSIS (Full-scale study, n=109)

Variables	Number of Items	Cronbach's Alpha
Work Values	12	0.81
Work Motivation	18	0.88
Feedback Seeking	7	0.88

TABLE 2: MEAN SCORES OF THE PROJECT MANAGER AND THEIR FOLLOWERS ON WORK RELATED PARAMETERS

Variables	Aspects	Followers		Leaders		t values	df
		Mean	SD	Mean	SD		
Work Values	Hard work	8.77	3.63	12.19	1.92	5.31 **	107
	Non-leisure	9.07	2.54	7.00	2.71	2.74**	107
	Independence	10.2	2.38	8.31	2.98	2.66*	
	Asceticism	10.8	2.42	7.62	3.53	4.20**	
Work Motivation	Intrinsic Motivation	8.54	2.59	11.15	2.99	2.88**	
	Internal Regulation	6.38	2.25	9.52	3.03	3.59**	
	Identified Regulation	7.31	2.90	10.09	2.62	3.54**	
	Introjected Regulation	9.17	3.10	7.00	2.38	2.41**	
	Extrinsic Regulation	9.82	2.40	7.46	3.48	3.14**	
	Amotivation	6.77	2.12	6.31	3.05	-.52 (ns)	
Feedback Seeking	Monitoring	14.04	3.49	13.92	4.21	0.11 (ns)	
	Inquiry	11.20	2.87	9.23	3.27	2.27 *	

** Significance value greater .01, * significance value greater than .05

The mean scores of the project leaders and their followers were compared using an independent t test. The results of the analysis are presented in Table 2.

As seen the table 2, with respect to work motivation, Gen X's emphasis on Hard work (Mean= 12.19, SD= 1.92) was significantly higher than Gen Y (Mean= 8.77, SD= 3.63) (t= 5.31, p <.01, df =107). This indicates that the project managers value hard work to a large extent and may expect the same kind of emphasis from the followers. Similarly, on the non-leisure aspect, Gen X were significantly low on the belief that work should provide greater leisure time (Mean= 7.00, SD= 2.71). On the other hand, followers believed that work setting should provide enough opportunity for work life balance (Mean= 9.07, SD= 2.54) (t= 2.74, p <.01, df =107). The belief in independence as a driving force to success was significantly stronger in Gen Y (Mean= 10.2, SD= 2.38) than Gen X (Mean= 8.31, SD= 2.98) (t= 2.66, p <.01, df =107). Finally, in terms of asceticism, the need for immediate gratification and reward was significantly higher in Gen Y (Mean= 10.80, SD= 2.42) as compared to Gen X (Mean= 7.62, SD= 3.53) (t= 4.20, p <.01, df =107). Thus Hypothesis 1 that there will a significant difference in the work values of Gen X and Gen Y was fully supported.

In case of work motivation, Gen X was significantly higher in Intrinsic motivation (t= 2.80, p <.01, df=107), Internal Regulation (t= 3.59, p <.01, df=107) and Identified Regulation (t= 3.54, p <.01, df=107) as compared to the Gen Y. The mean scores and standard deviations for each of the aspects are mentioned in Table 2. Gen Y showed significantly higher score on Introjected regulation (t= 2.41, p <.01, df =107) and Extrinsic Regulation (t= 3.14, p <.01, df=107). On the whole Gen X seemed to be more intrinsically motivated and self-determined than Gen Y. These differences could be attributed to the duration spent in the organization as well as the age and stage of life that one belongs to. However, they have huge bearing on the management style adopted by Gen X leaders towards the Gen Y employees. No difference was found on the aspect of amotivation (t= 0.54, ns, df =107). Thus hypothesis 2 that there is a significant difference in the work motivation of Gen X and Gen Y was partially supported.

Finally, with respect to Feedback seeking behaviour, it was found that there was no significant difference in the monitoring behaviour of Gen X and Gen Y (t= 0.11, ns, df=107). However, in case of inquiry Gen Y should a significantly higher tendency to indulge in feedback seeking by direct inquiry (Mean= 11.2, SD= 2.87) than Gen X (Mean= 9.23, SD= 3.27) (t= 2.27, p <.02, df=107). Thus the hypothesis 3 that there will be a significant difference in the Feedback seeking behaviour of Gen X and Gen y was partially supported.

Thus the current study extends support to earlier findings that there is a difference in the beliefs, values and behavioural preferences of Gen X and Gen Y.

DISCUSSION

The current study was designed with an objective of gaining insights for better team management of 13 project managers who were a part of a Leadership development program and utilizing these insights for module development and training of the participants. The central idea was to assess the Gen X and Gen Y members on their work motivation, work values and feedback seeking behaviour and see if there is a gap between how the two generation cohorts approach the world of work. The major objective was to utilize this information for content development and training of these project managers during the coaching and training sessions.

Lots of speculations have been made about what Millennial want and how to keep them happy. The millennial employees seem exercise a great degree of choice in deciding which organizations to work for, how long to stay with the organization and which way to move forward in the career journey. So much so that hiring managers have been quoted saying that “we are not interviewing them, they are interviewing us.” (Kyle, 2009). The findings from the current study point out the gaps in the beliefs of the two generations with respect to work related aspects. Considering that Gen X emphasizes so much on hard work, they are likely to use the same benchmarks for their followers. However, the Gen Y, who generally believes in entitlement of promotions and rewards, may not be very happy with this management position. The definition of hard work becomes a critical factor to bridge this gap. In case the manager is able to connect hard work to systematic career progression and strategic growth in the company, Gen Y is more likely to look at this demand positively. Besides Gen X managers have to realize and accept that socialization across various platforms such as the twitter, Instagram and Facebook form the core of the existence for this generation. This coupled with a belief that work should provide enough opportunity for work life balance and socialization call for innovative HR practices that can engaged the younger crowd and keep them excited about staying connected with the organization. Besides the leaders also need to be very adept at these new technologies and try to connect with this digical generation online as well as off lien. How much is the leader seen active on social media in term of blogs, tweets etc. make huge impression on how modern and update the leader actually is and may be taken seriously by the younger generation. The need for independence requires that the Gen X realize that Gen Y will not wait for independent assignments and recognition as much as them and therefore will need to plan for deeper level coaching and mentoring for empowerment of this generation.

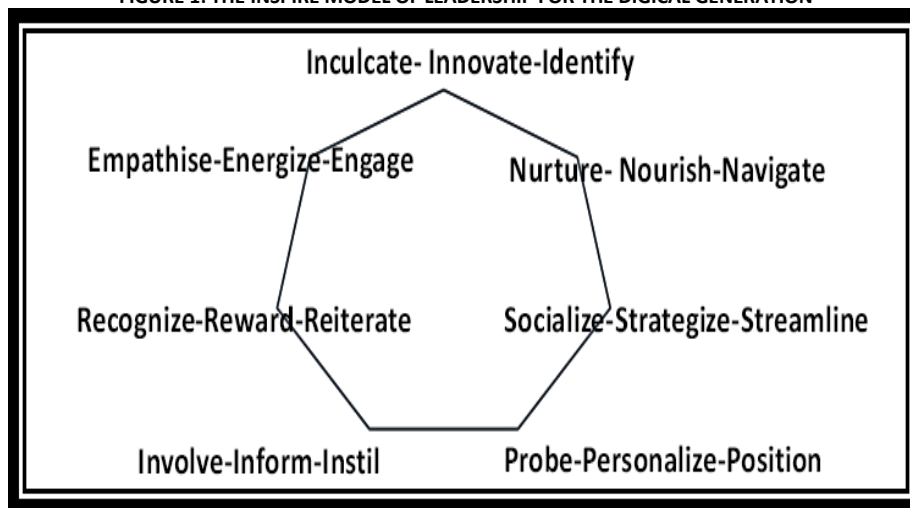
All said and done the Digical generation is experimenting, high risk taking and hungry for recognition and rewards. These qualities can only be leveraged if the leader takes them as complimentary skills rather than threats and create a breeding ground for insecurities and envy.

The emphasis on extrinsic motivation and rewards by the Gen Y is very logical given the age a stage of the millennials and their impatience with outcomes, progression and social accolades. Thus leaders and HR specialists need to clearly look at how incentives and bonuses can also be an integral part of the delivery teams to which the current lot belongs. This will not only harness a performance focused culture but also pave a path for a recognition focused culture. The high need for feedback seeking would also mean that Gen X will need to indulge in frequent performance based feedback sessions rather than the standard annual appraisal discussion. A fact based discussion followed by a proper coaching and course correction attempt can help Gen Y become more self-aware and tuned to the expectations of the organizations from them. To summarize Gen X would need to look hard at these gaps and take care to see that their preference or beliefs in no way makes them blind or biased towards the Digical generation.

LEADERSHIP MODEL FOR THE DIGICAL GENERATION

There have been a number of attempts in the past to prescribe Leadership competencies for the new age employees (Espinoza, Ukleja, and Craig, 2011; PWC Report 2013, Nasscomm Report 2015, Cognizant Report 2012). Need for such models cannot be underestimated, given that 60 % of the working population would be in the hands of the millennials in less than 5 to 6 years. Organizations need to brace themselves up to look attractive, meaningful and growth oriented to this generation to develop a competitive edge. The current Gen X mangers become the key point of contact with this lot and therefore organizations must invest in research and training of this critical lot to equip them with the right set of skills that can help them manage the younger work force better. The current study makes a humble attempt to suggest a leadership model that can be prescribed to today’s leaders so that they groom the Gen Y as tomorrow’s leaders. While the implications of this model have greater impact on the ITES organizations, there are reasons to believe that the same can be applied to other sectors. The current exercise can be summed up with the prescription of the **INSPIRE** model of leadership for the Digical generation management:

FIGURE 1: THE INSPIRE MODEL OF LEADERSHIP FOR THE DIGICAL GENERATION



Source: Author

Figure 1 depicts the INSPIRE model for New Age Leaders. The model tries to look at Leadership behaviour through 7 parameters:

INCULCATE-INNOVATE-IDENTIFY

Leaders are first expected to inculcate a discipline and culture that is up held by the organization. While the followers would love to follow their own way of working, organization would expect them to imbibe the culture spelt out by the organization keeping the vision and mission in mind. Innovation would ensure a sense of empowerment for the Gen Y which they hold in high respect. Identifying the critical talent that needs to be groomed keeping the future need in mind is critical for talent management. Leaders should identify employees who can reciprocate to organizational efforts through commitment and perseverance.

NURTURE-NOURISH-NAVIGATE

This is the mentoring, coaching and the hand holding bucket that ensures an adequate investment of time resources and effort to groom the critical talent. A constant effort on skill building, relationship building and direction is likely to prompt the follower to grow along with the organization rather than outside the organization.

SOCIALIZE-STRATEGIZE-STREAMLINE

Socialization process has a very different connotation with the Gen Y. Managers need to improve their ability to been seen, heard and felt across a number of social media avenues. Similarly, Gen Y can be taken as strategic partners to utilize the intrapreneurial skills that many of them possess. Having said this, innovation

and experimentation may not always be accompanied by compliance and rule bound behaviour. Thus it is essential that the manager streamline processes to ensure a better adherence and sense of transparency to prevail within the team.

PROBE-PERSONALIZE-POSITION

Gen Y have always enjoyed the attention and pampering during their growing age. These overtures can be extended in the work place by a manager who shows a patient ear to their problems, addresses the tolerance and emotionality related issues while dealing with teams and personalizes the rapport and relationship in the most professional manner. Finally, the buy in from the millennial is a matter of appropriate positioning various options and perspectives by the leader. All of this would require honing of interpersonal skills that will help managers' deal the younger lot better

INVOLVE-INFORM-INSTIL

Involvement and inclusion is at the core of trust building and relationship management attempts of a Leader. Given that the Gen Y has a high need for feedback, collection, collation and sharing of appropriate work related feedback becomes central to the inform function to be performed by the manager. Finally, managers need to instil a sense of belongingness and pride in their team members by celebrating both success as well as failures. This is the only way to convert external motivational drivers in to intrinsic self-deterministic motivation

RECOGNIZE-REWARD-REITERATE

Recognition is very dear to Gen Y. Leaders should ensure that the team members get their moments of glory as this generation responds very well to positive recognition. The high need for asceticism also calls for inclusion of tangible rewards wherever possible to keep the motivational spirits on. Reiteration of the right things to do, follow and believe will be a continuous process that managers would have to keep doing as the Gen Y may quickly slip back to their own ways of operation which may not be the best standards for the organization.

EMPATHIZE-ENERGIZE-ENGAGE

An effective leader of the Gen Y clearly understands the magic of empathy and the positive outcomes that it yields. Similarly, they understand the need for generating positive energy and value the fun at work elements that can keep the Gen Y charged up for the challenges that they are supposed to take up. The ultimate challenge in front of the leaders is to create an engaged work force that will wholehearted contribute to organizational goals and objectives.

The INSPIRE model can be an excellent model for training and Leadership development programs that will equip the leaders to build their skill set to deal with the millennial employees.

LIMITATION

The major limitation of the study is the small sample size of the Gen X which can weaken the generalizability of the findings. Work related attitude may be affected by many factors beyond the variables tested in the present study. Inclusion of a number of other factors such as personality, goal orientation may help the researcher generate better insights in to the matter.

CONCLUSION

Gen Y as a dominant workforce is soon becoming a reality. Thus business reality poses a great challenge to the global leadership and global HR practices that organizations need to adopt. The Digital generation may show marked differences in their attitude towards work but care ad craves for handholding and direction from the Gen X. it remains for organizations to decide how to bridge this gap between the generation cohorts and create a culture of inclusion and growth for all the employees who decide to invest themselves with the organization.

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QUALITY OF WORK LIFE AND EMPLOYEE PERFORMANCE: A THEORETICAL FRAMEWORK

SHAHNEYAZ A BHAT
RESEARCH SCHOLAR
SCHOOL OF STUDIES IN COMMERCE
VIKRAM UNIVERSITY
UJJAIN

SUHAIL A BHAT
RESEARCH SCHOLAR
THE BUSINESS SCHOOL
UNIVERSITY OF KASHMIR
KASHMIR

MUNEER A KHAN
RESEARCH SCHOLAR
SCHOOL OF STUDIES IN COMMERCE
VIKRAM UNIVERSITY
UJJAIN

ABSTRACT

In the present context employees working in an organization are becoming more quality conscious about their working life. Their efficiency is determined to the substantial extent by the quality of work life prevailing in the organization. Basically, quality of work life is a philosophy and a set of doctrine in an organization which enables employees at different levels to actively contribute towards the replenishment of organizational climate, methods and outcomes. It is actually concerned with the overall climate of work. Now it has become an important consideration for the HR manager of an organization to determine the better ways for improving the quality of work life. The purpose of this study is to explore the various factors that affect the quality of work life in an organization. It also determines the linkage/relationship between quality of work life and employee performance on the job. The findings of the study are based on the review of literature on the relationship between quality of work life and employee performance. This paper aims to contribute to the academic theory and add on to the existing body of literature by developing a theoretical model (linking QWL and employee performance) based on the presumptions derived from the body of literature available on the subject under study.

KEYWORDS

employee performance, organizational climate, quality of work life, working environment.

INTRODUCTION

Due to the knowledge explosion the present society has been dominated by knowledge workers and intellectuals which has given rise to the knowledge societies. The intellectual pursuits have taken precedence over the physical efforts. Some knowledge workers work for more than 60 hours a week. As a result of this, their personal tastes and interests clash with their work. Life is a bundle that contains all the strands together and hence the need to balance work life with other related issues. One must have both love and work in one's life to make it healthy. Gone are the days when the priority of employees used to be for physical and material needs. With the increasing shift of the economy, the meaning and quality of work life has undergone a drastic change. Quality of work life (QWL) refers to the favourableness or unfavourableness of a job environment for the people working in an organisation. The period of scientific management which focused solely on specialisation and efficiency, has undergone a revolutionary change. The traditional management (like scientific management) gave inadequate attention to human values. In the present scenario, needs and aspirations of the employees are changing. Employers are now redesigning jobs for better QWL. The QWL as strategy of Human Resource Management has assumed increasing interest and importance. Many other terms have come to be used interchangeably with QWL such as 'humanisation of work' 'industrial democracy' and 'participative work'.

REVIEW OF LITERATURE**QUALITY WORK LIFE**

Over the last years, QWL has been understood as the dynamic and comprehensive management of physical, technological, social and psychological factors that affect culture and renew the organizational environment. Sometimes, it is understood in terms of the effect it has on the worker's well-being as well as on the productivity of the company. Furthermore, it is sometimes associated with the intimate characteristic of technologies introduced into the companies and their impact to the economic elements like salary, incentives, bonuses, or even to the factors connected to one's physical and mental health, safety and, in general, to the workers' well-being (Rainey, 2003).

According to Walton, (2005) QWL has been devised into eight major conceptual categories i.e. (1) adequate and fair compensation, (2) safe and healthy working conditions, (3) immediately opportunity for continued growth and security, (4) Opportunity to use and develop human capacities, (5) Social integration in the work organization, (6), Constitutionalism in the work organization, (7), Work and total life space and (8), Social relevance of work life. Several published works have addressed the constructs that make up the QWL domain and key elements of QWL programs.

Another aspect that has been prioritized is the group of categories needed to assess QWL and how they relate to each other. Hackman and Oldham (1976) propose eight conceptual categories for assessing QWL. These were: adequate and fair compensation, safety and health conditions at work, immediate opportunity to use and develop one's capacity, further opportunity for continuous development and safety, social integration in the working organization, constitutionalism in the work organization, the total space of life and the social relevance of the worker's life (Mueller and McCloskey, 1990; Kalliath and Morris, 2002; Gill and Feinstein, 1994).

Taylor (1979) more pragmatically identified the essential components of Quality of working life as; basic extrinsic job factors of wages, hours and working conditions, and the intrinsic job notions of the nature of the work itself. He suggested that relevant Quality of working life concepts may vary according to organization and employee group.

Mirvis and Lawler (1984) suggested that Quality of working life was associated with satisfaction with wages, hours and working conditions, describing the basic elements of a good quality of work life as; safe work environment, equitable wages, equal employment opportunities and opportunities for advancement.

According to Straw R. (1984), Quality Work Life is a philosophy, a set of principles, which holds that people are the most important resource in the organization as they are trustworthy, responsible and capable of making valuable contribution and they should be treated with dignity and respect. The elements that are relevant to an individual's Quality Work Life include the task, physical and social environment within the organization, the pay and career development plans. Thus Quality Work Life is a comprehensive construct that includes an individual's job related well-being and the extent to which work experiences are rewarding, fulfilling and devoid of stress and other negative personal consequences.

Hackman and Oldham (1980), highlights the constructs of Quality Work Life in relation to the interaction between work environment and personal needs. The work environment that is able to fulfil employee's needs is considered to provide a positive interaction effect which will lead to an excellent Quality Work Life. They emphasized that personal needs are satisfied when rewards from the organization such as compensation promotion, recognition and development meet their expectation.

Some studies suggest the importance of measuring professional satisfaction and identifies the association of satisfaction at work with a better quality of life, work-related stress and smaller prevalence of Burnout Syndrome symptoms associated with work roles as good pointers of employees QWL (Kalliath and Morris, 2002).

EMPLOYEE PERFORMANCE

Martison and Cheung (2001), concluded from their research that frequent changes in work environment directly and indirectly influence the performance and productivity of IS specialists and therefore the organization needs to have effective coping strategies in place to handle the after effects of performance under stress.

A series of studies at Chicago Electric Company which came to be known as Hawthorn Studies revealed that money was not the only cause for increased output of workers; it was believed that the factor that best explained the increase of output was human relations. Employees perform better when treated in a positive manner.

The study conducted by Karrir and Khurana (1996), found significant correlations of Quality work life of managers from three sectors of industry viz., Public, Private and Cooperative, with some of the background variables (education qualification, native/migrant status, income level) and with all of the motivational variables like job satisfaction and job involvement.

Singh (1983) conducted studies in chemical and textile factories in India that were designed to improve the Quality Work Life by reorganizing the work and introducing participatory management.

Gani (1993) in his study stated that the core of the Quality Work Life concept is the value of treating the worker as a human being and emphasizing changes in the socio-technical system of thorough improvement, in physical and psychological working environment, design and redesign of work practices, hierarchical structure and the production process brought with the active involvement of workers in decision making.

An imperative relationship exists between employee and organization. This employee organization relationship plays an important role in success of any organization. There is a need of developments in it. Managers are believed to develop a role relationship in which actions and decisions should promote the interest of organization. Employee involvement and contributions in organization is outcome of the interest. The quality of employee organization relationship requires fulfilment of needs, quality of interaction, adaptability and identification (Jacqueline, 2007).

Employee empowerment is also an effective way of satisfying them. When employees are given employee empowerment, then it leads to job satisfaction. Employee empowerment also causes customer satisfaction. Similarly, job satisfaction also leads to customer satisfaction which leads to organizational success (Isaiah, 2000).

Employee satisfaction is in fact job satisfaction. Job satisfaction is an important job organization factor. Both of them are significantly related. Therefore, it is necessary to maintain job satisfaction so that employees can be motivated. In studying job satisfaction, job rotation, work method, problem solving and goal setting are important factors to consider and job satisfaction is also influenced by employee's age, marital status and work experience (Dawal, 2009).

The impact of employee satisfaction on the success of organization is undeniable. Moreover, sustaining the satisfaction level of customers is a continuous process whose basics are intricately linked with the employees whose performance reflects through customer satisfaction and organization progress (Naseem, 2011).

Performance is the accomplishment of a given task measured against preset known standards of accuracy, completeness, cost and speed. In a work environment performance is deemed to be the fulfilment of an obligation in a manner that releases the performer from all liabilities. Performance measures are used to track an organizations progress against its strategic plan and specific performance goals. Performance measures are applied to individual projects to ensure that deadlines are met and cost controlled. In this study employee performance will be based on employee satisfaction, customer satisfaction and organizational effectiveness.

Hertzberg (1959), focused on answering the question "what do people want from their jobs?" they asked workers to identify what they felt exceptionally good or exceptionally bad about their jobs. They therefore developed the two factor theory which details differing causes of job satisfaction and dissatisfaction. The first of the two factors is Hygiene. Hygiene factors relate more to the environment in which people work than to the nature of work itself they affect job dissatisfaction. Closely related to theory Y assumptions are Hertzberg motivator factors which affect job satisfaction. They found out that when such factors as achievement, recognition, responsibility, advancement and growth are added to employee job he or she is more satisfied with the job and become more productive. His research is credited with providing the foundation for the development of job enrichment and the movement for improving the quality of work life.

Hygiene factors are the concern of this study they include. It is believed that if these factors are addressed employee performance will be optimized.

This was put forward by Eric Trist, Ken Bamforth and Fred Emery in 1960 who at that time working as consultants at the Tavi Stock in London. They argue that the technical subsystem comprises the devices, tools and techniques needed to transform inputs into outputs in a way which enhances the economic performance of the organization. The social system comprises the employees (at all levels) and the knowledge, skills, attitudes, values and needs they bring to the work environment as well as the reward system and authority structures that exist in the organization. The cornerstone of the socio-technical approach, as the work of these researchers became named, was that the fit was achieved by a design process aiming at the joint optimization of the subsystems: any organizational systems will maximize performance only if the interdependency of these subsystems is explicitly recognized. Hence any design or redesign must seek out the impact each subsystem has on the other and design must aim to achieve superior results by ensuring that all the subsystems are working in harmony.

Land (2000), there are two conflicting set of values underlie much socio-technical thinking. The first is a belief in the importance of humanistic principles. The main task of the designer is to enhance the quality of working life and the job satisfaction of the employee. In turn the achievement of these objectives will enhance productivity and yield added value to the organization. The second set reflects managerial values. Socio-technical principles are merely instruments for achieving primarily economic objectives. Humanistic objectives have no value in themselves but if their achievement produces a better performance from employees leading to the fulfilment of the economic objectives well and good.

Brooks and Gawel (2001), state that efforts to understand the theoretical underpinnings of Quality Work Life can be traced back to socio-technical systems theory. Socio-technical system theory maintains that engaging employees fully in designing work gives them a sense of well-being as they find their work fulfilling. At the same time, it is productive in that it helps the organization reach its goals. This theory has emerged as a significant approach to designing organizations, especially at the technology and people interface. It recommends simultaneous modification of technical and social systems to create work designs that can lead both to greater task productivity and to increased fulfilment of organization members.

Unmotivated employees are likely to spend little or no effort in their jobs, avoid the workplace as much as possible, produce low quality work and exit the organization if given the opportunity. On the other hand, employees who feel motivated to work are likely to be persistent, creative and productive, turning out high quality work that they willingly undertake. Motivation can be defined as something inside people that drives them to action. Motivation is the willingness to work at a certain level of effort. Motivation emerges out of needs, values, goals, intentions and expectations. When employees have high autonomy, receive feedback about their performance and have an important, identifiable piece of work to do, which requires skill variety, they may experience feelings of happiness and therefore intrinsic motivation to keep performing well (Porter and Smith, 1970).

Motivator hygiene theory divides motivating factors into 2 categories: motivator factors, which deal roughly with the work itself and Hygiene factors, which to some extent concerned with the surrounding contextual factors (Rainey, 2003).

Job performance enhancement includes QWL, which has been empirically supported in other studies (Abagi, 1999; Nyaigotti-Chacha, 2002). The relationship between job performance and QWL has been positive but modest in empirical studies. However, correlations between QWL and job performance have been unexpectedly high and strong for professional jobs with little supervision, low and weak for manual supervised jobs (Spector, 1997).

QWL influences work motivation in general and other workplace behaviors such as turnover and absenteeism. Hackman and Oldham (1976) emphasize that satisfied employees are more likely to experience high internal work motivation and to have lower absenteeism and turnover rates than their disappointed counterparts.

Spector (1997) notes that people who dislike their jobs are more likely to search for alternative employment, making poor QWL and the leading cause of turnover. Despite its tenuous relationship with job performance, QWL remains a complex and important concept for scholars and managers to understand.

Abagi (1999) concludes that performance has a significant positive influence on job satisfaction and QWL.

OBJECTIVES OF THE STUDY

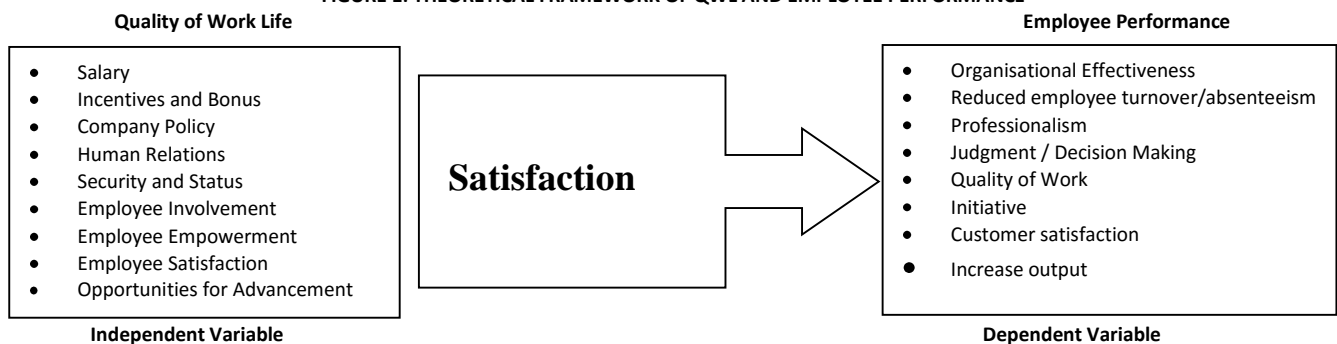
The present study has been taken with the following objectives;

1. To study the Quality Work Life and Employee Performance.
2. To explore the effect of Quality Work Life on the performance of employees.

DISCUSSIONS

One of the most important workplace issues in the present time is Quality of Work Life. The existing literature indicates strong relationship between QWL and the performance of employees. The results of QWL variables shown in figure 1 are relevant to almost all organisations. In the beginning the employees used to prioritise the physical and material needs, now has been changed to number of other needs as well which have been highlighted through the theoretical framework (figure 1). With the increasing shift of the economy, preferences and tastes of the employees and the meaning and quality of work life has undergone an extreme change. High quality work is work that is respectable, meaningful, life enhancing and employee centred. QWL offers benefits to employees, employers and to the national economic prosperity. Quality work life affects the quality of work in families and communities as well as the economic vitality of the nation. As per the literature human relations is one of the important factor that best explained the increase of output. Employees perform better when treated in a positive manner. The work environment that is able to fulfil employee's needs is considered to provide a positive interaction effect which will lead to an excellent Quality Work Life. They emphasized that personal needs are satisfied when rewards from the organization such as compensation promotion, recognition and development meet their expectation. Ultimately the present study focus that QWL should be adopted as a tool in this competitive environment to grab the opportunities which are resulted through employee performance.

FIGURE 1: THEORETICAL FRAMEWORK OF QWL AND EMPLOYEE PERFORMANCE



CONCLUSION

The study set out to review existing literature on the QWL and how it influences the employee performance in an organisation. It can be concluded that QWL is concerned with taking care of the higher order needs of employees in addition to their basic needs. The overall climate of the work place is adjusted in such a way that it produces more humanized jobs. QWL is viewed as an umbrella under which employees feel fully satisfied with the working environment and extend their whole-hearted cooperation and support to the management to improve productivity and work environment.

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TECHNICAL ANALYSIS OF BONUS ISSUES: A STUDY OF INDIAN STOCK MARKET

NEHA ROHRA
RESEARCH SCHOLAR
DEPARTMENT OF COMMERCE
DELHI SCHOOL OF ECONOMICS
UNIVERSITY OF DELHI
DELHI

SHWETA JAIN
RESEARCH SCHOLAR
DEPARTMENT OF COMMERCE
DELHI SCHOOL OF ECONOMICS
UNIVERSITY OF DELHI
DELHI

ABSTRACT

Bonus Issues are generally regarded as cosmetic events as they simply involve a change in the number of outstanding shares. However, many researchers have found numerous stock market effects associated with bonus issues. This paper examines the impacts of bonus issue for the Indian stock market. To capture short run/immediate effect of bonus issue announcement on the stock price and shareholders return, this study has used Market Model to calculate abnormal returns and employed both parametric and non-parametric tests on it to check the significant differences in two sample (pre- and post-announcement) data set. Further, semi-log regression equations have been estimated to support the analysis. Out of total 3 cases of bonus issues studied, two cases have shown that stock price increases significantly in the post- announcement period and, one case has shown no significant change. Moreover, we have observed increase in abnormal returns in the post period in case of two sample firms while a decrease in abnormal returns in post- announcement period has been observed for one sample firm, but these changes were found to be statistically insignificant at 5% level. Overall on the basis of majority of bonus issue results, the study concludes that bonus issue announcements have a positive effect on share price which ultimately increases the returns in the short run. We have also investigated the efficiency of Indian stock market in semi-strong form in the case of bonus issue announcements. Both, parametric and non-parametric test have been used to test for market efficiency. The finding from this research is that Indian stock market is efficient in semi-strong form in the case of bonus issue announcements.

KEYWORDS

abnormal return, event- study, bonus issue, announcement effect, market efficiency.

INTRODUCTION

Bonus issue refers to distribution of additional stocks to the existing shareholders. It is a “free” issue of shares, without a subscription price, made to existing shareholders in proportion to their current investment. A firm can distribute bonus shares by using retained earnings or accumulated capital reserves.

The relationship between the bonus issues and stock prices has been a matter of empirical discussion since past many years. Theoretically speaking, a bonus issue increases the number of equity shares outstanding but the proportional ownership of shareholders remains unchanged. Empirical research, particularly in US has shown that the market generally reacts positively to the announcement of a bonus issue. But in developing countries like India, not much research has been undertaken on this topic. This makes it all the more important to study about the impact of bonus issues, as such an exercise will help us in understanding why managers of firms undertake such (potentially costly) cosmetic decisions.

Since the main goal of a firm is to achieve the objective of shareholder's wealth maximization, we must evaluate the performance of a company making a bonus issue in stock market as well. Moreover, the studies which have focused on the impact on firm value are not comprehensive in nature and results are not consistent. Some studies have documented significant increase in abnormal returns of companies after bonus issue, while others have given negative results. Therefore, there is a need to scrutinize it more.

It is important to examine the short run effect of bonus issue on the firm and its shareholders; such an approach helps us to capture the immediate stock market reaction which highlights the true benefits and real economic effect due to issue announcement. This can be done through technical analysis. Technical analysis is based on apparent trends in share prices and these trends are generated as short run phenomenon, not reflecting the long term fundamentals of the company.

Further, we have investigated the efficiency of Indian stock market in semi- strong form in case of bonus issue announcements (i.e. publicly available information). In an efficient market, security prices fully reflect all available information. “Thus, an information regarding the prospect of the company will affect the stock price to react quickly, which makes it impossible for the investors to earn excess return or abnormal return”. On the other hand, if market is not efficient, it will not be able to discount the event/ available information therefore there will be some kink in the price or return trend.

Thus through this paper, we intend to study the effect of bonus issue announcement on issuing firm value in the short run and examine market efficiency. A sincere attempt has been made to capture the effect of bonus issue announcement on stock price and returns for the immediate time after the event has occurred. This exercise will provide useful information about the effects of bonus issue to the investors of stock markets and to the management of business firms who makes such costly decisions.

OBJECTIVES OF THE STUDY

The main objectives of this study are to determine the impact of Bonus Issue announcements on the wealth of shareholders of issuing firms in the short run and to examine market efficiency. To put it differently, the objectives are as follows:

1. To find out whether there are any differences in stock prices before and after bonus issue announcement.
2. To find out whether there are differences in the abnormal returns in pre-announcement and post-announcement periods.
3. To analyze if the Indian stock market is efficient in semi-strong form in the case of bonus issue announcements.

CONCEPTUAL FRAMEWORK**MEANING OF BONUS SHARES**

Bonus shares are extra free shares given to existing shareholders in proportion to their current investment. When bonus shares are issued, there is an increase in the total number of shares issued and owned. But, it does not increase the value of the company. And the ratio of number of shares held by each shareholder

remains constant. A bonus issue is a stock split in which a company issues new shares without any cost so as to bring its issued capital in line with its employed capital. Thus, a bonus issue can be viewed as an alternative to dividends.

CIRCUMSTANCES FOR ISSUING BONUS SHARES

A company can issue bonus shares if it does not want to depict large amount of distributable income on the balance sheet and wants to plough back its profits to capital. Even if payment of dividend is not compulsory for the company, investors may demand for dividend in case company has huge accumulated profits. Hence, in case of large profits to avoid high dividend payments, company can issue bonus shares by converting its accumulated profits. This also improves market image of the company.

BONUS SHARES ISSUED IN THE RATIO

When the bonus shares are issued in the ratio of 1:1, it implies that one share would be allocated for one existing share in the company. Similarly, a ratio of 2:1 means that two shares would be allocated for every share already held in the company. As the date is announced, in order to get useful benefits, the investors wait for the required date. The holders of the shares will be entitled to the bonus shares on this particular day.

There is one more date on which the shares go 'ex-bonus', i.e. the share prices adjust in the bonus ratio to reflect the actual situation on the ground on this day.

IS IT ACTUALLY FREE?

Technically, bonus shares don't cost to shareholders but their issue is not completely free of cost. Generally, entire profits are not distributed by the companies to the stockholders as dividends. Large part of the profit is retained and then added to the reserves of the company. Companies keep reserves to meet unforeseen increases in expenditure, and to finance its future expansion or diversification programs. In case, reserves have more cash than what is required for the reinvestment, the companies use these free cash reserves to issue bonus shares.

As shareholders are not required to pay, the company's profits are also not affected by this issue of bonus shares. Due to bonus shares, the total no. of shares of the company increases in the market. The earnings of the company would now have to be divided by the increased number of the shares. As a result, the EPS will decline.

EFFECT OF BONUS SHARES ON INVESTORS

"Immediately, it doesn't affect investments anyway. Post the bonus issue, the EPS falls and hence the share price should fall in proportion to the bonus issue, thereby making no difference to the personal wealth of the shareholder. However, a bonus is perceived to be a strong signal given out by the company and the consequent demand push for the shares causes the price to move up. So, when stock prices move up in the long run, there will be a dramatic increase in the wealth of shareholders."

EFFECT OF BONUS ISSUE ON SHARE PRICE

"Since the profits remain the same after the bonus issue, but the total number of shares increases, the EPS will decline. Theoretically, when EPS falls, the stock price should also decline proportionately. But in reality, this may not happen because of the following reasons-

- 1.) The stock becomes more liquid now. As a result, it becomes easier to buy and sell as now there are so many more shares.
- 2.) A bonus issue gives a signal that the company is in a position to service its larger equity, i.e., it is confident of being able to increase its profits and distribute dividends on all these shares in the future."

CONDITIONS TO BE SATISFIED BEFORE ISSUING BONUS SHARES

- If the Articles of Association of the company authorize a bonus issue, only then bonus shares can be issued. If it is not present in the articles, then a special resolution should be passed at the general meeting of the company.
- On the recommendations of the board of directors of the company, the shareholders should approve in the general meeting.
- The guidelines given thereby must be followed. It must be ensured that bonus shares do not lead to total share capital in excess of the authorized share capital. Otherwise, the capital clause of Memorandum of Association must be amended to increase the authorized capital.

LITERATURE REVIEW ON ANNOUNCEMENT EFFECT OF BONUS ISSUES

Balachandran (2001) analysed the stock price reaction to the announcement of bonus share issues by Australian companies. As per the study, the magnitude of price reaction to bonus issue announcement is statistically related to the pre-announcement effect and size of bonus issues.

Ball, Brown and Finn (1977) analyzed stock price reaction around the announcement of 'Stock Capitalization changes' in Australia during 1960 and 1969. They found abnormal returns for certain months.

Malhotra Madhuri et al. (2003) in a study of Indian companies concluded that there is a negative reaction of the bonus issue announcement on the stock price. Standard event study methodology has been used for the purpose of studying the Bonus Issue announcement reaction.

Mishra (2005) conducted a study to identify the stock price reaction to information content of bonus issue and the results of the study reported significant positive abnormal returns for a five-day period prior to bonus announcement.

Barnes and Ma (2001) have found that issues with a high bonus ratio, i.e., number of bonus shares in the issue/number of existing shares, usually are rewarded with positive returns and the issues with a low bonus ratio attract negative returns.

Travlos and Vafeas (2001) examined the stock market reaction to the announcements of bonus issues (stock dividends) and cash dividends in the stock market of Cyprus. The results of the study showed that significantly positive returns were earned by the investors.

Srinivas (2008) in the paper titled as "Dilemma of Corporate Action: Empirical Evidences of Bonus Issue vs. Stock Split" has reported that top management of the companies decides to issue bonus shares when the investors undervalue the company.

Dhar and Chhaochharia (2009) have suggested that the bonus issue and the stock splits are associated with significantly positive announcement effect, i.e., these two events provide abnormal returns to the investors. The sample of the study consisted of 82 bonus issues announced by companies listed on BSE 500 index during April, 2001 to 31st March 2007.

Ghatak (2011) analysed the impact of bonus issue and stock split on the stock market. He stated that market reacts positively on the declaration of these two events on the announcement date and there after it follows mixed trend.

Foster and Vickery (1978) examined the signaling hypothesis using daily returns data. They investigated and reported the information content of 82 stock dividend announcements and reported significant positive abnormal returns around announcement dates.

Grinblatt, Masulis & Titman (1984) analysed the ex-dates of stock dividends which were distributed from 1967 to 1976 and reported an average abnormal returns of 1.1% earned by the investors.

Obaidullah (1992) & Rao (1994) confirmed a positive stock market reaction to equity bonus announcements.

Budhrajya et al. (2004) have suggested abnormal returns to the investors and increase in stock prices around the bonus announcement date. It also said that much of the information in the bonus announcement gets impounded into stocks by the time of announcement.

RESEARCH HYPOTHESES

Based on research objectives, the hypotheses are as follows:

0: There is no significant difference in stock price of issuing company before and after bonus issue announcement.

1: There is significant difference in stock price of issuing company before and after bonus issue announcement.

0: There is no significant difference in Abnormal Returns in pre – announcement periods and post announcement periods.

1: There is significant difference in Abnormal Returns in pre – announcement periods and post announcement periods.

0: The Indian stock market is efficient in semi-strong form in case of bonus issue announcement.

1: The Indian stock market is not efficient in semi-strong form in case of bonus issue announcement.

DATA AND METHODOLOGY

We have used daily adjusted closing stock prices of the sample companies and BSE SENSEX historical prices to calculate the abnormal return around the bonus issue announcement date from the year 2013 to 2015. Stock prices of sample companies and BSE Sensex prices have been obtained from yahoo finance website (<http://finance.yahoo.com>). The dates of formal announcements of bonus issue to be made by sample companies have been obtained from BSE website. In this study, we have studied three cases of bonus issues made by Indian firms. They are chosen through the following criteria:

- a. The stock price and index price are available in yahoo finance.
- b. The stock price and index price of each firm are available for the duration of the event study, which is from -180 to +20 days.
- c. The stock is actively traded, meaning that there are not much zero returns.

Based on the above criteria, table 1 consists of the companies that are chosen for analysis.

TABLE 1: LIST OF SAMPLE COMPANIES

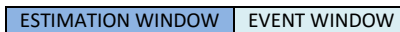
NO.	COMPANY NAME	BONUS ISSUE RATIO	ANNOUNCEMENT DATE
1.	GODREJ INDUSTRIES	1:1250	07.02.2014
2.	HCL TECHNOLOGIES	1:1	30.01.2015
3.	LOOKS HEALTHCARE	3:4	13.10.2015

EVENT STUDY METHODOLOGY

To analyze the impact of bonus issue announcements on the wealth of shareholders of issuing company, event study method is being used. This study uses this method because it can directly measure the capital gain earned by shareholders resulting from any event of bonus issue.

Event study uses abnormal return over the event window to test for market efficiency. An abnormal return, which implies the difference between actual return and expected return will be positive or negative - depends on the information if the market is not efficient. In an efficient market, it is not possible to find abnormal returns because it is impossible for investors to earn excess return. There are many approaches to find abnormal return. In this paper, we have used statistical model of market model. The steps of conducting event study are as follows:

- 1. The first step is to define the event and the event window. The event in this research is announcements of bonus issue. The event window in our study is 20 days prior and after the announcement day (-20 to +20). The day of official announcement of bonus issue is known as the event day, denoted as 0. Since market model is used, there is a need to establish estimation window as well. Figure 1 depicts the timeline of event window which uses day -180 to -20 as the estimation window.



-180 -20 0 20

- 2. Gather the daily closing adjusted historical prices of stocks and BSE SENSEX from yahoo finance and calculate the daily stock return (R) and daily market return (R_m). The returns of each stock along the estimation and event window is calculated using the formula below:

$$R_{it} = \ln\left(\frac{P_{it}}{P_{it-1}}\right) = \ln(P_{it}) - \ln(P_{it-1})$$

Where R_{it} is the log return of stock i at day t, and P_{it} and P_{it-1} is the closing adjusted price of stock i at day t and the closing adjusted price of stock i at day t-1 respectively.

Then calculate the market return using BSE SENSEX daily price. The corresponding market return is also calculated along the estimation and event window using the formula:

$$R_{mt} = \ln\left(\frac{P_{mt}}{P_{mt-1}}\right) = \ln(P_{mt}) - \ln(P_{mt-1})$$

Where R_{mt} is the market log return at day t, P_{mt} and P_{mt-1} is the closing price of market index at day t and the closing price of market index at day t-1 respectively.

- 3. A regression analysis is conducted using the actual daily log return of each stock (R) as dependent variable and the corresponding daily market log return (R_m) of BSE SENSEX as independent variable over the estimation window (180 days prior to the event window) to obtain the intercept - alpha and slope - beta for each stock separately. Table 2 shows alpha and beta that are used for each stock.

TABLE 2: ALPHA AND BETA FOR EACH STOCK

ISSUING COMPANY/ STOCK	ALPHA	BETA
GODREJ INDUSTRIES	-0.0009	0.9253
HCL TECHNOLOGIES	0.0004	0.3956
LOOKS HEALTHCARE	-0.0126	0.435

- 4. Calculate the expected return of each stock for each day during the event window (day -20 to +20) using the formula:

$$\hat{R}_{it} = \hat{\alpha}_i + \hat{\beta}_i \cdot R_{mt} \text{ (AS PER MARKET MODEL APPROACH)}$$

Where \hat{R}_{it} is the expected return on stock i at time t, R_{mt} is the corresponding market return i.e. BSE SENSEX, $\hat{\alpha}_i$ and $\hat{\beta}_i$ are OLS parameters estimated through regression equation.

- 5. Then, the Abnormal Return is calculated as:

$$AR_{it} = R_{it} - \hat{R}_{it}$$

Where R_{it} is the actual log return on stock i at time t.

The significance of Abnormal Returns has been checked through t- statistics as follows:

$$t_{AR,t} = \frac{AR_t}{\sigma}$$

Where σ_{AR} is the standard error of Abnormal Returns over the estimation period from t= -180 to t= -20.

The cumulative abnormal return (CAR) for a given security is simply the sum of daily returns over the event window.

- 6. To see the movement of Abnormal return over time, AR is then plotted through time during the event window (day -20 to +20).

- 7. To test for the impact of bonus issue announcement on the wealth of shareholders of issuing companies and for market efficiency, both parametric and non-parametric tests have been used, such as independent samples T-test, paired samples t-test and Mann- Whitney test and Wilcoxon matched-pairs signed rank test.

SEMI-LOG REGRESSION MODEL

Apart from the statistical tests mentioned above, we have used also used linear and semi- log regression equations to test the effect of time on closing adjusted stock prices, and abnormal returns. We have tried to find out in what time phase these dependent variables are significant. The time phases are namely pre-announcement and post- announcement.

The general form of semi- log regression equation used (including time dummy) is as follows:

$$\ln(\text{Dependent Variable}) = \beta_0 + \beta_1D + \beta_2t + \beta_3(tD)$$

Where,

ln (Dependent Variable) = Natural log of Dependent Variable values

β_0 = Intercept for Pre-announcement period

$\beta_0 + \beta_1$ = Intercept for Post-announcement period (provided β_1 is significant)

β_2 = Growth rate of variable for Pre-announcement period

$\beta_2 + \beta_3$ = Growth rate of variable for Post-announcement period (provided β_3 is significant)

D = 1, If announcement period is post announcement, otherwise 0

t = Time Period (1 for day -20, 2 for day -19 40 for day 20)

So in this model, the intercepts and slopes vary with the time period- pre and post announcement. β_1 i.e. differential intercept coefficient gives the difference in intercepts between pre and post announcement period and β_3 i.e. differential slope coefficient gives the difference in slopes between the two periods.

EMPIRICAL ANALYSIS AND RESULTS

This section deals with the empirical analysis and results for the sample issuing companies viz., Godrej Industries, HCL Technologies, Looks Healthcare in that order.

A) GODREJ INDUSTRIES:

❖ **DESCRIPTIVE STATISTICS**

	N	Minimum	Maximum	Mean	Std. Deviation
PRE PERIOD CLOSING PRICE	20	262.1900	290.4100	275.882500	8.9171992
POST PERIOD CLOSING PRICE	20	265.1100	295.0800	273.456500	7.8105915
PRE PERIOD ACTUAL RETURN	20	-.0616	.0490	.001289	.0264608
POST PERIOD ACTUAL RETURN	20	-.0386	.0403	.003033	.0169216
PRE PERIOD ABNORMAL RETURN	20	-.0540	.0515	.003097	.0243688
POST PERIOD ABNORMAL RETURN	20	-.0358	.0406	.000524	.0174981
Valid N (listwise)	20				

The mean adjusted closing price for the pre- announcement period is Rs. 275.88 (with the standard deviation of 8.91%). On the other hand, the mean adjusted closing price for the post- announcement period is Rs. 273.45 (with a standard deviation of 7.81%). The mean value of return series in the pre-announcement period is 0.12% (with a standard deviation of 2.64%) while that in post- announcement period is 0.30% (with a standard deviation of 1.69%). The mean value of abnormal return series in the pre-announcement period is 0.30% (with standard deviation of 2.43%) while that in post-announcement period is 0.05% (with a standard deviation of 1.74%).

❖ **DISTRIBUTION OF ABNORMAL RETURNS AROUND THE ANNOUNCEMENT DATE FOR DAYS -20 to 20**

GRAPH 1: SHOWS ABNORMAL RETURNS PLOTTED AGAINST TIME

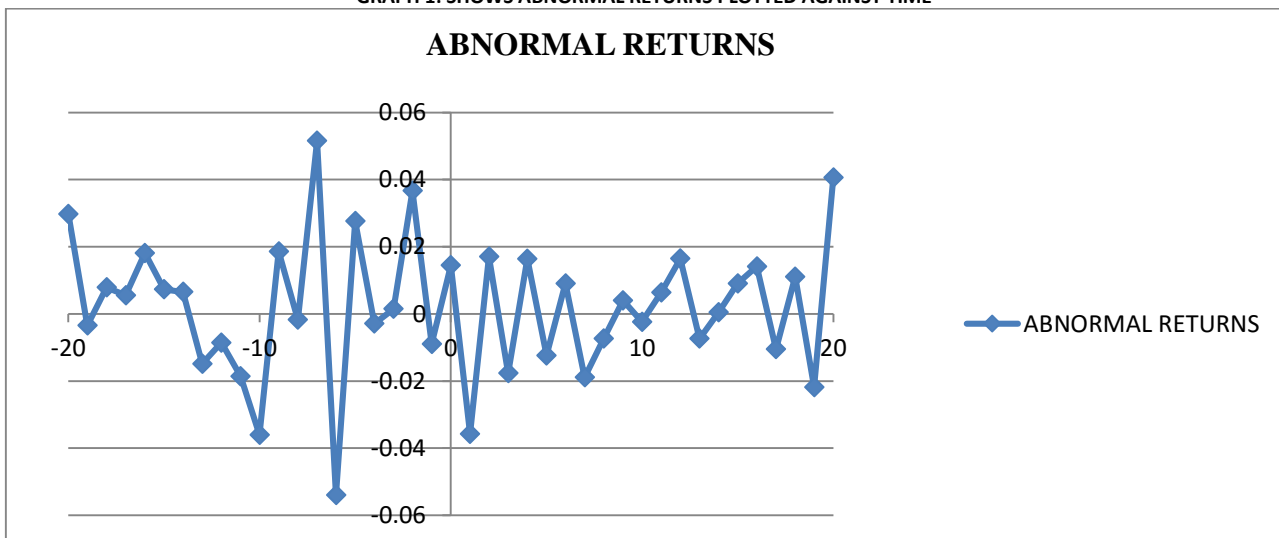


TABLE 3: SHOWS ANNOUNCEMENT PERIOD ABNORMAL RETURNS OF THE COMPANY FOR DAYS -20 TO 20

DAY	ABNORMAL RETURN	t-VALUE	DAY	ABNORMAL RETURN	t-VALUE
-20	0.029735672	1.619855	1	0.035757577	-1.9479
-19	-0.003497436	-0.19052	2	0.017050454	0.928826
-18	0.007862744	0.428324	3	0.017667798	-0.96246
-17	0.005560523	0.30291	4	0.016391741	0.892942
-16	0.018111718	0.986638	5	0.012382737	-0.67455
-15	0.007310818	0.398258	6	0.009047217	0.492848
-14	0.006554257	0.357044	7	0.018942451	-1.03189
-13	-0.01487275	-0.8102	8	0.007340279	-0.39986
-12	-0.008567639	-0.46672	9	0.004028029	0.219427
-11	-0.018585322	-1.01244	10	-0.00236169	-0.12865
-10	-0.036043896	-1.9635	11	0.006354585	0.346167
-9	0.018622143	1.014444	12	0.016436608	0.895386
-8	-0.001751375	-0.09541	13	0.007391121	-0.40263
-7	0.051542813	2.807802	14	0.000490982	0.026746
-6	-0.054000732	-2.9417	15	0.009077549	0.494501
-5	0.027620821	1.504648	16	0.014124454	0.769432
-4	-0.002890763	-0.15747	17	-0.01051223	-0.57266
-3	0.001495106	0.081446	18	0.01107021	0.603051
-2	0.036683174	1.998321**	19	0.021814666	-1.18836
-1	-0.00895344	-0.48774	20	0.040581944	2.210707**
0	0.014462584	0.787851			

**significant at 5%

AR= Abnormal Return

• PRE- ANNOUNCEMENT PERIOD (-20, -1)

The abnormal returns before the event day show a mixed pattern. ARs before the event day are positive only for 11 days out of 20 days and are negative for rest of 9 days. Significant AR has been noted only for day t-2. The results show that ARs for days 3 to 20 preceding the announcement date are found to be almost equal to zero, as they are not statistically different from zero, indicating that the market did not anticipate the bonus issue event of the firm even three days before the formal announcement.

• ON THE EVENT DAY

It is interesting to note that AR which was -0.89% on day t-1, increased by a huge fraction and became +1.44% on day t = 0, the day of official announcement of bonus issue. This sudden increase in AR from its level on previous day (t-1) might have been due to official recording of bonus issue announcement on which the market reacted quickly and positively. The results show that on event day, AR = 1.44% i.e. the wealth of shareholders of the company had gone up by 1.44% but not significantly. This indicates that the market reacted positively but not significantly to the bonus issue announcement of company.

• POST- ANNOUNCEMENT PERIOD (1,20)

The ARs after the announcement day also show no consistent pattern. There is an immediate jump on day succeeding the announcement day resulting in positive AR of 3.57% on day one after the announcement. But after that there is reversal of trend, there are both positive and negative returns which are not significant, pointing towards market efficiency.

❖ A COMPARISON OF PRE & POST- ANNOUNCEMENT PERIODS THROUGH STATISTICAL TESTS

To see whether there is a difference in stock prices (as well as abnormal returns) before and after the announcement day during the event window, two independent samples parametric and non-parametric statistical tests have been used. These tests have been performed to find out the first and third hypothesis of this research. Two independent samples t-test and Mann-Whitney test have been conducted after a test of normality is performed using Shapiro Wilks test.

i) ADJUSTED CLOSING PRICES (refer to table 4)

Both the pre and post announcement period data are normally distributed using 5% level of significance. The average closing price in post-announcement period is Rs. 0.10 lower than the pre-announcement period average and this difference is not statistically significant. Both parametric and non-parametric test indicate that there is no significant difference in stock price before and after the announcement day. P-value from T-test and Mann-Whitney are 0.369 and 0.449 respectively, which are above 0.05. Thus, we cannot reject the null hypothesis that the stock price before and after the announcement day is equal.

TABLE 4: SHOWS THE RESULT OF PARAMETRIC AND NON-PARAMETRIC TESTS AND ALSO PROVIDES ADDITIONAL INFORMATION ABOUT THE NORMALITY OF THE DATA

PERIOD	P-VALUE	MEAN DIFFERENCE (pre-post)	PARAMETRIC TEST (2 SAMPLES t- TEST)		NON PARAMETRIC TEST (MANN-WHITNEY TEST)	
			T- VALUE	P- VALUE	Z- VALUE	P-VALUE
BEFORE	0.108	0.0109260	0.910	0.369	-0.758	0.449
AFTER	0.910					

ii) ABNORMAL RETURNS (refer to table 5)

Both the pre and post announcement period data are normally distributed using 5% level of significance. The average abnormal return in post-announcement period is 0.25% lower than the pre-announcement period average but this difference is not statistically significant. Both parametric and non-parametric test indicate that there is no significant difference in abnormal returns before and after the announcement day. P-value from T-test and Mann-Whitney are 0.703 and 0.665 respectively, which are above 0.05. Thus, we cannot reject the null hypothesis that the abnormal returns before and after the announcement day are equal.

TABLE 5: SHOWS THE RESULT OF PARAMETRIC AND NON-PARAMETRIC TESTS AND ALSO PROVIDES ADDITIONAL INFORMATION ABOUT THE NORMALITY OF THE DATA

PERIOD	P-VALUE	MEAN DIFFERENCE (pre-post)	PARAMETRIC TEST (2 SAMPLES t- TEST)		NON PARAMETRIC TEST (MANN-WHITNEY TEST)	
			T- VALUE	P- VALUE	Z- VALUE	P-VALUE
BEFORE	0.993	0.0025727	0.384	0.703	-0.433	0.665
AFTER	0.163					

THROUGH REGRESSION ANALYSIS

We have tested the effect of time on Adjusted Close Price, and Abnormal Returns. We have tried to find out in what time phase these variables are significant. The time phases are namely pre announcement and post announcement.

i) ADJUSTED CLOSING PRICE

$$\ln(\text{PRICE}) = \beta_0 + \beta_1D + \beta_2t + \beta_3tD \text{ ----- GENERAL FORM OF EQUATION}$$

We got the following regression equation:

$$\ln(\text{PRICE}) = 5.585 + 0.142D + 0.003t - 0.007tD$$

$$S.E = (0.10) (0.029) (0.001) (0.001)$$

$$t = (536.497) (4.918) (3.743) (-5.761)$$

It was found that the intercept for the pre-announcement period has come out to be positive and significant at 5% level. But the post announcement price is higher than the pre-announcement period and significant at 5%. On the other hand, we noted that the growth rate of price for pre-announcement period is significantly positive while it is significantly negative for post- announcement period. This means that immediately after the announcement, the stock price increased significantly, but as the post- announcement period increased, the stock price started falling. This confirms the result of t- test which indicates that the stock price reduced but not significantly in the post- announcement period.

ii) ABNORMAL RETURNS

$$\text{ABNORMAL RETURNS} = \beta_0 + \beta_1D + \beta_2t + \beta_3tD \text{ ----- GENERAL FORM OF EQUATION}$$

(We could not take semi-log form regression equation here due to negative values of abnormal return)

We got the following regression equation:

$$\text{ABNORMAL RETURNS} = 0.001 + 0.030D + 0.000t - 0.001tD$$

$$S.E = (0.010) (0.028) (0.001) (0.001)$$

$$t = (0.105) (1.101) (0.236) (-1.031)$$

It was found that the intercept for the pre-announcement period has come out to be positive but not statistically significant at 5% level. The post announcement abnormal returns are higher than the pre-announcement period but this increase is not statistically significant at 5%. Also, we noted that the growth rates of returns for both pre-announcement and post- announcement periods are statistically insignificant. This means that the announcement of bonus issue doesn't have a significant impact on the returns experienced by the issuing company.

THROUGH ANALYSIS OF CUMULATIVE ABNORMAL RETURNS

We found that the cumulative abnormal returns (CAR) for the pre-announcement period are 6.19%, which decreased to 1.04% for the post- announcement period. This clearly shows the pattern of decreased returns from pre-merger periods to post merger period days. Thus, the reduced CAR for post period is showing worse position of the shareholders i.e. decrease in wealth after the announcement of bonus issue.

❖ TESTING MARKET EFFICIENCY

To support the analysis above, it is also important to test for the presence of abnormal returns around the announcement day. Both parametric (Paired samples t – test) and non-parametric test (Wilcoxon matched pairs signed rank test) have been conducted to see the presence of abnormal return. In this part of analysis, event window is narrowed to 15 days prior and after the announcement day to identify the presence of abnormal return closely around the announcement day.

Actual and expected return within the narrowed event window should differ in order to know the possibility to outperform the stock market in the case of bonus issue announcement. In the case of bonus issue announcement, shareholders will expect to gain on their investment after the announcement day. Therefore, a test of difference in actual return and expected return on one day after the announcement day to 15 days after the announcement day is also conducted to see if shareholders could earn excess return.

Both of these tests have the null hypothesis of expected return being same as actual return which makes it impossible to outperform the market.

TABLE 6: SHOWS THE RESULT OF NORMALITY TEST, PAIRED SAMPLE T-TEST AND WILCOXON MATCHED-PAIRS SIGNED-RANK TEST DURING THE NARROWED EVENT WINDOW (-15, 15)

NORMALITY (P-VALUE)		MEAN DIFFERENCE	PAIRED SAMPLE t- TEST		WILCOXON SIGNED RANK TEST	
ACTUAL	EXPECTED		t- VALUE	P-VALUE	Z VALUE	P-VALUE
0.002	0.042	-0.0001400	-----	-----	0.000	1.000

The non-parametric test shows that there is no significant difference between actual and expected return from day -15 to +15 (p-value > 0.05), making it impossible for the investors of Godrej Industries to outperform the market.

TABLE 7: SHOWS RESULTS OF STATISTICAL TESTS ON THE ACTUAL RETURN AND EXPECTED RETURN AFTER THE ANNOUNCEMENT DAY (1 to +15)

NORMALITY (P-VALUE)		MEAN DIFFERENCE	PAIRED SAMPLE t- TEST		WILCOXON SIGNED RANK TEST	
ACTUAL	EXPECTED		t- VALUE	P-VALUE	Z VALUE	P-VALUE
0.012	0.080	-0.0015311	-----	-----	-0.227	0.820

The non-parametric tests show that there is no significant difference between actual and expected return from day 1 to +15 (p-value > 0.05), making it impossible for the investors of Godrej Industries to outperform the market.

In order to identify the real effect of bonus issue announcement, the focus is more on table 7, which represents the ability of investors to earn abnormal return after the announcement of issue. If the market is not efficient, it is possible for investors to earn significant abnormal return after the announcement day. But as per Table 7, the market is efficient because the shareholders are not able to earn excess return. Therefore, we fail to reject the null hypothesis 3 and conclude that Indian stock market is efficient in semi-strong form in case of bonus issue announcement.

❖ **SUMMARY**

The analysis shows that there is no significant difference between the stock price before and after the announcement of bonus issue. The stock price has reduced but not significantly in the post-announcement period. Also, the abnormal returns have reduced in the post-announcement period but this decrease is not statistically significant. The cumulative abnormal returns also show a decrease in the post- announcement period. Thus, it can be said that Godrej Industries bonus issue announcement has had a negative but not significant impact on the wealth of shareholders of Godrej Industries.

As far as market efficiency is concerned, the analysis shows that the investors are not able to earn significant excess returns in the post- announcement period, showing that Indian stock market is semi- strong form efficient. The informational content of the bonus issue announcement gets quickly impounded into the stock prices, making it impossible for the investors of Godrej Industries to use publicly available information to outperform the market.

B) HCL TECHNOLOGIES

❖ **DESCRIPTIVE STATISTICS**

	N	Minimum	Maximum	Mean	Std. Deviation
PRE PERIOD CLOSING PRICE	20	751.03	843.48	802.9570	25.91283
POST PERIOD CLOSING PRICE	20	946.73	1022.73	987.6065	21.36593
PRE PERIOD ACTUAL RETURN	20	-.05	.05	-.0001	.03006
POST PERIOD ACTUAL RETURN	20	-.03	.05	.0059	.01929
PRE PERIOD ABNORMAL RETURN	20	-.03	.03	.0010	.01558
POST PERIOD ABNORMAL RETURN	20	-.03	.05	.0055	.01924
Valid N (listwise)	20				

The mean adjusted closing price for the pre-announcement period is Rs. 802.95 (with the standard deviation of 25.91%). On the other hand, the mean adjusted closing price for the post- announcement period is Rs. 987.60 (with a standard deviation of 21.36%). The mean value of return series in the pre-announcement period is -0.01% (with a standard deviation of 3.00%) while that in post- announcement period is 0.59% (with a standard deviation of 1.92%). The mean value of abnormal return series in the pre-announcement period is 0.10% (with standard deviation of 1.55%) while that in post-announcement period is 0.55% (with a standard deviation of 1.92%).

❖ **DISTRIBUTION OF ABNORMAL RETURNS AROUND THE ANNOUNCEMENT DATE FOR DAYS -20 to 20**

GRAPH 2: SHOWS ABNORMAL RETURNS PLOTTED AGAINST TIME

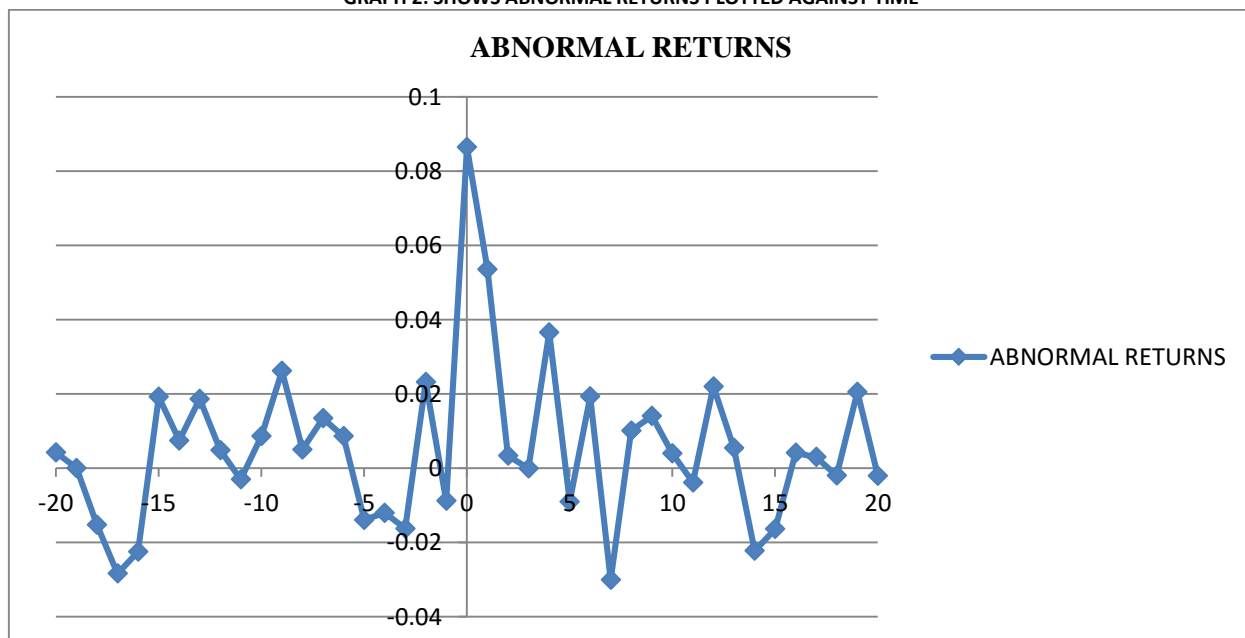


TABLE 8: SHOWS ANNOUNCEMENT PERIOD ABNORMAL RETURNS OF THE COMPANY FOR DAYS -20 TO 20

Day	AR	t-Value	day	AR	t-Value
-20	0.004277	0.230226	1	0.053585	2.884619**
-19	5.41E-05	0.002911	2	0.003351	0.180401
-18	-0.01525	-0.82091	3	-3E-05	-0.00159
-17	-0.02836	-1.52682	4	0.036593	1.969882
-16	-0.0225	-1.21116	5	-0.009	-0.48434
-15	0.019233	1.035368	6	0.019332	1.040701
-14	0.007483	0.402835	7	-0.03007	-1.61864
-13	0.018685	1.005846	8	0.010148	0.546301
-12	0.004857	0.261479	9	0.014047	0.756165
-11	-0.00303	-0.16317	10	0.003979	0.214188
-10	0.008668	0.466601	11	-0.00385	-0.20731
-9	0.026236	1.412378	12	0.022014	1.185066
-8	0.005065	0.272651	13	0.00544	0.292869
-7	0.013458	0.724505	14	-0.02223	-1.19694
-6	0.008628	0.464461	15	-0.01638	-0.88172
-5	-0.01393	-0.74975	16	0.004122	0.22189
-4	-0.01201	-0.64639	17	0.003029	0.163042
-3	-0.01626	-0.87524	18	-0.00199	-0.10709
-2	0.02325	1.251613	19	0.020565	1.107063
-1	-0.00877	-0.47204	20	-0.00205	-0.11062
0	0.086487	4.655827**			

**significant at 5%

AR= Abnormal Return

• PRE- ANNOUNCEMENT PERIOD (-20, -1)

The abnormal returns before the event day show a mixed pattern. ARs before the event day are positive only for 12 days out of 20 days and are negative for rest of 8 days. The results show that ARs for days 1 to 20 preceding the announcement date are found to be almost equal to zero, as they are not statistically different from zero, indicating that the market did not anticipate the bonus issue event of the firm even one day before the formal announcement.

• ON THE EVENT DAY

It is interesting to note that AR which was -0.87% on day t-1, increased by a huge fraction and became +8.64% on day t = 0, the day of official announcement of bonus issue. This sudden increase in AR from its level on previous day (t-1) might have been due to official recording of bonus issue announcement on which the market reacted quickly and positively. The results show that on event day, AR = 8.64% i.e. the wealth of shareholders of the company had gone up by a significant 8.64%. This indicates that the market reacted positively and significantly to the bonus issue announcement of company.

• POST- ANNOUNCEMENT PERIOD (1,20)

The ARs after the announcement day also show no consistent pattern. As compared to event day, there has been a fall in returns on day succeeding the announcement day, but still the investors have managed to earn significantly positive AR of 5.35% on day one after the announcement. But after that there is reversal of trend, there are both positive and negative returns which are not significant, pointing towards market efficiency.

❖ A COMPARISON OF PRE & POST- ANNOUNCEMENT PERIODS

THROUGH STATISTICAL TESTS

i) ADJUSTED CLOSING PRICES (refer to table 9)

Both the pre and post announcement period data are normally distributed using 5% level of significance. The average closing price in post-announcement period is Rs. 0.20 higher than the pre-announcement period average and this difference is statistically significant. Both parametric and non-parametric test indicate that there is significant difference in stock price before and after the announcement day. P-value from T-test and Mann-Whitney are 0.000 and 0.000 respectively, which are below 0.05. Thus, we can reject the null hypothesis that the stock price before and after the announcement day is equal.

TABLE 9: SHOWS THE RESULT OF PARAMETRIC AND NON-PARAMETRIC TESTS AND ALSO PROVIDES ADDITIONAL INFORMATION ABOUT THE NORMALITY OF THE DATA

PERIOD	P-VALUE	MEAN DIFFERENCE (pre-post)	PARAMETRIC TEST (2 SAMPLES t- TEST)		NON PARAMETRIC TEST (MANN-WHITNEY TEST)	
			T- VALUE	P- VALUE	Z- VALUE	P-VALUE
BEFORE	0.108	-0.2072575	-23.727	0.000	-5.410	0.000
AFTER	0.910					

ii) ABNORMAL RETURNS (refer to table 10):

Both the pre and post announcement period data are normally distributed using 5% level of significance. The average abnormal return in post-announcement period is 0.45% higher than the pre-announcement period average but this difference is not statistically significant. Both parametric and non-parametric test indicate that there is no significant difference in abnormal returns before and after the announcement day. P-value from T-test and Mann-Whitney are 0.417 and 0.705 respectively, which are above 0.05. Thus, we cannot reject the null hypothesis that the abnormal returns before and after the announcement day are equal.

TABLE 10: SHOWS THE RESULT OF PARAMETRIC AND NON-PARAMETRIC TESTS AND ALSO PROVIDES ADDITIONAL INFORMATION ABOUT THE NORMALITY OF THE DATA

PERIOD	P-VALUE	MEAN DIFFERENCE (pre-post)	PARAMETRIC TEST (2 SAMPLES t- TEST)		NON PARAMETRIC TEST (MANN-WHITNEY TEST)	
			T- VALUE	P- VALUE	Z- VALUE	P-VALUE
BEFORE	0.993	-0.004540	-0.820	0.417	-0.379	0.705
AFTER	0.163					

THROUGH REGRESSION ANALYSIS

We have tested the effect of time on Adjusted Close Price, and Abnormal Returns. We have tried to find out in what time phase these variables are significant. The time phases are namely pre-announcement and post-announcement.

i) ADJUSTED CLOSING PRICE

$$\ln(\text{PRICE}) = \beta_0 + \beta_1D + \beta_2t + \beta_3tD \text{ ----- GENERAL FORM OF EQUATION}$$

We got the following regression equation:

$$\ln(\text{PRICE}) = 6.729 + 0.247D - 0.004t + 0.001tD$$

$$S.E = (0.009) (0.026) (0.001) (0.001)$$

$$t = (732.533) (9.690) (-5.111) (1.971)$$

It was found that the intercept for the pre-announcement period has come out to be positive and significant at 5% level. But the post announcement price is higher than the pre-announcement period and significant at 5%. Also, we noted that the growth rate of price for pre-announcement period is significantly negative.

The differential slope coefficient is significantly positive, showing that the growth rate of price has increased significantly in the post- announcement period. This means that the share price has increased in the post announcement period on account of the announcement of bonus issue by the company, showing that announcement has had a positive and significant effect on share price.

ii) ABNORMAL RETURNS

ABNORMAL RETURNS = $\beta_0 + \beta_1D + \beta_2t + \beta_3tD$ ----- GENERAL FORM OF EQUATION

We got the following regression equation:

ABNORMAL RETURNS = 0.004 - 0.030D - 0.003t + 0.001tD

S.E = (0.008) (0.022) (0.001) (0.001)

t = (0.506) (-1.325) (-0.437) (1.381)

It was found that the intercept for the pre-announcement period has come out to be positive but not statistically significant at 5% level. The post announcement abnormal returns are lower than the pre-announcement period but this decrease is not statistically significant at 5%. Also, we noted that the growth rates of return for both pre- and post-announcement periods are negative and statistically insignificant, but the growth rate has increased in post-announcement period. This means that the announcement of bonus issue has a positive but not a significant impact on the returns experienced by the issuing company.

THROUGH ANALYSIS OF CUMULATIVE ABNORMAL RETURNS

We found that the cumulative abnormal returns (CAR) for the pre-announcement period are 1.97%, which increased to 11.06% for the post- announcement period. This clearly shows the pattern of increased returns from pre-merger periods to post merger period days. Thus, the increase in CAR for post- announcement period is showing better position of the shareholders i.e. increase in wealth after the announcement of bonus issue.

❖ **TESTING MARKET EFFICIENCY**

TABLE 11: SHOWS THE RESULT OF NORMALITY TEST, PAIRED SAMPLE T-TEST AND WILCOXON MATCHED-PAIRS SIGNED-RANK TEST DURING THE NARROWED EVENT WINDOW (-15, 15)

NORMALITY (P-VALUE)		MEAN DIFFERENCE	PAIRED SAMPLE t- TEST		WILCOXON SIGNED RANK TEST	
ACTUAL	EXPECTED		t- VALUE	P-VALUE	Z VALUE	P-VALUE
0.006	0.032	-0.0082253	-----	-----	-1.803	0.071

The non-parametric test shows that there is no significant difference between actual and expected return from day -15 to +15 (p-value> 0.05), making it impossible for the investors of HCL Technologies to outperform the market.

TABLE 12: SHOWS RESULTS OF STATISTICAL TESTS ON THE ACTUAL RETURN AND EXPECTED RETURN AFTER THE ANNOUNCEMENT DAY (1 TO +15)

NORMALITY (P-VALUE)		MEAN DIFFERENCE	PAIRED SAMPLE t- TEST		WILCOXON SIGNED RANK TEST	
CTUAL	EXPECTED		t- VALUE	P-VALUE	Z VALUE	P-VALUE
0.011	0.090	-0.0057953	-----	-----	-0.909	0.363

The non-parametric tests show that there is no significant difference between actual and expected return from day 1 to +15 (p- value> 0.05), making it impossible for the investors of HCL Technologies to outperform the market.

As per Table 12, the market is efficient because the shareholders are not able to earn excess return. Therefore, we fail to reject the null hypothesis 3 and conclude that Indian stock market is efficient in semi-strong form in case of bonus issue announcement.

❖ **SUMMARY**

The analysis shows that there is a significant difference between the stock price before and after the announcement of bonus issue. The stock price has increased significantly in the post- announcement period. Also, the abnormal returns have increased in the post-announcement period but this increase is not statistically significant. The cumulative abnormal returns also show an increase in the post- announcement period. Thus, it can be said that HCL Technologies bonus announcement has had a positive impact on the wealth of shareholders of HCL Technologies.

As far as market efficiency is concerned, the analysis shows that the investors are not able to earn significant excess returns in the post-announcement period, showing that Indian stock market is semi- strong form efficient. The informational content of the bonus issue announcement gets quickly impounded into the stock prices, making it impossible for the investors of HCL Technologies to use publicly available information to outperform the market.

C) LOOKS HEALTHCARE

❖ **DESCRIPTIVE STATISTICS**

	N	Minimum	Maximum	Mean	Std. Deviation
PRE PERIOD CLOSING PRICE	20	16.57	23.43	18.5600	2.22691
POST PERIOD CLOSING PRICE	20	18.57	30.11	23.8045	2.91080
PRE PERIOD ACTUAL RETURN	20	-.21	.05	-.0156	.06034
POST PERIOD ACTUAL RETURN	20	-.10	.18	.0079	.07704
PRE PERIOD ABNORMAL RETURN	20	-.20	.06	-.0027	.05909
POST PERIOD ABNORMAL RETURN	20	-.09	.20	.0213	.07666
Valid N (listwise)	20				

The mean adjusted closing price for the pre-announcement period is Rs. 18.56 (with the standard deviation of 2.22%). On the other hand, the mean adjusted closing price for the post- announcement period is Rs. 23.80 (with a standard deviation of 2.91%). The mean value of return series in the pre-announcement period is -1.56% (with a standard deviation of 6.03%) while that in post- announcement period is 0.79% (with a standard deviation of 7.70%). The mean value of abnormal return series in the pre-announcement period is -0.27% (with standard deviation of 5.90%) while that in post-announcement period is 2.13% (with a standard deviation of 7.66%).

GRAPH 3: SHOWS ABNORMAL RETURNS PLOTTED AGAINST TIME

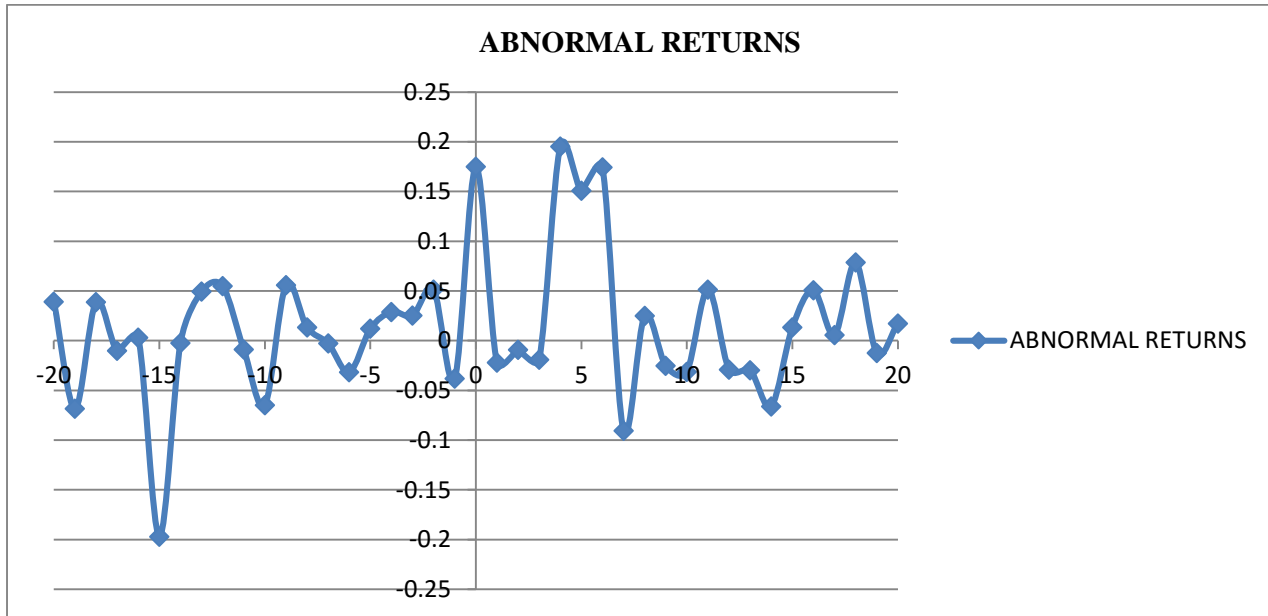


TABLE 13: SHOWS ANNOUNCEMENT PERIOD ABNORMAL RETURNS OF THE COMPANY FOR DAYS -20 TO 20

DAY	AR	t-VALUE	DAY	AR	t-VALUE
-20	0.039221	0.685647	1	-0.0222	-0.38818
-19	-0.06853	-1.19805	2	-0.00931	-0.16268
-18	0.038909	0.680194	3	-0.01925	-0.33644
-17	-0.01013	-0.17714	4	0.195048	3.409773**
-16	0.00305	0.053313	5	0.150934	2.638592**
-15	-0.19718	-3.44697	6	0.174251	3.046214**
-14	-0.00236	-0.04123	7	-0.09063	-1.5843
-13	0.049446	0.864397	8	0.024838	0.43421
-12	0.054731	0.956802	9	-0.02519	-0.44045
-11	-0.00897	-0.15676	10	-0.03124	-0.54619
-10	-0.06483	-1.1333	11	0.05142	0.898905
-9	0.055851	0.976379	12	-0.02914	-0.50937
-8	0.013324	0.232935	13	-0.02978	-0.52058
-7	-0.00291	-0.0508	14	-0.06614	-1.15628
-6	-0.03181	-0.55611	15	0.013245	0.231542
-5	0.011918	0.20835	16	0.050707	0.886445
-4	0.028766	0.502884	17	0.005698	0.09961
-3	0.025382	0.443728	18	0.07866	1.375114
-2	0.051191	0.894915	19	-0.01239	-0.21659
-1	-0.03828	-0.66917	20	0.017217	0.300989
0	0.174825	3.056247**			

**significant at 5%

AR= Abnormal Return

• PRE- ANNOUNCEMENT PERIOD (-20, -1)

The abnormal returns before the event day show a mixed pattern. ARs before the event day are positive only for 11 days out of 20 days and are negative for rest of 9 days. The results show that ARs for days 1 to 20 preceding the announcement date are found to be almost equal to zero, as they are not statistically different from zero, indicating that the market did not anticipate the bonus issue event of the firm even one day before the formal announcement.

• ON THE EVENT DAY

It is interesting to note that AR which was -3.82% on day t-1, increased by a huge fraction and became +17.48% on day t = 0, the day of official announcement of bonus issue. This sudden increase in AR from its level on previous day (t-1) might have been due to official recording of bonus issue announcement on which the market reacted quickly and positively. The results show that on event day, AR = 17.48% i.e. the wealth of shareholders of the company had gone up by a significant 17.48%. This indicates that the market reacted positively and significantly to the bonus issue announcement of company.

• POST- ANNOUNCEMENT PERIOD (1, 20)

The ARs after the announcement day also show no consistent pattern. As compared to event day, there has been a fall in returns on day succeeding the announcement day, resulting in abnormal loss of 2.22% to the investors. But after that there is a mixed trend, there are both positive and negative returns, pointing towards market efficiency.

❖ A COMPARISON OF PRE & POST- ANNOUNCEMENT PERIODS THROUGH STATISTICAL TESTS

i) ADJUSTED CLOSING PRICES (refer to table 14)

Both the pre and post announcement period data are normally distributed using 5% level of significance. The average closing price in post-announcement period is Rs. 0.24 higher than the pre-announcement period average and this difference is statistically significant. Both parametric and non-parametric test indicate that there is significant difference in stock price before and after the announcement day. P-value from T-test and Mann-Whitney are 0.000 and 0.000 respectively, which are below 0.05. Thus, we can reject the null hypothesis that the stock price before and after the announcement day is equal.

TABLE 14: SHOWS THE RESULT OF PARAMETRIC AND NON-PARAMETRIC TESTS AND ALSO PROVIDES ADDITIONAL INFORMATION ABOUT THE NORMALITY OF THE DATA

PERIOD	P-VALUE	MEAN DIFFERENCE (pre-post)	PARAMETRIC TEST (2 SAMPLES t- TEST)		NON PARAMETRIC TEST (MANN-WHITNEY TEST)	
			T- VALUE	P- VALUE	Z- VALUE	P-VALUE
BEFORE	0.208	-0.2480159	-6.590	0.000	-4.805	0.000
AFTER	0.710					

ii) **ABNORMAL RETURNS (refer to table 15)**

Both the pre and post announcement period data are normally distributed using 5% level of significance. The average abnormal return in post-announcement period is 2.39% higher than the pre-announcement period average but this difference is not statistically significant. Both parametric and non-parametric test indicate that there is no significant difference in abnormal returns before and after the announcement day. P-value from T-test and Mann-Whitney are 0.274 and 0.914 respectively, which are above 0.05. Thus, we cannot reject the null hypothesis that the abnormal returns before and after the announcement day are equal.

TABLE 15: SHOWS THE RESULT OF PARAMETRIC AND NON-PARAMETRIC TESTS AND ALSO PROVIDES ADDITIONAL INFORMATION ABOUT THE NORMALITY OF THE DATA

PERIOD	P-VALUE	MEAN DIFFERENCE (pre-post)	PARAMETRIC TEST (2 SAMPLES t- TEST)		NON PARAMETRIC TEST (MANN-WHITNEY TEST)	
			T- VALUE	P- VALUE	Z- VALUE	P-VALUE
BEFORE	0.893	-0.0239973	-1.109	0.274	-0.108	0.914
AFTER	0.167					

THROUGH REGRESSION ANALYSIS

We have tested the effect of time on Adjusted Close Price, and Abnormal Returns. We have tried to find out in what time phase these variables are significant. The time phases are namely pre-announcement and post-announcement.

i) **ADJUSTED CLOSING PRICE**

$\ln(\text{PRICE}) = \beta_0 + \beta_1D + \beta_2t + \beta_3tD$ ----- GENERAL FORM OF EQUATION

We got the following regression equation:

$\ln(\text{PRICE}) = 2.756 + 0.517D + 0.015t + 0.019tD$

S.E = (0.048) (0.132) (0.004) (0.006)

t = (57.905) (3.908) (3.801) (3.330)

It was found that the intercept for the pre-announcement period has come out to be positive and significant at 5% level. The post announcement price is higher than the pre-announcement period price and this increase is statistically significant at 5% level. Also, we noted that the growth rate of price for pre-announcement period is significantly positive. But, the differential slope coefficient is significantly positive, showing that the growth rate of price has increased significantly in the post- announcement period. This means that the share price has increased in the post announcement period on account of the announcement of bonus issue by the company, showing that announcement has had a positive and significant effect on share price.

ii) **ABNORMAL RETURNS**

$\text{ABNORMAL RETURNS} = \beta_0 + \beta_1D + \beta_2t + \beta_3tD$ ----- GENERAL FORM OF EQUATION

We got the following regression equation:

$\text{ABNORMAL RETURNS} = 0.015 + 0.060D - 0.002t + 0.004tD$

S.E = (0.032) (0.089) (0.003) (0.004)

t = (0.460) (0.665) (-0.619) (1.007)

It was found that the intercept for the pre-announcement period has come out to be positive but not statistically significant at 5% level. The post announcement abnormal returns are higher than the pre-announcement period but this increase is not statistically significant at 5%. Also, we noted that the growth rates of return for both pre- and post-announcement periods are negative and statistically insignificant, but the growth rate of abnormal return has increased in post-announcement period. This means that the announcement of bonus issue has had a positive but not significant impact on the returns experienced by the issuing company.

THROUGH ANALYSIS OF CUMULATIVE ABNORMAL RETURNS

We found that the cumulative abnormal returns (CAR) for the pre-announcement period are 5.31%, which increased to 42.67% for the post- announcement period. This clearly shows the pattern of increased returns from pre-merger periods to post merger period days. Thus, the increase in CAR for post- announcement period is showing better position of the shareholders i.e. increase in wealth after the announcement of bonus issue.

❖ **TESTING MARKET EFFICIENCY**

TABLE 16: SHOWS THE RESULT OF NORMALITY TEST, PAIRED SAMPLE T-TEST AND WILCOXON MATCHED-PAIRS SIGNED-RANK TEST DURING THE NARROWED EVENT WINDOW (-15, 15):

NORMALITY (P-VALUE)		MEAN DIFFERENCE	PAIRED SAMPLE t- TEST		WILCOXON SIGNED RANK TEST	
ACTUAL	EXPECTED		t- VALUE	P-VALUE	Z VALUE	P-VALUE
0.008	0.042	-0.0130958	-----	-----	-0.470	0.638

The non-parametric test shows that there is no significant difference between actual and expected return from day -15 to +15 (p-value> 0.05), making it impossible for the investors of Looks Healthcare to outperform the market.

TABLE 17: SHOWS RESULTS OF STATISTICAL TESTS ON THE ACTUAL RETURN AND EXPECTED RETURN AFTER THE ANNOUNCEMENT DAY (1 TO +15)

NORMALITY (P-VALUE)		MEAN DIFFERENCE	PAIRED SAMPLE t- TEST		WILCOXON SIGNED RANK TEST	
ACTUAL	EXPECTED		t- VALUE	P-VALUE	Z VALUE	P-VALUE
0.021	0.080	-0.0191238	-----	-----	-0.057	0.955

The non-parametric tests show that there is no significant difference between actual and expected return from day 1 to +15 (p- value> 0.05), making it impossible for the investors of Looks Healthcare to outperform the market.

As per Table 16, the market is efficient because the shareholders are not able to earn excess return. Therefore, we fail to reject the null hypothesis 3 and conclude that Indian stock market is efficient in semi-strong form in case of bonus issue announcement.

❖ **SUMMARY**

The analysis shows that there is a significant difference between the stock price before and after the announcement of bonus issue. The stock price has increased significantly in the post- announcement period. Also, the abnormal returns have increased in the post-announcement period but this increase is not statistically significant. The cumulative abnormal returns also show an increase in the post- announcement period. Thus, it can be said that Looks Healthcare bonus announcement has had a positive impact on the wealth of shareholders of Looks Healthcare.

As far as market efficiency is concerned, the analysis shows that the investors are not able to earn significant excess returns in the post-announcement period, showing that Indian stock market is semi- strong form efficient. The informational content of the bonus issue announcement gets quickly impounded into the stock prices, making it impossible for the investors of Looks Healthcare to use publicly available information to outperform the market.

CONCLUSION

The main goal of a firm is to maximize the wealth of its shareholders. In this light, an important issue in the area of corporate restructuring is to determine the effect of bonus issue on the wealth of shareholders of the company.

In past many researchers have tried to address this issue by using event study methodology and have documented mixed results about the impact of bonus issue on the shareholders of issuing firms. This study has taken a sample of three companies listed on Bombay Stock Exchange, which made bonus issue announcement during the period 2013-15. To capture short run/immediate effect of bonus issue announcement on the stock price and shareholders return, this study has used Market Model to calculate abnormal returns and has employed both - parametric and non- parametric tests on it to check the significant differences in two sample (pre- and post-announcement) data set. Then abnormal returns have been used to determine CAR (cumulative abnormal returns) to examine the total impact of bonus issue announcement on shareholder's wealth. Further, semi-log regression equations have been estimated to test the effect of time on closing adjusted stock price and abnormal returns. We have tried to find out in what time phase these dependent variables are significant. The two time phases being pre-announcement and post- announcement periods.

Out of total 3 cases of bonus issues studied, two cases have shown that stock price increases significantly in the post- announcement period and, one case has shown no significant change. Moreover, we have observed increase in abnormal returns in the post- announcement period in case of two sample firms while a decrease in abnormal returns in post- announcement period has been observed for one sample firm, but these changes were found to be statistically insignificant at 5% level. Overall on the basis of majority of bonus issue results, the study concludes that bonus issue announcements have a positive effect on share price which ultimately increases the returns in the short run.

The positive impact on share price could be due to two reasons. First, the stock is now more liquid. Now that there are so many more shares, it is easier to buy and sell. Second, a bonus issue is a signal that the company is in a position to service its larger equity. This is because the management would not have given these shares if it was not confident of being able to increase its profits and distribute dividends on all these shares in the future.

We have also investigated the efficiency of Indian stock market in semi-strong form in the case of bonus issue announcements. Both, parametric and non-parametric test have been used to test for market efficiency. The finding from this research is that Indian stock market is efficient in semi-strong form in the case of bonus issue announcements. This implies that the news/ information resulting from the event of announcement of bonus issue is fully discounted by the market. However, we have considered only 3 cases of bonus issues. There is a need to study a larger sample and explore in future, the results for the issuing firm. The management of firms can use this information regarding the impact of bonus issue announcement while deciding about/ carrying out these corporate restructuring activities. Also the investors and other stakeholders, particularly in India, may get an idea of the impact of bonus issue announcement on their wealth and can act accordingly.

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ON THE NEOCLASSICAL AND KALDORIAN PERSPECTIVES

MERTER MERT
RESEARCH SCHOLAR
GAZI UNIVERSITY
FACULTY OF ECONOMIC & ADMINISTRATIVE SCIENCES
DEPARTMENT OF ECONOMICS
ANKARA

ABSTRACT

This study proposes a testing procedure for neoclassical and Kaldorian perspectives to analyze sources of growth. If the Solow model is valid, then supply-side implications will be important. However, if the Kaldor model is valid, then it means that both supply-side and demand-side explanations matter. Besides, Kaldorian perspective also points out analyzing the endogeneity of the natural rate of growth and its sources. This analysis implies demand-side macroeconomic policies in order to influence or control possible relations among technological progress, labour force and labour productivity.

KEYWORDS

Sources of growth, endogeneity of natural rate of growth. Solow, Kaldor.

JEL CODE

O40, O49.

INTRODUCTION

Analyzing sources of economic growth based on Solow (1957) gives an explanation about the possible supply-side sources, namely *productivity* and *capital accumulation*, from neoclassical perspective. Solow (1957) uses a production function which shows a relation from inputs; that is capital and labor, to output. Solow (1957) motivates numerous studies on the sources of growth literature. However, Kaldor (1957) can also be used for sources of growth analysis from a different perspective. By using Kaldor (1957), firstly, sources of economic growth can be disentangled as contribution of *technical dynamism* and *growth of per labor capital*. Secondly, technical change is endogenous rather than exogenous as in Solow (1956) and Solow (1957). Thirdly, technical progress function gives an opportunity to estimate long-run rate of economic growth. Fourthly, this framework also gives an opportunity to analyze demand-side explanation of convergence or divergence mechanism from equilibrium, increasing returns to scale and the endogeneity of the natural rate of growth which are important Post-Keynesian postulates. Finally, if Kaldorian framework matters, then it will be important to investigate *sources of endogeneity of natural rate of growth*.

The natural rate of growth is the ceiling of the actual rate of growth. Harrod defines the natural rate of growth as "the maximum rate of growth allowed by the increase of population, accumulation of capital, technological improvement and the work/leisure preference schedule, supposing that there is always full employment in some sense." (Harrod 1939, 30) Thus Harrod (1939) described the natural rate of growth as a maximum rate of growth which is determined by exogenous factors such as population growth, etc. Therefore, the natural rate of growth simply implies long-run rate of growth and *it is exogenous*. Solow's (1956) main critique on the Harrod's growth model is based on the issue of the substitution of capital and labour. On the other hand, Solow did not deal with the exogenously given natural rate of growth. Thus, the natural rate of growth *is again exogenous*. As a consequence, *the natural rate of growth is exogenous both for the Harrod and neoclassical growth models*. Moreover, the endogenous growth models based on neoclassical paradigm (Romer 1986; Lucas 1988) also do not deal with endogeneity of the natural rate of growth. Note that, endogenous growth models based on neoclassical paradigm can give supply-side explanations for the technological progress which determines long-run rate of growth. Herein, it is concluded that, since examining sources of endogeneity of the natural rate of growth gives possible relations among technological progress, labour force and labour productivity, it gives an opportunity to analyze relationship between demand-side macroeconomic policies and technological progress.

Thus, as a beginning point, it is important to decide for neoclassical or Kaldorian perspective while analyzing sources of growth. Then, it will become possible to work on with Post-Keynesian arguments which are listed above. This study attempts to build a simple procedure in order to decide.

The paper is organized as follows. In the following sections, sources of exogenous growth and then sources of endogeneity of the natural rate of growth are briefly discussed. Then, sources of growth according to Solow model and Kaldor model are discussed, respectively. Following section gives an offer to decide. Finally, the paper is concluded.

SOURCES OF EXOGENOUS GROWTH

Natural rate of growth is simply sum of *growth rate of technology* and *growth rate of labour*. Solow did not deal with the *exogenously given labour or population growth*. *Growth rate of technology is also exogenous*. Thus, since growth rate of technology and growth rate of labour are exogenous in the neoclassical model, natural rate of growth is also exogenous. This explanation can be based on sources of growth debate.

The debate is whether the sources of economic growth stem from technological progress or capital accumulation, and this debate is built on growth accounting. As an example, "East Asian Tigers" grew rapidly over three decades from the mid-1960s to the early 1990s. Their achievement on fast economic growth has triggered a debate over whether it stems from capital accumulation or technological progress. For example, Collins and Bosworth (1996) show that East Asian economies are distinguished by the magnitude of their capital accumulation and that the contribution of productivity is quite ordinary. On the contrary, Klenow and Rodríguez-Clare (1997) show that technological progress account for the most growth in output per worker in Hong Kong, the Republic of Korea, and Taiwan. Although steady state conditions impose assuming the nature of technological progress as Harrod-neutral (see Uzawa 1961, Allen 1967) rather than Hicks-neutral traditional sources of growth studies assume the nature of technological progress to be Hicks-neutral (for example, Solow 1957: 312; Senhadji 2000: 132; Altug, Filiztekin and Pamuk 2008: 403; van der Eng 2010: 295).

Since Uzawa (1961) proved, the nature of technological progress consistent with steady state conditions is Harrod-neutral. Note that, steady state indicates a long-run equilibrium relationship. As a consequence, if long-run equilibrium relationships are analyzed the nature of technological progress should be assumed to be Harrod-neutral rather than Hicks-neutral, i.e., the production function should be assumed as

$$Y = F(K, AL) = K^\alpha (AL)^{1-\alpha} \quad (1)$$

rather than

$$Y = F(AK, AL) = AK^\alpha L^{1-\alpha} \quad (2)$$

where Y , L and K indicate the level of output, labour and capital stock, respectively, and A indicates the level of technology. Furthermore, the time series econometrics analysis is generally based on testing whether there is a long-run equilibrium relationship among the non-stationary variables. If so, sources of growth studies should assume the nature of technological progress as Harrod-neutral.

However, it was also shown by Acikgoz and Mert (2015) that if it is assumed that the nature of technological progress is the Hicks-neutral, then the level of technology should be constant for stability; i.e. the level of technology cannot change over time.

In the long-run, the growth rate of output per labour is equal to the growth rate of technological progress, and this justifies the steady state conditions; i.e. the growth rate of *output per labour* and *capital per labour* are equal to the growth rate of technological progress, and this is compatible with the neoclassical growth model and long-run economic growth.

If the sources of economic growth are analysed based on time series econometrics, which generally examines long-run relationships among variables, one should assume that the nature of technological progress is Harrod-neutral. However, the sources of growth method assume short-run relations. To solve this problem, it can be initially estimated the long-term coefficients based on a Harrod-neutral identifying assumption. Then the short-term coefficients which are obtained from the long-term relationship can be used. Thus the contradiction between the econometric and economic theories for growth accounting can be solved.

Acikgoz and Mert (2014) finds evidence that approximately all per labour output growth stems from technological progress *in the short-run* for the East Asian economies, when assuming the nature of technological progress as Harrod-neutral. According to their identifying assumption (Harrod-neutrality), per labour output growth also equals the growth rate of technology *in the long-run*. As a consequence, the main source of economic growth is technological progress both in the short-run and long-run.

Thus, the theory shows that the Solow model augmented with Harrod-neutral technological progress explains the long-run growth differences using the growth rate of technology. Since application results of Acikgoz and Mert (2014) justify this theoretical point in the short-run, then productivity differences are the major reason explaining the output per labour growth differences among countries, and the main source of economic growth is not physical capital accumulation but human capital accumulation and all of the other variables which have an impact on the level of technology.

As a result, neoclassical model explains both short-run and long-run rate of growth exogenously since i) the growth rate of labour is exogenous and ii) the growth rate of technology is exogenous.

SOURCES OF ENDOGENEITY OF THE NATURAL RATE OF GROWTH

If the natural rate of growth is endogenous, there is no fixed full employment ceiling. This is an important interpretation and it emphasizes the demand-constrained growth. In other words, economic growth can be stopped due to demand constraints before reaching the full employment ceiling as Léon-Ledesma and Thirlwall (2002) indicated, because the full employment ceiling also increases.

Therefore, if the natural rate of growth is endogenous, one may consider the possibility of the demand constrained growth.

Kaldor (1957) and Kaldor (1961) emphasize the effects of the demand conditions on the economic growth process. These effects depend on Verdoorn's law (1949), where the natural rate of growth can be considered as endogenous rather than exogenous. The actual rate of growth exceeds the natural rate of growth in the boom periods, if demand conditions matter. The reasons for this situation may be as follows (Léon-Ledesma and Thirlwall, 2002, 442):

- i) increase in labour force,
- ii) increase in labour productivity in the boom periods.

Thus, in these periods, if the actual rate of growth is greater than the natural rate of growth, this means that the labour force and/or labour productivity have increased due to, for example, increase in participation rates, immigration of labourers, economies of scale, etc. (Léon-Ledesma and Thirlwall 2002, 442).

Therefore, there are two major consequences of the endogeneity of the natural rate of growth:

- i) Since the natural rate of growth is the ceiling of the full-employment, unemployment may still be a problem even in the boom periods.
- ii) Demand constraints can be considered as the main determinant of the economic growth.

Acikgoz and Mert (2010) investigate the positive and negative effects of the endogeneity of the natural rate of growth based on causality tests. The results show that there is no causality relationship from the real GDP to the labour force or physical capital stock, i.e. there are neither positive nor negative effects of the endogeneity of the natural rate of growth. Hence, increases in participation rates, immigration, etc. are not the reasons for the endogeneity of the natural rate of growth since there is no causality relationship from the real GDP to labour force. Similarly, an increase in labour productivity stemming from the use of more capital intensive methods is not a reason for the endogeneity, since there is no causality relationship from the real GDP to physical capital stock.

Thus, if there is evidence indicating the endogeneity of the natural rate of growth but there are no directly relationship from output to labour and capital, this finding can be interpreted by using indirectly relationship from output to inputs. These results imply that the reason of the endogeneity may be total factor productivity in the sense that it embodies factor apart from labour force and physical capital stock. Human capital formation, growth of research sector, infrastructure investments etc. can be elements that have an impact on total factor productivity. As an example, if an *increase in demand* is expected or if a *new demand* is expected to reveal, then this may motivate research sector to meet this *increased or new demand*. Thus as research sector grows, there may be an increase in participation rates, immigration of labourers, economies of scale, so, natural rate of growth may increase. The possible relationship from productivity to demand and from demand to productivity is analyzed in the literature (for example; Schmoockler, 1966; Setterfield, 1997; Seiter, 2003; Araujo, 2013).

Note that, Thirlwall (2013: 73, 74) criticizes the neoclassical production function approach to the measurement of the sources of growth as follows:

"The serious and fatal criticism of this approach, however, is that the growth of capital and labour are treated as exogenous, whereas, in fact, they are largely endogenous to the growth of output itself."

The neoclassical production function approach to the measurement of the sources of growth is at best a 'growth-accounting' exercise without any deep analysis of the 'drivers' of growth to which investment and labour have responded."

Therefore, Thirlwall (2013) criticizes the one-way relationship from inputs to output. According to him capital and labour are largely endogenous to the growth of output itself. However, Kaldor (1957) explains both supply-side and demand-side based on his technical progress function. Kaldor (1957) can be interpreted as a model which examines economic growth from both supply-side and demand-side. Indeed, Kaldor (1957) "is based on Keynesian techniques of analysis" (Kaldor, 1957: 593) although it assumes that "in a growing economy the general level of output at any one time is limited by available resources, and not by effective demand" (Kaldor, 1957: 593). However, "the specifically Keynesian hypothesis that equilibrium between savings and investment is secured through a movement of prices and/or incomes, rather than through changes in the rate of interest" (Kaldor, 1957: 595-596).

There can be an objection to the "total factor productivity" since it is a neoclassical concept. However, remember that cumulative causation (Kaldor, 1966), which is a Post-Keynesian concept, explains a *mutual* relationship between demand and productivity; that is, as productivity increases real income and demand growth rises, besides, as growth rate of demand rises productivity growth might increase again. Thus here "total factor productivity" is not an unambiguous technical progress but it is motivated by demand conditions. In other words, if there is an increase in demand then there may be a rise in total factor productivity and this may raise the labour force and/or labour productivity. Thus rise in total factor productivity **motivated by demand** may increase the labour force and/or labour productivity because of an increase in demand but not "manna from heaven".

Acikgoz and Mert (2010) discusses that if total factor productivity is the main reason for endogeneity, it means that, theoretically, an increase in the total factor productivity may cause an increase in the labour force and/or labour productivity. Since an increase in total factor productivity means a rise in the level of technology, the exact nature of the technological progress is an important subject that should be examined. Therefore, as it is emphasized in Acikgoz and Mert (2010: 466) [holding physical capital stock (K) constant]

- i) if an increase in total factor productivity causes an increase in labour force (L) but does not cause an increase in the labour productivity (Y/L), this means that the technological progress must be Solow-neutral,
- ii) if an increase in total factor productivity causes an increase in labour productivity (Y/L) but does not cause an increase in labour force (L), this means that the technological progress must be Hicks-neutral and

iii) if an increase in total factor productivity causes an increase in labour force (L) and labour productivity (Y/L) together, this means that the technological progress must be Harrod-labour using. Note that "the endogeneity of the natural rate of growth implies automatic convergence of the actual rate to the steady-state equilibrium cannot be expected" (Vogel 2009, 49) neither can it be expected that the nature of technological progress is Harrod-neutral since steady-state growth can only occur if the nature of the technological progress is Harrod-neutral.

SOURCES OF GROWTH ACCORDING TO THE SOLOW MODEL

According to the basic Solow model, long-run growth rate of per labor output equals to zero. According to Solow model augmented with Harrod-neutral technological progress, long-run growth rate of per labor output equals to growth rate of technology which is assumed as exogenous. Thus, Solow model cannot give an endogenous explanation to a positive value of long-run per labor output growth contrary to endogenous growth theories.

Solow (1956) is a supply-side model which gives a relation from inputs to output based on a Cobb-Douglas form of production function assuming constant returns to scale. If the nature of technology is assumed as Harrod-neutral rather than Hicks-neutral in order to guarantee long-run equilibrium since Harrod-neutral specification of technological progress is compatible with stability (Uzawa, 1961), Cobb-Douglas form of production function assuming constant returns to scale is written by:

$$Y = K^\gamma (AL)^{1-\gamma} \quad (3)$$

where Y , K , A and L are output, capital, level of technology and labor respectively. γ is elasticity of output with respect to capital.

If (1) is rearranged by rate of growth:

$$G_{Y/L} = (1-\gamma)G_A + \gamma G_{K/L} \quad (4)$$

where $G_{Y/L}$, G_A and $G_{K/L}$ are growth rate of per labor output, growth rate of technology and growth rate of per labor capital, respectively. Using (4) sources of per labor output growth can be analyzed.

We need to emphasize that Solow model explains convergence to the steady state automatically based on a supply-side view. In other words, during the short-run the economy is in transition to the steady state and this transition occurs thanks to the supply-side changes (Solow 1956, 73). Hence, if there is steady-state equilibrium, the neoclassical model shows the stability based on the idea that relative factor proportions are monotonically and inversely related to the ratio of factor returns. If there is disequilibrium, there is a mismatch between the supply of and demand for labor and capital. Thus, real wages and rental cost of capital change and the equilibrium occurs between the supply of and demand for labor, and capital.

SOURCES OF GROWTH ACCORDING TO THE KALDOR MODEL

Kaldor (1957) "is based on Keynesian techniques of analysis" (Kaldor, 1957: 593) although it assumes that "in a growing economy the general level of output at any one time is limited by available resources, and not by effective demand" (Kaldor, 1957: 593). However, "the specifically Keynesian hypothesis that equilibrium between savings and investment is secured through a movement of prices and/or incomes, rather than through changes in the rate of interest" (Kaldor, 1957: 595-596). Thus, using the Kaldor's technical progress function one can explain moving toward or moving away from equilibrium based on a demand-side view since convergence or divergence mechanism depends on movements of prices and/or incomes, rather than on changes in the rate of interest. From this perspective, Kaldor model can be interpreted as a model which examines economic growth from both supply-side and demand-side.

Technical progress function is represented in a non-linear form at Kaldor (1957: 597) whereas it is assumed linear at Kaldor (1957: 609). If it is linear it can be specified as:

$$G_{Y/L} = \alpha + \beta G_{K/L} \quad (5)$$

where α and β are parameters.

Since in the long run, growth rate of per labor output and growth rate of per labor capital are equal ($G_{Y/L} = G_{K/L}$); long run equilibrium growth rate of per labor output, (5) will be expressed by:

$$G_{Y/L} = \frac{\alpha}{1-\beta} \quad (6)$$

Indeed, according to the equilibrium point on the figure which represents technical progress function at Kaldor (1957: 598), $G_{Y/L}$ is long-run equilibrium rate

of growth. Therefore, if these parameters (α and β) are estimated, it can be possible to calculate the long run equilibrium per labor output growth. However, it should be emphasized that although our simple analysis is based on equilibrium, Kaldorian and Post-Keynesian analysis has also non-equilibrium and historical interpretations (see; Setterfield, 1997).

In the literature, endogenous growth can be explained by a Kaldorian view (see; for example, Seiter, 2003; Roberts and Setterfield, 2007). At this perspective, it is possible to estimate Kaldor's technical progress function in order to estimate and analyze long-run growth, so, endogenous growth, since Kaldor's technical progress function gives an opportunity i) to estimate long-run equilibrium growth, ii) to disentangle the sources of long-run equilibrium growth as contribution of ii-a) technical dynamism (which will be explained below) and ii-b) growth rate of per labor capital stock.

Technical dynamism is a society's "ability to invent and introduce new techniques of production" Kaldor (1957, 595). Indeed, as Kaldor (1957, 595) said; "Hence the speed with which a society can "absorb" capital (i.e., it can increase its stock of man-made equipment, relatively to labor) depends on its technical dynamism, its ability to invent and introduce new techniques of production. A society where technical change and adaptation proceed slowly, where producers are reluctant to abandon traditional methods and to adopt new techniques is necessarily one where the rate of capital accumulation is small."

The height of the technical progress function represents of a society's technical dynamism. Indeed, Kaldor (1957, 596) said;

"In an unprogressive economy, with a low capacity to absorb technical change the height of the TT' curve¹ will be relatively low ..., whilst important new discoveries (such as the invention of the internal combustion engine or atomic energy) are likely to raise the position of the curve considerably for some time."

Since the height of the technical progress function; that is the constant term (α), represents of a society's technical dynamism, estimation of technical progress function makes it possible to compare the economies' technical dynamism, and to calculate its contribution to the long run equilibrium per labor output growth.

Thus, once α and β are estimated, it becomes possible to disentangle the long-run equilibrium per labor output growth to its sources. Indeed, according to technical progress function in linear form, growth rate of per labor output is the sum of α and $\beta(k-l)$ where they represent contribution of technical dynamism (α) and contribution of growth rate of per labor capital ($\beta(k-l)$), respectively.

¹ The curve which represents technical progress function.

There are two major studies tested the shape of Kaldor's technical progress function: Bairam (1995) and Hansen (1996). Bairam (1995), examined Kaldor's technical progress function and find that technical progress function is not linear but convex upwards. Hansen (1996), reexamined the shape of Kaldor's technical progress function, and contrary to Bairam (1995) find evidence that technical progress function is a linear equation.

We need to emphasize that Bairam (1995: 302, 303, 304) and Hansen (1996: 731) defines technical dynamism as an exogenous technical change, meaning that technical change which is not embodied in capital stock. However, according to Kaldor (1957), as it is cited above, technical dynamism is society's technical dynamism and embodied not in capital stock but in society. Hence, we adopt technical dynamism as a source of the endogenous growth. In other words, if a society's ability to invent and introduce new techniques of production increases thanks to educational improvements, it means that its long-run rate of growth rises. Thus, a society can increase its long-run rate of growth; that is long-run rate of growth is endogenous, not exogenous. Besides, contribution of growth rate of per labor capital to the long-run rate of growth is also endogenous to that society; that is investment decisions of that society determines contribution of growth rate of per labor capital to the long-run rate of growth.

A PROCEDURE TO DECIDE

One can clearly understand that (4) and (5) are seemingly similar. However, as it is emphasized above, while (4) gives a supply side explanation, (5) has different implications with regard to Post-Keynesian theory. But which one is an appropriate relation? In order to test this, we offer a simple test based on the following explanations:

Let us rewrite (3):

$$Y = K^\gamma (AL)^\mu \tag{7}$$

Both side of (7) is multiplied by $\frac{1}{L}$, and its right hand side is multiplied by L^γ and $L^{-\gamma}$, and then it is rearranged by rate of growth $G_{Y/L}$:

$$G_{Y/L} = \mu G_A + (\mu + \gamma - 1) G_L + \gamma G_{K/L} \tag{8}$$

First derivative of $G_{Y/L}$ with respect to $G_{K/L}$ is written by:

$$\frac{dG_{Y/L}}{dG_{K/L}} = \mu \frac{dG_A}{dG_{K/L}} + (\mu + \gamma - 1) \frac{dG_L}{dG_{K/L}} + \gamma \frac{dG_{K/L}}{dG_{K/L}} \tag{9}$$

According to the Solow model there are constant returns to scale $(\mu + \gamma = 1)$ and growth rate of labor and technology are exogenous; that is they do not

depend on growth rate of capital per labor $\left(\frac{dG_A}{dG_{K/L}} = 0; \frac{dG_L}{dG_{K/L}} = 0 \right)$. Thus, when the Solow model is valid, then (9) can be rewritten by

$$\frac{dG_{Y/L}}{dG_{K/L}} = \gamma \tag{10}$$

On the other hand, Kaldor's growth theory explains cumulative causation (Kaldor, 1966; Kaldor, 1972; Kaldor, 1981) which implies there are increasing returns to scale $(\mu + \gamma > 1)$. Indeed, cumulative causation simply implies that as productivity increases real income and demand growth rises, besides, as growth rate of demand rises productivity growth might increase again. Simply, relation from productivity growth to demand growth, has five dimensions (Seiter 2003, 33-35): i)

When productivity rises real wages might increase and growth rate of demand rises, ii) productivity growth might change households' behavior according to Engel's law, iii) productivity growth might lead to product innovations; that is new goods will influence the consumption pattern of the consumers, iv) productivity growth might increase profits and this might result in an increase in investments, v) besides, if there is an expectation that demand will increase, then entrepreneurs raise investment in order to decrease capacity constraints. Moreover, demand growth might have an influence on productivity growth; that is as demand grows and preference structure changes, firms might seek to invest in research and development.

Besides, according to Kaldor's growth theory, growth rate of technology is not exogenous; that is depends on growth rate of capital per labor $\left(\frac{dG_A}{dG_{K/L}} \neq 0 \right)$

Moreover, since Kaldor's growth theory is a Post-Keynesian theory, it is expected to assume growth rate of labor is not exogenous in the light of the endogeneity of the natural rate of growth literature (Leon-Ledesma and Thirlwall, 2002). Thus, growth rate of labor depends on growth rate of output per labor, so, capital per

$$\text{labor} \left(\frac{dG_L}{dG_{K/L}} \neq 0 \right)$$

Thus we offer a simple procedure:

i) Estimate (6) which can be rearranged by

$$G_{Y/L} = a_0 + a_1 G_L + a_2 G_{K/L} + u$$

where $a_0 = \mu G_A$, $a_1 = \mu + \gamma - 1$, $a_2 = \gamma$ and u is error-term.

ii-a) If $a_1 > 0$ and it is statistically significant, and a_0, a_2 are statistically significant continue to iii.

ii-b) If $a_1 = 0$ or it is statistically insignificant, and a_0, a_2 are statistically significant Solow model is used in order to analyze sources of growth.

iii) Estimate following equations:

$$G_A = b_0 + b_1 G_{K/L} + u$$

$$G_L = c_0 + c_1 G_{K/L} + u$$

if $b_1 \neq 0$, $c_1 \neq 0$ and they are statistically significant then Kaldor model is used in order to analyze sources of growth.

CONCLUSION

This paper simply offers a testing procedure in order to decide for neoclassical or Kaldorian perspective while analyzing sources of growth. If one finds evidence that Solow model is valid, then it means that economic growth can be explained by its supply-side implications. Although long-run growth can not be explained since it is exogenous in the Solow model, then endogenous growth theories within the neoclassical paradigm can explain long-run growth. However, if test results

point out Kaldor model, then i) long-run rate of economic growth can be estimated since it is equal to $G_{Y/L} = \frac{\alpha}{1-\beta}$; that is, long-run rate of economic growth is not exogenous, it is endogenous, ii) contribution of the society's technical dynamism and growth rate of capital per labor to the long-run rate of economic growth can be calculated and compared among countries (In other words, sources of *long-run endogenous* economic growth can be analyzed.), iii) it will be shown that demand-side explanation of convergence or divergence mechanism from equilibrium, increasing returns to scale and the endogeneity of the natural rate of growth matter.

If endogeneity of the natural rate of growth matters then it will be important to analyze sources of endogeneity: i) If there is a relationship among technological progress, labour force and labour productivity as it is emphasized by Acikgoz and Mert (2010: 466), then there may be a significant connection between demand conditions and the nature of technological progress. ii) As an example, an increase in demand may cause an increase in the level of technology and this technological progress may raise labour productivity (for example, due to an increase in education level) but not capital and labour. This situation shows that increase in demand causes technological progress and the nature of technological progress is Hicks-neutral. Here the policy recommendation may be to raise incentives on educational attainment, education quality etc. However, an increase in demand may cause an increase in the level of technology and this technological progress may raise labour but not capital and labour productivity. This situation shows that increase in demand causes technological progress and the nature of technological progress is Solow-neutral. Here the policy recommendation may be to raise job opportunities for the new labour. iii) Sources of economic growth analysis only points out the importance of capital accumulation or technological progress for the economic growth process and Harrod-neutrality guarantees that the main source is technological progress. However, sources of endogeneity of the natural rate of growth points out demand-side macroeconomic policies in order to influence or control possible relations among technological progress, labour force and labour productivity.

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PUNJAB Vs. HARYANA: EMPIRICAL EVIDENCE ON ECONOMIC GROWTH & DEVELOPMENT

SHILPI SALWAN
RESEARCH SCHOLAR
PANJAB UNIVERSITY
CHANDIGARH

ABSTRACT

Punjab and Haryana are two important states in the northern region of the country. The states are characterised by high per capita income above national average and are among the fast growing states in terms of net state domestic product. However, in terms of social and human development indices both the states differ considerably. The present study attempts to analyse the various economic growth and development indicators and to evaluate whether the high growth in income and state domestic product translates into better development indicators. The study will also analyse the evolution of structure of the states considering both Punjab and Haryana are predominantly agricultural states.

KEYWORDS

economic growth; economic development; structure; growth rates; human development index.

INTRODUCTION

Economic growth and economic development are often used as synonymous terms in general. However, it is imperative to understand that these terms are different in nature. Economic growth is often described as a quantitative concept while economic development is a qualitative concept. A rise in economic growth of a country may not translate into development. An increase in per capita Gross Domestic Product (economic growth) may not trickle down to all the citizens of the country. Generally, the poor section of the society does not benefit from the economic growth. According to Amartya Sen¹, "Economic growth without investment in human development is unsustainable - and unethical". Against this background, the present study attempts to provide empirical evidence of economic growth and economic development in Punjab and Haryana. A brief overview of the states is as follows. According to Census 2011, Punjab and Haryana are the 15th and 17th most populated states in India. In terms of area, Punjab and Haryana are 19th and 20th largest states in the country respectively. Punjab has the second highest production of wheat and foodgrains after Uttar Pradesh in the country. The state contributes 17.80 per cent and 10.90 per cent of the country's total wheat and foodgrains production (Economic Survey 2014-15). Punjab and Haryana have the highest yields in wheat of 4500 kg/ha compared to India's average yield of 3075 kg/ha. Punjab also has paddy yield close to 6000 kg/ha (Economic Survey 2015-16).

REVIEW OF LITERATURE

Ahluwalia (2000) estimated the growth rates of SDP in the 14 major states during 1980-81 to 1990-91 and during 1991-92 to 1997-98. He observed that per capita SDP of Punjab is five times that of Bihar. The growth rates of per capita SDP of Punjab and Haryana in the 1990s were lower than in the 1980s and were actually below the national average. **Sethi (2003)** observed from the structural change of Haryana from 1970-71 to 1998-99 that the tertiary sector experienced growth at the highest rate, followed by secondary and primary sectors. Throughout the study period, the share of secondary sector in employment has remained virtually static while tertiary sector turned out to be the main absorbent of the working force. **Shetty (2003)** in his study has compared the economic performance across states from 1980-81 to 2000-01. He observed that the significant structural changes in the sectoral composition of incomes at the state level are broadly on the pattern observed at the national level. A steady fall in the share of agriculture, a gentle rise in the share of industry and steady rise in the share of services has taken place. **Krishna (2004)** in his study has focussed on patterns, determinants of economic growth, growth variability and volatility in 14 major Indian states during 1960-2000. He has concluded that during 1970-71 to 1995-96, Punjab (84 per cent) was among the three least volatile states while the most volatile state was Orissa (631 per cent). **Joseph (2004)** has compared the northern states and southern states on the basis of broad economic indicators. He concluded that the performance of northern states vis-à-vis southern states has deteriorated economically and more so socially in the post reform period. The states of Punjab and Haryana have an adverse sex ratio denoting extreme bias against the females. **Bagchi, Chattopadhyay and Das (2005)** observed that primary sector particularly, agricultural sector has been stagnant or even declining in Gujarat while the secondary and the tertiary sectors have shown statistically significant and high rates of growth over the study period 1970-2000. **Babu (2005)** has analyzed the growth rates of net state domestic product of Kerala from 1970-2000. He concluded that the per capita net state domestic product in Kerala was above all India average and that this revival in growth was contributed largely by the growth of the tertiary sector.

OBJECTIVES

The present study evaluates the relative performance of the states, Punjab & Haryana vis-a-vis each other on various economic, social and human development indicators from the period 1980-2015. The following are the objectives of the present study:

1. To analyse the trends in growth rates of Net State Domestic Product (NSDP) and per capita NSDP in Punjab and Haryana.
2. To study the evolution of structural change and growth in net state domestic product of the states.
3. To assess the performance of certain development indicators in Punjab and Haryana.

RESULTS & DISCUSSION

The empirical analyses of Punjab and Haryana on various indicators are calculated at four different time periods (decade wise): 1980s (1980-81 to 1989-90); 1990s (1990-91 to 1999-00); 2000s (2000-01 to 2009-10) and 2010s (2010-11 to 2014-15). The last sub period 2010s (2010-11 to 2014-15) is only for 5 years depending upon the availability of requisite data. The analysis is divided into two sections: Section I focus on the economic growth indicators and Section II on the economic development indicators of Punjab and Haryana.

SECTION I: ECONOMIC GROWTH INDICATORS

The decade wise growth rates of net state domestic product; per capita net state domestic product; the decomposition of sectors and the sectoral growth rates have been calculated for each of the sub periods (1980s; 1990s; 2000s; 2010s). All data are at constant 2004-05 prices. The annual (compound) growth rates are estimated using the semi-log trend equations.

Net State Domestic Product: Decade wise annual (compound) growth rates of net state domestic product for Punjab and Haryana are shown in table 1. The highest growth rate was observed in the decade of 2000s for both Punjab and Haryana. The growth rates of both the states declined in the 1990s compared to 1980s and were also lower than the national average of 6.50 per cent per annum. Further, the growth rate of Haryana has always been higher than the growth rate of Punjab for all the decades. Haryana has performed marginally better than the national average growth rate in 1980s and 2000s while Punjab has lagged behind the national average in each decade. For the total study period (1980-2015) it was observed that Punjab grew at 4.71 per cent per annum while Haryana grew at 5.97 per cent per annum.

TABLE 1: DECADE WISE GROWTH RATES OF NET STATE DOMESTIC PRODUCT AND PER CAPITA NSDP

Time Period	Net State Domestic Product			Per capita NSDP		
	Punjab	Haryana	National average (All India)	Punjab	Haryana	National average (All India)
1980s	4.71	5.34	5.13	2.84	2.84	2.94
1990s	4.08	4.39	6.50	2.12	1.82	3.98
2000s	6.18	8.22	8.00	4.19	6.08	5.87
2010s	5.02	6.61	-	3.46	5.23	-
(1980-2015)	4.71	5.97	-	2.74	3.67	-

Source: Author's calculations from CSO

Note: The last sub period 2010s (2010-11 to 2014-15) is only for 5 years depending upon the availability of requisite data. Data on growth rates are in per cent per annum.

Per capita Net State Domestic Product: The absolute figures of per capita NSDP of Haryana and Punjab in 2014-15 were Rs. 71,493 and Rs. 51,403 while the figures for 1980-81 were Rs. 20,252 and Rs. 19,018 respectively. In 1980s the growth rates of per capita net state domestic product of Punjab and Haryana were 0.10 percentage points lower than the national average. Similarly, in 1990s, Punjab and Haryana growth rates were 1.86 percentage points and 2.16 percentage points respectively lower than the national average. The per capita NSDP growth rate of Punjab has been lower than national average in all decades while in 2000s, Haryana's per capita NSDP surpassed national average by a modest 0.21 percentage points. This shows a modest improvement in the growth of per capita net state domestic product of Haryana in the 2000s vis-à-vis national average. However, from the decades 1980s till 2000s, Haryana's per capita NSDP rose by about 3.24 percentage points and Punjab by 1.35 percentage points only.

STRUCTURE OF STATE ECONOMIES: DECOMPOSITION OF SECTORS

Haryana and Punjab are predominantly agricultural states and the pioneer states in Green Revolution in the mid 1960s. However, over the decades, the structure of the state economies has been transforming. In 1980s in case of Punjab, the largest sector in net state domestic product was services sector followed by primary sector and secondary sector. In case of Haryana, the dominant sector in 1980s was primary sector, followed by secondary and services sector.

TABLE 2: COMPARISON OF SECTORAL SHARES OVER DIFFERENT YEARS

Years	Punjab			Haryana		
	Primary	Secondary	Services	Primary	Secondary	Services
1980-81	40.19	15.64	44.17	39.83	31.43	28.74
1990-91	41.37	19.45	39.18	35.75	31.35	32.89
2000-01	37.22	22.71	40.07	27.95	30.43	41.62
2010-11	25.06	29.77	45.16	17.36	25.95	56.69
2014-15	21.27	25.65	53.08	14.67	24.19	61.13

Source: Author's calculations from CSO

Note: per cent share of primary, secondary, services sector in NSDP in respective years.

By 2014-15, the economies of Punjab and Haryana have transformed into service economies as shown in table 2. The share of services sector in NSDP in 2014-15 in Punjab and Haryana were 53.08 per cent and 61.13 per cent respectively. Over the period of the study (1980-2015), the share of primary sector has declined by 18.92 percentage points while share of secondary and services sector have increased by 10.01 percentage points and 8.91 percentage points respectively in the state of Punjab. A different scenario can be observed in case of Haryana. The shares of both primary and secondary sectors in Haryana have declined by 25.15 percentage points and 7.24 percentage points respectively resulting in an increase in services share by 32.39 percentage points.

The largest decline in the share of primary sector in Punjab and Haryana was observed in the decade 2000s. The primary sector declined by 12.15 percentage points in Punjab and by 10.59 percentage points in Haryana. In case of Punjab the secondary sector has shown a steady increase over the decades 1980s till 2000s. It was only in 2010-11 period that the sector has declined by 4.12 percentage points. The share of secondary sector has declined in each decade in Haryana state. The highest increase in the share of services sector in Haryana was noticed in the decade 2000s, whereby services increased by 15.07 percentage points. Services sector has consistently increased its share in net state domestic product of Haryana in each decade. On the other hand, the services sector initially declined in Punjab in 1980s, but has shown an increase in its share over the rest of the decades. The largest increase in services in Punjab is observed in the period 2010-15, whereby services increased by 7.92 percentage points.

TABLE 3: DECADAL CHANGE IN SECTORAL SHARES

States	1980-81 & 1990-91	1990-91 & 2000-01	2000-01 & 2010-11	2010-11 & 2014-15
Primary sector				
Punjab	1.19 (0.06)	-4.15 (-0.21)	-12.15 (-0.78)	-3.80 (-0.32)
Haryana	-4.08 (-0.21)	-7.80 (-0.48)	-10.59 (-0.94)	-2.68 (-0.33)
Secondary sector				
Punjab	3.80 (0.43)	3.27 (0.31)	7.06 (0.54)	-4.12 (-0.29)
Haryana	-0.07 (0.00)	-0.92 (-0.06)	-4.48 (-0.31)	-1.76 (-0.14)
Services sector				
Punjab	-4.99 (-0.24)	0.89 (0.04)	5.09 (0.24)	7.92 (0.32)
Haryana	4.15 (0.27)	8.73 (0.47)	15.07 (0.61)	4.45 (0.15)

Source: Author's calculations from CSO

Note: Changes in the sectoral shares (percentage points) over the two time periods calculated from the table 2. Data in parentheses is the per cent per year rate of change in the sectoral shares. The rate of change (increase/decrease) per year which has been calculated by the following formula:

$$[\text{Antilog} (\frac{\log X_1 - \log X_0}{T} - 1)] * 100,$$

where, $\log X_1$ represents log of sectoral share at end period and $\log X_0$ represents log of sectoral share in initial period and T as number of years.

Services sector is the fastest growing sector in Haryana while secondary sector is the fastest growing sector in Punjab over the period 1980-2015. During 2000s the services sector in Haryana recorded the highest growth rate at 11.52 per cent per annum. In the same period, the growth rate of NSDP of Haryana increased to 8.22 per cent per annum from 4.39 per cent per annum in the previous decade. A preliminary conclusion can be derived from these data that the economy of Haryana was propelled by the growth surge in services sector during 2000s decade. Compared to other two sectors, services grew at a faster rate in each decade in case of Haryana. On the contrary, the growth rate of secondary sector (10.08 per cent) is higher than primary and services sector in Punjab. Thus, it seems that secondary sector was the major source of rising net state domestic product growth rate in Punjab in 2000s.

TABLE 4: SECTORAL GROWTH RATES

Sectors	(1980-2015)		1980s		1990s		2000s		2010s	
	Punjab	Haryana	Punjab	Haryana	Punjab	Haryana	Punjab	Haryana	Punjab	Haryana
Primary sector	2.74	3.15	5.02	3.56	2.33	1.82	2.12	3.67	1.01	2.22
Secondary sector	6.61	5.34	6.61	6.08	6.61	4.39	10.08	6.50	1.11	4.81
Services sector	5.13	8.33	3.67	6.50	4.60	6.61	6.93	11.52	9.42	8.55

Source: Author's calculations from CSO

URBANIZATION

Elaborating the relation between urbanization and growth, Krishna (2004) noted that, "Urbanization is likely to be a key determinant of growth. A 10 percentage point higher rate of urbanization is associated with 1.3 percentage points a year higher annual growth." Urbanization reflects the relative number of people who live in urban areas. The percentage of people living in urban regions is less than people in rural areas in Punjab, Haryana and at national level for each decade. This shows that the pace of urbanisation is slow but steadily increasing over the decades. The urban population of India has increased from 23.33 per cent in 1981 to 31.16 per cent in 2011 whereas rural population has declined. The urban-rural ratio for India in 2011 is 45.26 implying that for every 100 rural people there are about 45 urban people in India (Datta, 2006). It can be observed from the table 5 that the urbanization is showing an increasing trend. Similarly, the degree of urbanization has increased in both Punjab and Haryana. But the degree of urbanization is higher in Punjab vis-à-vis Haryana.

TABLE 5: TRENDS IN URBANISATION

States	Census Year	Urban population	Rural population	Degree of urbanization
Punjab	1981	27.72	72.28	38.35
	1991	29.72	70.28	42.29
	2001	33.92	66.08	51.33
	2011	37.49	62.51	59.97
Haryana	1981	21.96	78.04	28.14
	1991	24.79	75.21	32.96
	2001	28.92	71.08	40.69
	2011	34.79	65.21	53.35
India	1981	23.33	76.67	30.43
	1991	25.72	74.28	34.63
	2001	27.81	72.19	38.52
	2011	31.16	68.84	45.26

Source: Urban and Rural population from various issues of Census India

Degree of urbanization - Authors calculations

SECTION II: ECONOMIC DEVELOPMENT INDICATORS

The per capita NSDP is considered to be an indicator of economic growth of a state. However, many economists believe that this indicator does not present a clear picture of the human and social aspects of development of a state. Therefore, this section evaluates the performance of the states with respect to certain economic development indicators.

HUMAN DEVELOPMENT INDEX

The Human Development Index (HDI) is a composite index which focuses on longevity, educational attainment and economic attainment. The HDI performance of Punjab and Haryana alongwith national average over the last three decades presented in table 6 below. The differences in the HDI values of Punjab and Haryana indicate varying levels of development in these states. The HDI of Punjab has improved from 0.411 to 0.605 while in case of Haryana, it has increased to 0.552 from 0.360. Punjab and Haryana both have shown improvement in development indices over the decades. The rankings have not changed much in the initial decades, except in 2011, when Punjab moved to a lower rank at 5th and Haryana slipped further to 9th position. However, Punjab has performed better than Haryana. The values of HDI have always been higher in Punjab compared to that of Haryana. The states have also been above the national average.

TABLE 6: HDI VALUES BY DECADE

States	HDI (1981)		HDI (1991)		HDI (2001)		HDI (2011)	
	Value	Rank	Value	Rank	Value	Rank	Value	Rank
Punjab	0.411	2	0.475	2	0.537	2	0.605	5
Haryana	0.360	5	0.443	5	0.509	5	0.552	9
India (national average)	0.302	-	0.381	-	0.472	-	0.467	-

Source: Various issues of National Human Development Reports (NHDR) and Tenth Five Year Plan 2002-2007, Volume III, Planning Commission, Govt. of India

Note: As per NHDR, the following indicators are used to calculate HDI: Life Expectancy at age 1 & Infant Mortality Rate; Literacy Rate & Intensity of Formal Education and Per capita real consumption expenditure adjusted for inequality. The index can take value between 0 and 1.

SEX RATIO

Sex ratio indicates the number of females per 1000 of males. In Census 2011, it was observed that there were 940 females per 1000 males in India. Among all the States/Union Territories in India, Haryana has the least sex ratio at 879 females per 1000 males. Further, Jhajjar district of Haryana has the lowest sex ratio of 774 females per 1000 males. In terms of sex ratio, Punjab also lags behind the national average at 895 females per 1000 males. The sex ratio in Haryana and Punjab lags behind the national average by 61 points and 45 points respectively. Haryana showed a decreasing trend in the number of females per 1000 males till census 2001 however, it has shown a slight improvement in census 2011.

TABLE 7: SEX RATIOS OF STATES & INDIA OVER DECADES

States	Census 1981		Census 1991		Census 2001		Census 2011	
	Value	Rank	Value	Rank	Value	Rank	Value	Rank
Punjab	879	28	882	28	876	29	895	27
Haryana	870	29	865	31	861	30	879	31
India	934	-	927	-	933	-	940	-

Source: Various issues of Census India

The main cause of the gender bias is inadequate education which in case of Haryana is also reflected in lower female literacy rates. The lowest child sex ratio (0-6 years) was also observed in Haryana and Punjab at 830 and 846. This is a serious issue which needs an urgent intervention at government level.

LITERACY RATES

Literacy rate signifies an important parameter of social and economic growth. The literacy rate has increased significantly from 43.57 per cent to 74.04 per cent over the decades for India. Similar trends can be observed in Punjab and Haryana. However, the female literacy rates have been lower than the male literacy rate over the entire study period. The gender gap (gap between male -female literacy rates) has steadily reduced over the years but it is still high at 16.68 per cent in Census 2011. The gender gap in Haryana is higher than national average by 1.93 percentage points while Punjab has a lower gender gap than national average by

6.54 percentage points. The gender gap in Haryana is also higher than Punjab. This means that in terms of female literacy rates Punjab (71.34 per cent) performs better than India (65.46 per cent) as well as Haryana (66.77 per cent). With the second largest population in the world after China, it is important that the quality and education of human resources is maintained to reap advantage of the demographic dividend.

TABLE 8: COMPARISON OF LITERACY RATES OF PUNJAB & HARYANA

States	Census	Literacy Rate (Rank)	Male Literacy Rate	Female Literacy Rate	Gender Gap
Punjab	1981	43.37 (18)	47.20	33.70	13.50
	1991	58.51 (17)	65.66	50.41	15.25
	2001	69.65 (15)	75.23	63.36	11.87
	2011	76.68 (21)	81.48	71.34	10.14
Haryana	1981	37.13 (21)	48.20	22.30	25.90
	1991	55.85 (22)	69.10	40.50	28.60
	2001	67.91 (19)	78.49	55.73	22.76
	2011	76.64 (22)	85.38	66.77	18.61
India	1981	43.57	56.38	29.76	26.62
	1991	52.21	64.13	39.29	24.84
	2001	64.84	75.26	53.67	21.59
	2011	74.04	82.14	65.46	16.68

Source: Census India 2011 and various issues of Census India

Note: For Census 1981, ranks based on Sex ratio are calculated from 32 States/Union Territories (excluding Assam; Himachal Pradesh and Daman & Diu); for Census 1991 from 34 States/Union Territories (excluding Jammu & Kashmir); for Census 2001 & 2011, from 35 States/Union Territories. Gender gap means gap between male –female literacy rates

CONCLUSION

The analysis of economic growth and economic development indicators suggests that Punjab economy has performed better than Haryana in case of human development indices while rate of economic growth is higher in Haryana than Punjab. Based on the analysis it can be inferred that the economic growth of an economy may not translate into better development process. Economic growth without development is meaningless. According to Amartya Sen², “Human development, as an approach, is concerned with what I take to be the basic development idea: namely, advancing the richness of human life, rather than the richness of the economy in which human beings live, which is only a part of it.” Punjab has lower per capita income than Haryana, however, the rate of female literacy in Punjab is higher and with lower gender gap more gender equity and better HDI scores than Haryana. This shows that human development indicators in Punjab are better despite a relatively lower per capita NSDP compared to Haryana. However, the state of sex ratio in both the states is a worrying trend despite having higher per capita income than the All India average in most of the years. It is imperative that the policy-makers at the state level focus on a multi dimensional development approach rather than one-dimensional growth approach of evaluating the progress of a state.

NOTES

1. Quote selected from an article on Prof Amartya Sen by Madeleine Bunting, downloaded from <http://www.theguardian.com/world/2013/jul/16/amartya-sen-india-dirty-fighter>
2. Quote selected from an Interview of Prof Amartya Sen conducted by AsiaSociety.org's Nermeen Shaikh, downloaded from <http://asiasociety.org/amartya-sen-more-human-theory-development>.

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