INTERNATIONAL JOURNAL OF RESEARCH IN COMMERCE, IT & MANAGEMENT

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    REVIEW OF LITERATURE

    NEED/IMPORTANCE OF THE STUDY

    STATEMENT OF THE PROBLEM

    OBJECTIVES

    HYPOTHESES

    RESEARCH METHODOLOGY

    RESULTS & DISCUSSION

    FINDINGS

    RECOMMENDATIONS/SUGGESTIONS

    CONCLUSIONS

    SCOPE FOR FURTHER RESEARCH

    ACKNOWLEDGMENTS

    REFERENCES

    APPENDIX/ANNEXURE

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BOOKS

*   Bowersox, Donald J., Closs, David J., (1996), "Logistical Management." Tata McGraw, Hill, New Delhi.
*   Hunker, H.L. and A.J. Wright (1963), "Factors of Industrial Location in Ohio" Ohio State University, Nigeria.

CONTRIBUTIONS TO BOOKS

*   Sharma T., Kwatra, G. (2008) Effectiveness of Social Advertising: A Study of Selected Campaigns, Corporate Social Responsibility, Edited by David Crowther & Nicholas Capaldi, Ashgate Research Companion to Corporate Social Responsibility, Chapter 15, pp 287-303.

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*   Schemenner, R.W., Huber, J.C. and Cook, R.L. (1987), "Geographic Differences and the Location of New Manufacturing Facilities," Journal of Urban Economics, Vol. 21, No. 1, pp. 83-104.

CONFERENCE PAPERS

*   Garg, Sambhav (2011): "Business Ethics" Paper presented at the Annual International Conference for the All India Management Association, New Delhi, India, 19–22 June.

UNPUBLISHED DISSERTATIONS AND THESES

*   Kumar S. (2011): "Customer Value: A Comparative Study of Rural and Urban Customers," Thesis, Kurukshetra University, Kurukshetra.

ONLINE RESOURCES

*   Always indicate the date that the source was accessed, as online resources are frequently updated or removed.

WEBSITES

*   Garg, Bhavet (2011): Towards a New Natural Gas Policy, Political Weekly, Viewed on January 01, 2012 http://epw.in/user/viewabstract.jsp

DETERMINANTS OF REAL ESTATE MARKETING: AN EMPIRICAL STUDY ON SELECTED REAL ESTATE MARKETERS IN ADDIS ABABA, ETHIOPIA

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ABSTRACT

The main purpose of this study is to make a rigorous investigation of real estate marketing practices with respect to multifaceted areas and issues in the city of Addis Ababa. The research approach used in this study is field survey- cross sectional. 270 questionnaires were distributed to the nine actively performing real estate companies which imply that 30 questionnaires were distributed to each. Despite strict follow up & repetitive reminders only 150 useable questionnaires were collected from all target respondents. The makes the actual response rate to be 56 % (150/270).The most as well as the least important factors related to rational for real estate boom, regulatory framework, financial facilities, real estate infrastructures, internal features and factors for housing preferences, external features and factors for housing preferences, promotion strategy, methods used in transferring ownership of houses to the buyer, major criteria used in land grading system and pricing methods in the housing were identified The real estate marketer's and policy makers of the city as well as housing buyers are provided with the required information in relation to different determinants of real estate market industry. After making a rigorous and critical review of literature it has been clear that there is no paper that examined real estate marketing activities with respect to real estate market challenges, policy frameworks, promotion & pricing strategies, stimulating factors that led to real estate booming in the city to make Addis Ababa as the most attractive residential and commercial center in Ethiopia. Financial facilities, housing preference factors, land grading system, price strategy, promotion strategy, real star infrastructure, real estate marketing,

KEYWORDS

real estate marketing, Addis Abada.

INTRODUCTION

T he City of Addis Ababa occupies an area of 522 square kilometers (0.05 percent of the Ethiopian landmass) and is comprised, according to official statistics, of an estimated 3 million inhabitants. The city is sub-divided into ten sub-cities, each of which has an average population of around 300,000 people (see below); the three largest sub-cities by population are Kolfe Keranio (with 463,417 inhabitants), Yeka (374,583) and Nefas Silk Lafto (341,743). In terms of land area, the largest sub-cities are Akaki Kality, Bole, and Yeka each of which covers an area exceeding 80 square kilometers. Population densities vary considerably among the sub-cities, with Addis Ketema and Arada showing the most densely populated neighborhoods while Bole and Akaki Kality are the least densely populated sections of the city.

LITERATURE REVIEW

Broadly defined, real estate refers to land and everything made permanently a part thereof, and the nature and extent of one's interest there in (Encarta Reference Library, 2006).Real estate may be acquired, owned and conveyed (or transferred) by any legal entity as determined and defined by law. This entity may take the form of individuals, businesses and nonprofit corporations.

The real estate market, on the other hand, is the market that encompasses all transactions, which involve dealings in rights or interests in land and buildings (UN ECE REAG, 2000). A dealing here is used to refer to the transfer of a right temporarily or permanently from one part to another in return for a consideration, usually money.

Real estate generally contributes to a country's economic development as a result of a corresponding growth in the demand for materials, labor inputs and backward and forward linkage effects in the economy.

Despite the fact that in Ethiopia urban land and housing was largely the property of the federal elite under the imperial era and the coming into effect of a proclamation on urban land and extra houses1 during the Derg   regime, the incumbent government has introduced a market-oriented approach to housing development since the transition in 1991. With the introduction of the urban land lease holding proclamation in 1993, the government defined leasehold as the tenure form of choice. The period of lease varies from 99 years for owner occupied holding to 50 years for commercial and other uses (proclamation no 80/1993). In addition to the land lease law, other measures have contributed to the liberalization of the real estate market. Subsidies on the sale of building materials have been removed; interest rates for housing construction loans have been set at market rates, etc.

At present, however, real estate lending and real estate transactions in Ethiopia are severely constrained by a number of factors, including a large concentration of unregistered properties, delays and other problems in enforcement of legal contracts; excessive taxes, fees, and permitting requirements, and urban development activities stalled by an overly-layered administrative framework and by the lack of resolution of the restitution issue.

The market for the real estate sector in Ethiopia is not uniform and similar. It varies depending on the quality and complexity of the buildings and the purpose for which they have been built as well as on the location of the buildings. In the medium term, supply of both residential and non-residential (mostly business entities) buildings is expected to increase and, as a result of this, prices (sales or rent) of residential and non-residential buildings are expected to decline owing to a number of reasons. One is the expected increase in the supply of serviced plots of land, as preparations are already under way to this effect by the Land Development Agency. As more serviced plots of land become available to meet demand, the prevailing high price of land might decline and create suitable conditions for increased supply of buildings. As the supply of buildings increase, the existing high price (sale/rent) of buildings, which largely reflect the scarcity of buildings, is expected to decline. Another is the expected decline in construction costs.

To date, however, the combined effect of these has been to slow down the development of the real estate sector in the country. There is a huge gap between the demand and supply of houses in Addis Ababa, the capital city (Tesfaye, 2007). Recent data revealed by the Addis Ababa City Administration shows that the total demand for low-cost houses in the city is 400,000 but so far less than 20,000 of these houses have been built and distributed to the applicants. Investors are discouraged by the ever-increasing land lease price in the major towns of Ethiopia including Addis Ababa.

In addition, the cost of construction materials, especially cement, has been increasing at an alarming rate until recently, although if efforts by the government to import cement turn out to be fruitful, this may minimize the potential price increase.

Many factors can be cited for the poor performance of the real estate sector in the country in general and in urban areas in particular. These factors can be categorized as: land supply and price; infrastructure and services; availability of building materials and construction prices; availability of finance; and government policies, regulatory framework, investment climate and institutional issues.

There is also poor access to credit in developing economies. This situation usually excludes a good number of potential market participants (Galal and Razza, 2001). Land use zoning and building regulations impose undue costs and delays on real estate development, resulting in an unresponsive supply side, high

building prices, and low affordability. There is also a lack of information on planned land use of open spaces in the built–up areas, which has also created problems for the development of the sector.

In conformity with a master plan or guidelines of a city, urban land is permitted to be held by lease on auction or negotiation. Minimum price of urban land will be determined on auction or through negotiation. Lease-hold title deed will be conferred on a person to whom urban land is permitted.

According to Proclamation No. 272/2002 (Re-Enactment of Urban Lands Lease Holding Proclamation), the duration of lease for urban land varies depending on the level of urban development and a sector or the type of development activity on which land is held by lease. The duration of lease may, upon the termination thereof, be renewed as per the agreement to be reached between the leaser and the lessee, unless the urban land is needed for public purpose. Where the lease agreement is not renewed upon termination on account of the land being wanted for public interest, compensation shall not be paid to the lease hold possessor.

Based on a survey conducted by Access Capital, the sale prices for even modest homes exceed Birr 1 million in many of Addis Ababa's residential neighborhoods, while average sale prices for large homes (with 1000 square meters and four-or-more bedrooms) are now routinely above Birr 6 million in the most expensive neighborhoods. In these same high-end neighborhoods, rental rates are in the range of Birr 30,000–40,000 per month for large homes. From a cross-country perspective, home prices and rents are beginning to match or exceed the levels seen in African countries with much higher incomes than Ethiopia. With respect to the commercial market, we find that rental rates for office space in Addis Ababa average around Birr 100 per square meter, though sometimes approach Birr 200 per square meter for prime, city-center locations. Based on the city-wide average, these square meter costs translate into rental rates of around Birr 5,000 per month for a small one-room office in a city-center location. For businesses seeking to rent half-a-floor or a full floor in a commercial building, average monthly rents are Birr 20,000 and 40,000 respectively.

Regarding the outlook, we see both challenges and opportunities. On the former, key obstacles facing the sector include land policies, the scarcity and cost of construction material, infrastructure, and financing. With respect to the opportunities, we see much promise in four particular sub-segments of the real estate market: city-center commercial developments; residential developments—including apartments— focused on middle-income groups; new developments based on novel and cheaper construction materials; and commercial parking developments. Overall, though the likelihood of price declines in certain outlying areas is one notable near-term risk, the outlook for the real estate sector is otherwise broadly positive in our view, reflecting prospects for continued overall growth and particularly promising opportunities for developments that rely on higher densities, city center locations, and novel construction materials.

The rapidly changing real estate landscape in Addis Ababa is one of the more visible aspects of the extended period of growth recently experienced in Ethiopia. From large residential developments sprouting at the city outskirts to rising new office complexes and government-built condominiums being constructed in center city locations, there is no shortage of new facilities to demonstrate change in this area. Of course, despite all this new construction activity, Addis Ababa—like most developing country capitals—retains large swathes of informal and slum-like settlements scattered across the city. Still, over the past decade, the sub-set of city dwellers that are now part of the formal real estate market has expanded from a small base and is likely to do so for the foreseeable future.

To provide readers with a comprehensive overview of developments in this area, this Access Capital report attempts to address four key questions:
(1) What has been the scope and scale of recent real estate developments?
(2) What does the residential real estate market look like?
(3) What has been happening in the commercial segment of the real estate market?
(4) What is the outlook for the next one or two year period?
Surveys done on this sector attempted to answer the following questions concerning the real estate market in Addis Ababa:
▶ What has been the scale and scope of recent real estate development?
▶ What does the residential real estate market look like?
▶ What has been happening in the commercial segment of the market?
▶ What is the outlook for the real estate market in the coming years?
However, due to the scarcity of data all attempts didn't to see the following issues. The major factors that facilitated the real estate boom, the major problems that the real estate industry is facing, major considerations in selecting the best residential and commercial buildings by the customers, basic factors considered/used in land grading system , different price setting strategies adopted by the real estate industry, the promotion strategy adopted by the real estate industry , the building /housing delivery mechanisms such as directly delivering it to the buyer or uses a 3rd party to transfer the house via management contract .

STATEMENT OF THE PROBLEM
The real estate sector has been one of the fastest growing segments of the Ethiopian economy. Indeed, a review of GDP statistics shows that had it not been for the expansion of this sector and the closely affiliated construction sector, Ethiopia would not have registered double-digit economic growth in the past five years.

The residential real estate market in Addis Ababa is evolving into a varied mix of extensive government-built condominiums (ostensibly for lower-income groups), mid-market developments by housing cooperatives, and largely high-end homes built by real estate developers and/or homeowners themselves. However, there are a number of complaints registered by customers as well as real estate marketers with in Addis Ababa. Thus, it is critically important to undertake a survey on selected real estate marketers operating in Addis Ababa to identify possible challenges and opportunities from real estate marketers and customer's perspectives.

IMPORTANCE OF THE STUDY
The results of the study will assist real estate marketers, City administration as well as customers to have a vibrant and modern real estate marketer-buyer system .

BASIC RESEARCH QUESTIONS
This study attempts to answer the following questions:
• What are the major factors that facilitated the real estate boom?
• What are the major problems that the real estate industry is facing
• What are the major considerations in selecting the best residential and commercial buildings by the customers?
• What are the basic factors considered/used in land grading system?
• What are the different price setting strategies adopted by the real estate industry
• What kind of promotion strategy is being adopted by the real estate industry?
• What are the main building /housing delivery mechanisms such as directly delivering it to the buyer or uses a 3rd party to transfer the house via management contract?

OBJECTIVES OF THE STUDY
The objective of the study is:-
• To identify the major contributing factors for the real estate boom in Addis Ababa
• To Examine the major problems that the real estate industry is facing
• To explore major considerations in selecting the best residential and commercial buildings by the customers.

- Identify the basic factors considered/used in land grading system
- assess the different price setting strategies adopted by the real estate industry
- Identify the various promotion strategy/tools being adopted by the real estate industry.
- Investigate the building /housing delivery mechanisms such as directly delivering it to the buyer or uses a 3rd party to transfer the house via management contract.

RESEARCH METHODOLOGY

Data has been collected from real estate marketers operating in Addis Ababa. The target respondents were senior Marketing officers from actively performing real estate companies operating in Addis Ababa. The companies included Zenebe Frew real estate, Habesha construction, Yotech real estate, sunshine construction, Ayat real estate, Flintstone homes, Access real estate, Gift real estate, and from Enjoy real estate.

The survey instrument used was divided into eight sections. Section 1 consisted of demographic information related to the individual completing the survey questionnaire; Section 2 of the survey deals with rational for real estate boom; Section 3 consists of real estate regulatatory framework; section 4 is related to the Financial Facilities; section 5 is concerned with real estate infrastructure; section 6 deals with factors to be considered for housing preferences containing both internal and external features; section 7 contains promotion strategies used by real estate marketers and section 8 contains three open ended question related to major land grading system Zones that the company most operates, methods of transferring ownership of houses to the buyer and most frequently used pricing method by different real estate marketers.

The number of questionnaire distributed to the nine actively performing real estate companies were 180   which implies that 30 questionnaires were distributed to each since those target respondent companies are more or less using the same marketing organization in marketing their residential and commercial houses. Despite strict follow up & repetitive reminders only 150 useable questionnaires were collected from all target respondents. The makes the actual response rate to be 56 % (150/270).

DISCUSSION OF RESULTS

After the data has been collected data has been edited, cleaned and prepared for data entry using SPSS Version 17. Descriptive statistics has been used to answer the research questions.

DEMOGRAPHIC PROFILES OF THE RESPONDENTS

56% of the respondents are with 25 -35 years of age group while 36 % were within 36-50 years old. 70% of the respondents were males while 30% of the respondents were females. 67.5 % are degree holders, 15.3% are second degree holders and 9.3% were 12 complete and 8% were Diploma holders. 51.3%, of the respondents were single 33.3 % were married and 15.3% were divorced. 86.7% of the respondent's salaried, 5.3 % business, 6% is contract employees and 2% consultants.

47.3% of the respondents are in the come bracket groups of more than 5000, 26% of the respondents are in the income group of 4001-5000, , 12.7 % of the respondents between 3001-4000 , 11.3% of the respondents were in the income groups 2001-3,000 and 2.7% of the respondents are in the income groups of 1001-2000.

17.3% of the respondents were senior officers from Zenebe Frew real estate, 16% Habesha construction, 15.3% were Yotech real estate 12% sunshine construction , 10% Ayat real estate 10 , Flintstone homes 10%, 8% access real estate, 7.3% Gift real estate, and 4% were from Enjoy real estate.

18% of the real estate's are located in Gotera, 16% in 22 Mazoria, 15.3% Sarbet, 12.7 % are around Meskel square, 10% at Legehar, 8.7% at Wello Sefer, 8% in Kasanchise, 7.3% in Kirkose, and 4% of the real estate's are located in Bole sub-city respectively.

ANALYSIS FOR BASIC RESEARCH QUESTIONS

Rational for real estate boom, real estate regulatatory framework; Financial Facilities; real estate infrastructure; factors to be considered for housing preferences containing both internal and external features; promotion strategies used by real estate marketers responses given to three open ended question related to major land grading system Zones that the company most operates, methods of transferring ownership of houses to the buyer and most frequently used pricing method by different real estate marketers are described here in under with tables.

TABLE 1: RATIONAL FOR REAL ESTATE BOOM

	N	Sum	Mean	Std. Deviation
There is a dynamic growth and expansion of commercial activities in the city	150	608.00	4.0533	1.14568
The tax holidays relieves the real estate developers	150	492.00	3.2800	3.41359
The increase in per capital income of the citizens	150	403.00	2.6867	.92784
The foreign investment permit in real estate is easy	150	395.00	2.6333	1.01278
There is a rapid growth of housing financing industry	150	325.00	2.1667	1.15518

As showed in table 1 the most important reason for real estate boom in the city is the dynamic growth and expansion of commercial activities in the city (with a mean score of 4.0533) while the least important reason for the boom of the real estate sector is the rapid growth of housing financing industry with a mean score of 2.1667). The mean score for the increase in per capital income of the citizens (mean score of 2.6867), the foreign investment permit in real estate is easy (with a mean score of 2.6333) and the rapid growth of housing financing industry (with a mean score of 2.1667) were found to be the least contributing factors for real estate booming in Addis Ababa.

TABLE 2: REGULATORY FRAMEWORK

	N	Sum	Mean	Std. Deviation
There is no Housing Policy	150	645.00	4.3000	3.35135
There is an increased fraud in the city	150	610.00	4.0667	1.04699
There is no policy support to provide incentives to the private sector for the construction of dwelling units to lower income groups	150	590.00	3.9333	.85661
The complex and bureaucratic transfer procedure of land users increased transaction costs	150	560.00	3.7333	1.33445
The cost of transferring land title is too high	150	553.00	3.6867	1.11209
The building regulation lacks clarity	150	552.0	3.680	.8772
The bank loan collaterized by real estate is not fair	150	551.00	3.6733	1.24511
Lack of clarity of the current construction permit system	150	544.00	3.6267	.86348
The land use Zoning criteria set by the city administration is not very clear	150	543.00	3.6200	.96008
The land ownership title is unclear	150	538.00	3.5867	.91363
The rental income tax law is distinctive to rental real estate development	150	493.00	3.2867	1.03195
The rental and tenancy laws are obsolete	150	492.00	3.2800	1.09373
The building codes standards and permissions are clearly spelled out	150	471.00	3.1400	1.18168
The Urban land ceiling regulation is unfavorable to real estate developers	150	456.00	3.0400	1.07366

From the 14 items indicated in table 2 the mean score of non-availability of a comprehensive housing policy followed by the an increased fraud in city 4.3000 and 4.0667 respective while the Urban land ceiling regulation is unfavorable to real estate developers is with a lowest mean score (3.04). The mean score for all items under the real estate regulatory frame works are found above average and this shows that regulatory frameworks need to be revisited.

TABLE 3: FINANCIAL FACILITIES

	N	Sum	Mean	Std. Deviation
The current trend in the inflation rate adversely affected the real market industry	150	659.00	4.3933	.92611
There is no alternative financing institutions	150	650.00	4.3333	.94597
There is poor access to credit	150	648.00	4.3200	.94350
There is no institutions which will give direction and leadership to solve the housing problems	150	599.00	3.9933	1.23970
The growth rate of GDP is low	150	574.00	3.8267	2.48417
The bank loan collaterized by real estate is not fair	150	551.00	3.6733	1.24511

As indicated on table 3, from items included in financial facilities, the current trend in the inflation rate adversely affected the real market industry (with a mean score of 4.3933) was identified as the most challenging factor while the bank loan collaterized by real estate is not fair (with a mean score of 3.6733) was the least challenging factor faced by real estate markers in terms of financial facilities available. Furthermore one can infer that all the items related to financial facilities above the average mean score and the challenge faced by real estate companies are not that simple.

TABLE 4: REAL ESTATE INFRASTRUCTURES

	N	Sum	Mean	Std. Deviation
There is a considerable shortage of construction materials	150	647.00	4.3133	.89094
Bureaucratic and nontransparent style of government institutions	150	613.00	4.0867	1.09873
There is no sufficient amount of advance planning and coordination between municipalities and infrastructure providers	150	604.00	4.0267	.78532
There is a limited amount of infrastructure provided to the city in general and the real estate market in particular	150	582.00	3.8800	.63373
There is no sufficient amount of information on planned land use of open spaces in the built up areas	150	578.00	3.8533	.80591
The development plans for cities and towns are highly defective	150	564.00	3.7600	.91725

As showed on table 4 the shortage of construction materials (mean score=4.3133) is the most chronic problem faced by real estate marketers followed by bureaucratic and non-transparent style of government institutions (mean score= 4.0867) while the development plans for cities and towns are highly defective (mean score=3.7600) is the least challenging factor in terms of real estate infrastructural development. However, one can infer from the table that all the variables factor

TABLE 5: INTERNAL FEATURES AND FACTORS FOR HOUSING PREFERENCES

Internal Features	N	Sum	Mean	Std. Deviation
Number of bedrooms	150	653.00	4.3533	1.02412
Appearance of the house	150	583.00	3.8867	.78181
Number of bath rooms	150	569.00	3.7933	1.26542
Outside room	150	527.00	3.5133	.80048
Availability of Fire place	150	523.00	3.4867	2.69908
The number of living rooms	150	523.00	3.4867	1.06649
Availability of Study rooms	150	521.00	3.4733	1.03429
Established garden	150	506.00	3.3733	1.03979
Air conditioning	150	497.00	3.3133	2.67008
Quality of build in cupboards	150	492.00	3.2800	1.10593
Security system	150	485.00	3.2333	1.03247
Covered barbecue area	150	461.00	3.0733	.94901
Handicap accessibility	150	450.00	3.0000	1.35111
Swimming pool	150	423.00	2.8200	1.04958

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Internal Features and Factors for Housing Preferences considered by customers or real estate buyers have been summarized in table 5. From the 14 factors Number of bed rooms of the house (4.3533) has the highest mean score while swimming pools (2.8200) is the least considered factor by customers with respect to housing preferences. Since all factor mean scores are above average real estate marketers need to give weight to each of the factors.

Table 6: External Features and Factors for Housing Preferences

TABLE 6

	N	Sum	Mean	Std. Deviation
Overall size of the house	150	588.00	3.9200	1.26130
Neighborhood status	150	581.00	3.8733	.70755
Community composition of the neighborhood	150	577.00	3.8467	.84929
Absence of noise from road, traffic ,railways or airport	150	577.00	3.8467	.81707
Size of the parking space	150	576.00	3.8400	.90546
Size of the plot	150	564.00	3.7600	.98771
Nice view	150	549.00	3.6600	1.02865
Distance from shopping facilities	150	544.00	3.6267	.84779
Distance from place of worship	150	531.00	3.5400	3.41852
Distant from schools	150	527.00	3.5133	.85716
Distance from families and friends	150	525.00	3.5000	.78364
Size of the Garage	150	522.00	3.4800	.96042
Purely residential or mixed with commercial	150	515.00	3.4333	1.11978
Distance from work	150	506.00	3.3733	.67104

External Features and Factors for Housing Preferences considered by customers or real estate buyers have been summarized in table 6. From the 14 factors overall size of the house (3.92) has the highest mean score while distance from work (3.3733) is the least considered factor by customers with respect to housing preferences. Since all factor mean scores are above average real estate marketers need to give weight to each of the factors.

TABLE 7: PROMOTION STRATEGY

	N	Sum	Mean	Std. Deviation
TV advertisement	150	658.00	4.3867	.64284
News Paper Advertisement	150	641.00	4.2733	1.08620
Magazine Advertisement	150	634.00	4.2267	.83663
Publicity	150	628.00	4.1867	1.13153
Personal selling	150	622.00	4.1467	.97888
Billboard Advertisement	150	607.00	4.0467	.76269
Radio announcement	150	606.00	4.0400	.75866
Posters	150	594.00	3.9600	.96850
Community Services	148	572.00	3.8649	1.13478
Brochures	150	579.00	3.8600	.68571
Transit Advertisement	150	562.00	3.7467	.83695
Sponsoring important Events	150	546.00	3.6400	.88447
Use of celebrities	150	518.00	3.4533	.87152

Table 7 demonstrated that TV ad is most popular method of promotion strategy used (4.3867) by real estate companies and the least promotion strategy used (3.4533). However, all real estate marketers use a mix of promotion techniques and mean score for all techniques is above the neutral point (3.00)

TABLE 8: METHODS USED IN TRANSFERRING OWNERSHIP OF HOUSES TO THE BUYER

		Frequency	Percent	Valid Percent	Cumuative Percent
Valid	Directly to The Buyer	128	85.3	85.3	85.3
	Through Third Party	17	11.3	11.3	96.7
	Others	5	3.3	3.3	100.0
	Total	150	100.0	100.0	

85% of the respondents used the direct transfer of ownership title to the user, 11.3% of the respondents through third party and 3.3% through other means's.

TABLE 9: MAJOR CRITERIA USED IN LAND GRADING SYSTEM

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Central Zone	81	54.0	54.0	54.0
	Transitional Zone	32	21.3	21.3	75.3
	Expansion Zone	37	24.7	24.7	100.0
	Total	150	100.0	100.0	

From table 9 one can infer that all the real estate companies operate in all of the three zones. However, 54 % of the respondents indicated that they operate in the central zone followed by expansion zone (24.7%) and transitional zone (21.3%) respectively.

TABLE 10: PRICING METHODS IN THE HOUSING

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Cost Plus	87	58.0	58.0	58.0
	Competitor Based	59	39.3	39.3	97.3
	Others	4	2.7	2.7	100.0
	Total	150	100.0	100.0	

As indicated on table 10, 58% of the respondents indicated that the most frequently used method of pricing is cost plus followed by competitor based pricing techniques.

CONCLUSION

There is a lot to be done by real estate marketers as well as the government in order to deliver quality residential and commercial houses as per the requirements of different segments of the real estate customer groups in Addis Ababa

FURTHER AREA OF INVESTIGATION

Determinants of Investors Willingness to pay for urban land, Land auction in Addis Ababa City, land lease policy in Addis Ababa, modalities lease payments, determinants of urban residential, commercial and industrial land pricing, basis of land gradation systems used by the government in different regions can be possible areas for undertaking a research.

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A STUDY ON PROBLEMS AND PROSPECTS OF TEA GROWERS WITH PARTICULAR REFERENCE TO NILGIRIS DISTRICT (TN) IN INDIA

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ABSTRACT

The Indian tea industry provides source of revenue for more than a million workers and several lakh of small growers. Being the largest producer and exporter of tea, the industry receives implication at both micro and macro levels. But the ongoing crisis in the agricultural sector in general and the tea growing sector in particular lends more significance to the industry. It seems a paradox that when small Indian growers and workers are struggling for their existence, big multinational tea brands accumulate huge profit by exerting pressure on the tea supply chain, and through better networking and lobbying. At the same time, the government and the tea boards at national and regional levels launch a large number of programmes to upgrade the livelihoods of people who are involved in tea cultivation and processing. The condition of small growers in major tea growing areas of India is pathetic; owing to small landholdings and poor quality of the produce thus the small tea growing industry in Nilgiris is facing many problems which require attention from the state government. Initiatives should be taken to give them ownership titles of their lands to help those getting financial assistances from the Tea Board of India and financial institutions. The study aims to identify the constraints of small tea growers in Nilgiris district of Tamilnadu.

KEYWORDS

tea industry, Nilgiris district, agriculture sector.

INTRODUCTION

Tea industry contributes substantially towards the national and state economy by way of enriching the foreign exchange reservoir and State exchequer besides employment. Today the major tea growing states are Assam, West Bengal, Tripura, Tamil Nadu, Kerala and Karnataka. It may be observed that major portion of country's plantation is located in NILGIRIS accounts for nearly 53 per cent of the all India production. Nilgiris tea is well known for its rich taste and colour. Being an agricultural plantation crop and a major revenue generator, tea cultivation has become a lucrative profession in the Nilgiris that has very few business opportunities and plays a vital role in improving the socio-economic condition of the region.

SMALL TEA GROWING INDUSTRY IN NILGIRIS

In Nilgiris, the concept of growing tea in small holdings was unheard of until 1975, when a small beginning was made in Nilgiris. Small farmers in these States started taking up tea cultivation on a large scale during the mid 90's due to good prices that prevailed during 1996-98. The average size of such holdings is less than one hectare. These small and marginal farmers are dependent on tea and derive major portion of their cash income from tea. Presently around 45,000 small growers are operating in Nilgiris. Since 1995, the quantity of tea produced and sold by the small growers has gone up many folds over the years. At present, the quantum of tea produced by the small growers in Nilgiris is around 65 million Kgs. But many problems and constraints have weakened this small tea growing industry in the region.

The small tea growers don't get proper price for their produce from the large tea estates. They don't have ''possession certificates" for their cultivating land due to which they are unable to register themselves with the Tea Board of India and get benefits from various policy initiatives. Due to the same reason they are also unable to get loans from banks. Thus, the small tea growing industry in Nilgiris is facing many problems which require urgent attention from the state government. Initiatives should be taken to give them ownership titles of their lands to help them getting financial assistances from the Tea Board of India and financial institutions.

BACKGROUND OF SMALL TEA GROWERS

India is the largest producer and consumer of tea in the world. Tea industries provide employment for more than 1.1 million laborers in large plantations and provide income for about 2.5 lakh small tea growers. The tea industry is accountable for the livelihood for major chunk of population in the Nilgiris district of Tamil Nadu. Marginalization of a community results in their exclusion from meaningful participation in society. One such group which is affected worse from such marginalization is the "Small Tea Growers" community in Nilgiris district. As small tea growers, their livelihood is in the verge of collapse due to lack of streamlined business plan, congenial structure and absence of bargaining power.

The low quality of cultivation due to the unscientific mode of cultivation is also acknowledged as one of the problem for poor economic returns. There is no alternate source of income, making their scope very limited for survival. They have no other technical skills and depend on tea plantation for their livelihood and Team Explore believes empowerment is a process that allows small tea growers to gain the knowledge, skill-sets and attitude needed to cope with the changing world and the circumstances in which they live.

PROBLEMS OF SMALL TEA GROWERS

- Small Tea Growers (STGs) are not organized and not aware of their rights.
- Dependency on leaf agents or sub agents to sell their produce.
- Insufficient income which leads to indebtedness which in turn make them not able to meet basic family expenses.
- Lack of knowledge on provision and processes for availing government facilities meant for small growers.
- Lack of credit facility to procure fertilizers, pesticides and other farm equipments for effective cultivation and better yield.
- No access to technical training institutes on management of crops.
- Problems in getting fair price for their produce.

STATEMENT OF THE PROBLEM

Small Tea Growing Industry in Nilgiris has immense potential from the points of both providing employment as well as generating revenue. It can be a lucrative profession and can play a vital role in improving the socio-economic condition of the economically backward state. But the small tea growers are facing many problems related to availability of finance, processing of tea leaves etc. They are forced to sell their tea leaves to big tea gardens at through away prices due to the absence of tea factories of their own. The study aims at identifying the constraints faced by the small tea growers in Nilgiris district. The study is focused on factors that influence the tea growers to involve in tea cultivation, satisfaction level and problems faced by small tea growers .

OBJECTIVES OF THE STUDY

- To know the Socio economic background of tea growers in Nilgiris District.
- To study about the factors that influences the tea growers to involve in tea cultivation and to know the satisfaction level of the tea growers in Nilgiris district.
- To identify the problems faced by tea growers in Nilgiris district.

METHODOLOGY OF THE STUDY

The study has been undertaken in Nilgiris. Primary data has been collected from the small tea growers with the help of both open and close ended questionnaires. The size of the sample is 150, who are small tea growers. Convenience sampling technique is used in selecting the sample. Simple Percentage analysis and Weighted Average Method have been used to analyze the data,

HYPOTHESIS

The suitable hypothesis is framed and tested in the relevant places.

ANALYSIS AND INTERPRETATION

TABLE-1: GENERAL PROFILE OF THE RESPONDENTS

Personal Details		No of Respondents	Percentage
Gender	Male	98	66
	Female	52	34
Education	Illiterate	11	8
	School level	30	20
	Higher secondary	53	35
	Under graduate	48	32
	Professional	8	5
Income per Annum from Tea Cultivation	Below Rs2,00,000	76	50
	Rs.2,00,000-Rs 4,00,000	58	38
	Rs.4,00,000-Rs 6,00,000	10	8
	Above Rs6,00,000	6	4
	Total	**150**	**100**

It is observed from the above table that, out of 150 respondents 66 per cent are male, 35 per cent have completed higher secondary education and 50 per cent of the respondents are earning an income of Rs.2, 00,000 per annum.

TABLE-2: CULTIVATION DETAILS

Cultivation Details		No of Respondents	Percentage
Type Of Cultivation	Traditional	49	32
	Modern	101	68
Source Of Knowledge	UPASI	35	34
	Tea board	66	66
Class Interval of Plucking of Tea Leaves	Less than 10 days	13	8
	11-20 days	103	68
	21-30 days	34	24
Quantity Supplied Per Month	Less than1000kg	67	44
	1001-2000kg	62	42
	Above 2000 Kg	21	14
Mode of Supply	Private	96	64
	Co-operative society	54	36
	Total	**150**	**100**

The above table reveals the respondents according to the type of cultivation. Out of 150 respondents 68 per cent of respondents have done modern method of tea cultivation and 32per cent of respondents have done traditional method of tea cultivation.

TABLE-3: LEVEL OF SATISFACTION OF RESPONDENTS

Factors	Highly Satisfied		Satisfied		Neutral		Not satisfied		Highly satisfied	
	No	per cent	No	per cent	No	per cent	No	per cent	No	per cent
Marketing facilities	13	9	61	41	24	16	49	33	3	2
Profit	15	10	27	18	77	51	22	15	9	6
Loan facilities	9	6	34	23	55	37	41	27	11	7
Price of tea	12	8	24	16	61	41	50	33	3	2
Availability of labour	16	11	22	15	75	50	27	18	10	7
Availability of saplings	11	7per cent	28	19	41	27	55	37	15	10
Storage facilities	20	13	22	15	63	42	33	22	10	7
Subsides by the government	7	5	26	17	50	33	61	41	8	5
Activities of tea board	6	4	36	24	58	39	36	24	14	9
Transport facilities	14	9	19	13	63	42	48	32	6	4

It is evident from the above table that 41per cent of the respondents are satisfied with marketing facilities. The respondents are neutral in their satisfaction level towards profit earned (51 per cent), loan facilities available (37 per cent), price of tea (41 per cent), availability of labour (50 per cent), storage facilities (42 per cent), activities tea board (42per cent) and transport facilities (42per cent). The respondents are not satisfied with availability of saplings (37 per cent) and the subsidies of the government (41per cent).

TABLE-4: PROBLEMS FACED BY TEA GROWERS IN TEA CULTIVATION

Problems	No of Respondents							Total	Avg	Rank
High cost of manure	49	156	25	152	165	18	7	572	3.81	6
Poor saplings	245	120	50	116	48	42	0	621	4.14	4
Soil Erosion	210	324	80	36	33	44	10	737	4.91	3
Poor rainfall	266	330	25	104	27	14	19	785	5.23	2
High cost of pesticides	133	174	100	140	30	32	8	617	4.11	5
Lack of skilled labour	77	48	110	64	27	108	10	444	2.96	7
Lack of co-operation from workers	413	126	70	76	93	6	21	805	5.37	1

The above table clearly depicts that lack of co-operation from workers is ranked as first and it has been the foremost problem faced by Tea growers. Poor rainfall is second and followed by soil erosion. Poor sapling is the fifth problem followed by high cost of manure and lack of skilled labour.

TABLE-5: PROBLEMS OF TEA GROWERS IN MARKETING OF TEA

Problems	1	2	3	4	Total	Avg	Rank
Inadequate storage facilities	204	66	64	45	379	2.52	4
Lack of transportation facilities	240	93	58	30	421	2.81	1
Lack of market information	232	75	38	48	393	2.62	3
Lack of insurance coverage	172	165	62	21	420	2.8	2

According to the above table lack of transportation facilities is the main problem faced by respondents and it is ranked as first followed by lack of insurance coverage. Lack of market information is ranked as third problem and an inadequate storage facility is ranked as fourth problem.

TABLE-6: FINANCIAL PROBLEMS FACED BY TEA GROWERS

Factors	1	2	3	Total	Avg	Rank
Lack of finance for tea cultivation	150	88	56	294	1.96	3
Unavailability of Loans	183	106	36	325	2.17	1
High interest rates	171	100	43	314	2.09	2

From the analysis through weighted average method on financial problems faced by tea growers have revealed that the unavailability of loans is the first problem faced by the respondents. High interest rate is the second problem faced and lack of finance is third problem faced by the tea growers in Nilgiris.

TABLE-7: REASON TO CHOOSE TEA CULTIVATION

Reasons	1	2	3	4	5	Total	Avg	Rank
Requires less water	120	244	39	98	3	504	3.36	4
Ancestral practice	385	108	66	18	15	592	3.95	1
Less cost of cultivation	170	220	123	22	9	544	3.63	3
Less pest and disease	80	88	225	54	10	457	3.05	5
Sufficient profit	315	132	66	24	20	557	3.71	2

The above table reveals that, ancestral practice has been ranked first and it is the primary reason for choosing tea cultivation, sufficient profit has ranked second. Less cost of cultivation has ranked third, requires less water has ranked fourth and less pest and disease scored last reason for choosing this tea cultivation.

CHI-SQUARE

The Chi-Square Test is used mainly to test the independence of the attribute factors. In other words chi-square test is used to test whether one factor has significant influence over the other.

a) EDUCATION VS MARKETING FACILITIES

Hypothesis: "There is no significant relationship between education and satisfaction with marketing facilities"

TABLE-8 EDUCATION AND MARKETING FACILITIES OF TEA

	Calculated Value	Table value	df	Significance
Chi-square	157.8403	31.4	20	NS

Chi-square test is applied to find whether there is significant relationship between educations of the respondents with satisfaction with marketing facilities of tea. The calculated value of chi-square is 157.8403 which is greater than the table value of 31.4 at 5% level of significance. Since calculated value is greater than the table value it is inferred that there is relationship between education and satisfaction with marketing facilities of tea, hence the hypothesis is accepted.

B) OCCUPATION VS UNAVAILABILITY OF LOANS

Hypothesis: " There is no significant relationship between occupation and unavailability of loans for tea growers"

TABLE -9 OCCUPATION AND UNAVAILABILITY OF LOANS

	Calculated Value	Table value	df	Significance
Chi-square	69.34	15.5	8	NS

Chi-square test id applied to find whether there is significant relationship between occupation and unavailability of loans for tea growers. The calculated value of chi-square 69.34 is which is greater than the table value of 15.5 at 5% level of significance. Since calculated value is greater than the table value it is inferred that there is relationship between occupation and unavailability of loans for tea growers.

SUGGESTIONS

❖ In India a substantial amount of tea comes from small tea growers. The quality of raw material provided by them is of poor standard. The regulatory authority should formulate strict measures so that these teas should get quality raw material.

❖ The marketing related aspects are not at par with International standards. The best way of marketing tea is through auction system. Auction centre acts as a single window where the quality, quantity and prices are regulated. However the Government of India should see to it that the entire tea produce should come to the auction floor. The auction systems should further be strengthened.

❖ It is suggested that tea growers can be given more transportation facilities for marketing of tea and loan facilities can be availed to tea growers which is the major problem faced by tea growers.

CONCLUSION

Tea is the most widely consumed drink in the world. 3.5 billion cups of Tea is consumed daily, across the world. The medicinal use of tea was known long before it was used as a beverage. Tea is one of the most important non alcoholic drinks and is popular due to its stimulating property. In India tea is the main beverage for each and every household. The study on problems and prospects of Small Tea Growers at Nilgiris helps to identify the reasons of choosing tea cultivation at Nilgiris. The study also revealed problems faced by tea growers at Nilgiris district. The various problems faced by tea growers such as lack of co-operation, unavailability of loans, lack of transportation facilities. The study also brought out some suggestions as to how the production of tea by small tea growers has to be improved. Small Tea growers should bring down the cost production and improving the worker's productivity through various reforms. It is suggested to introduce some promotional campaigns so as to make people aware of the quality of Indian tea abroad and Value added products can also be marketed in International markets.

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A STUDY ON THE CHALLENGE FOR ARTISANS OF CONCH SHELL INDUSTRY IN WEST BENGAL

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ABSTRACT

The beauty and charm of crafts has always been a source of attraction to many Indian and foreign tourists. The gifted artisan could produce wonderful objects of craft from conch shell materials. Their rare artistic skill has been streamlined in the manufacture of exquisite household pieces. The present article focuses on identifying the present challenges faced by the artisans for marketing and continuing their handicrafts. The present research paper is based on primary survey conducted on conch shell industry in West Bengal. The sample survey comprises of 240 household units selected from four districts in West Bengal. The weakness of conch shell industry are like lack of infrastructure and communication facilities, unawareness about international requirements and market, lack of co-ordination between government bodies and private players, inadequate information of new technology, inadequate information of current market trends, less interest of young people in craft industry, lack of skilled labor, still confined to rural areas and small cities and untapped market, lack of promotion of products. The survey reveals that irregularity in the supply of raw materials caused frustration to many household entrepreneurs.

JEL CODE
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KEYWORDS
Artisan, Conch shell, Cultural.

1. INTRODUCTION

Shankha[1] is a conch shell which is of ritual and religious importance in both Hinduism and Buddhism. The shankha is the shell of a species of large predatory sea snail, *Turbinella pyrum*, which lives in the Indian Ocean and surrounding seas. *Shankh*[2] this instrument has a strong association with the Hindu religion. The conch shell[3] is a major Hindu article of prayer, used as a trumpet and in order to get rid of negative energy and evil spirits. It is also used as a container for holy water (*shankha teertham*). The *shankha* (conch shell) mudra is also used during various tantric rituals and meditation. "s*hankha*" is considered to be one of the most auspicious objects that emerged from the sea during the Ksheera Sagara Samudra Manthan. In Indian mythology, the s*hankha* is regarded sacred and very auspicious. To initiate religious ceremonies, a *shankha* (conch shell) is blown. God Vishnu, the God of Preservation, is shown with a *shankha* in one hand and a disc or a chakra in the other. It is said that when it is blown it announces the victory of good over evil. Conch, or conque, is a musical instrument[4], a wind instrument that is made from a seashell, the shell of one of several different kinds of very large seasnail. These instruments are sometimes referred to as "shell trumpets".

Conch Shell decorating can be traced back to the Indus Valley Civilization[5]. West Bengal is famous for the unique form of its arts and crafts. One of the most exclusive and most beautiful forms of art practiced in West Bengal comprises of the conch shell craft. It is an extremely sophisticated and delicate craft of West Bengal. Conch fashioning i.e. cutting and polishing of conch to make bangles, to make shells suitable for blowing purpose etc is a main business in Orissa and West Bengal. There are about 3, 00,000 conch shell artists and traders in West Bengal and Orissa[6] . The *sankha* industry is profitable considering high demand for *sankha*s not only in Bengal but also in Odisha, Bihar. Conch shells are used in two significant ways in Bengali tradition. One is in the form of the bangles worn by married women, and the other is using the whole shell to blow into it, during religious ceremonies. The conch shell bangles suggest the marital status of a woman. The craftsmen belong to the *Sankhakar* community. These products have aesthetic, cultural, creative and religious values. In addition to these, this industry can play a great role in generating employment and income.

In spite of these the conch shell industry is facing problems both in demand and supply side. In supply side the major problem is to getting the raw conch regularly. In the demand side there is diversion of demand to the low quality bungles (sankha). The craft form is also very expensive and cannot be afforded by everybody. In this context it is important to study the problems of this handicraft industry. The present study attempts to look at the current problems faced by the industry in West Bengal and find out survival factor of this industry.

2. REVIEW OF LITERATURE

There is very limited study on the economics of conch shell industry in West Bengal. Hunter (1875) discussed the importance and the process of production of conch shell in the earlier time. Hornel (1914) wrote about the *chank (conch)* in Hindu life and various aspects of folklore and ethnology. Haque (1984) pointed out the designs of different *Sankha* products like bracelets. Sen (1935) noted the use of conch bracelets by Bengali woman in ancient Bengali literature and he pointed out that conch craft developed independently in Dhaka. Sen and Sinha (1961) discussed economic behavior of craftsman and production process of conch shell industry of West Bengal and Sikkim. Gosh (1999) highlighted the scenario of conch shell industry in Bankura district of West Bengal. *Heppell* (2001), discussed about the chank shell industry in modern India. Biswas (2003), analyses the pattern and basis of rural industrialisation in West Bengal. He discussed about technological change and the forms of production organization conch shell product industries. *Dutta (2011)* noted that Conch shell craft is neither unique,

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[1] http://en.wikipedia.org/wiki/Shankha
[2] http://chandrakantha.com/articles/indian_music/shankh.html viewed as Shankh
[3] http://www.religiousportal.com/SacredShankha.html viewed as Sacred Shankha (Conch Shell)
[4] http://en.wikipedia.org/wiki/Conch_(musical_instrument) viewed as Conch (instrument)
[5] http://www.india9.com/i9show/Conch-Shell-Craft-41314.htm viewed as Conch Shell Craft
[6] http://envfor.nic.in/legis/wildlife/so665(e).htm

nor a new practice in India for creating marvels in decorative yet artistic pieces of utility items. Sonali (2012) highlights about conch shell craft of West Bengal and noted that the tradition of conch shell preparing and working is an ancient one. They have been used in India since Vedic times. Priests use them to drive away evil spirits, at the beginning of weddings, sacrifices, or at other Hindu rites. Buddhists also blow conch shells as a sound offering. This is why they are so common in India and Tibet. Tulsyan S. (2013) pointed out that while not many Bengali women in urban settings can be seen wearing sankha (conch bangles), it is easier to find women-generally from lower class-from Bihar, Odisha and Uttar Pradesh sporting it. From the brief review of the existing literature it appears that problems and future of conch shell industry in West Bengal have not been adequately addressed.

3. RESEARCH OBJECTIVES, DATA SOURCE AND METHODOLOGY OF THE STUDY

The conch shell industry is one of the oldest and artistic traditional industries in India. Conch shell products have a good demand in India for their unique colour combinations and attractive designs. The need for the study arises due to the importance of the conch shell industry in respect of male, female employment generation in regional economy of India and inadequacy of existing literature on present scenario of conch shell industry especially in respect of West Bengal. The specific objectives of the study are to analyze challenges faced by the artisans for continuing their work of conch shell industry.

Secondary data relating to conch shell industries are not adequately available. On account of limitations to the secondary data to serve the present study a detailed primary survey was conducted. We have selected for our study four Districts of West Bengal namely North 24-Paraganas, Purba Medinipur, Paschim Medinipur and Bankura selected on the basis of concentration of conch shell handicraft units. The sample comprises of 240 household units selected from 4 districts and 8 blocks with 60 household units selected randomly from each district. The basis of selection of the sample was multistage stratified random sampling method. There are two types of production organization in conch shell industry namely independent units and tied units. Tied units have been linked up with big independent units either by raw materials purchasing or by sale of their products. They have no bargaining power for purchase of raw materials. Total sample 240 household units include 22.50 percent independent units, 77.50 percent tied units (Table 3.1). To compare per capita income, dependency ratio, challenges and problems faced by artisans among independent and tied units mean test, percentage method used.

TABLE 3.1: TYPES OF PRODUCTION ORGANIZATION IN SAMPLE DISTRICTS

Items		Sample Districts				Total
		Paschim Medinipur	Purba Medinipur	Bankura	North 24 Paragnas	
Type of Unit	Independent	11 (18.33)	13 (21.67)	10 (16.67)	20 (33.33)	54 (22.50)
	Tied	49 (81.67)	47 (78.33)	50 (83.33)	40 (66.67)	186 (77.50)

Source: Field survey; Note: parentheses indicate the percentage shares.

We give below some relevant information of the selected districts. According to Census, 2011, the percentage of rural population in sample districts was in Paschim Medinipur 87.78% , in Purba Medinipur 88.37%, in Bankura 91.67 %, in North Twenty Four Paraganas 42.73 %. Table 3.2 gives the breakup of Socio economic Characteristics of the surveyed area in 2011.

TABLE 3.2: SOCIOECONOMIC CHARACTERISTICS OF SAMPLE DISTRICTS IN 2011

Sample district	Paschim Medinipur	Purba Medinipur	Bankura	North 24 Paragnas
Actual Population	5,913,457	5,095,875	3,596,674	10,009,781
Proportion to West Bengal Population	6.48%	5.58%	3.94%	10.97%
Rural Population (%)	87.78 %	88.37 %	91.67 %	42.73 %
Average Literacy	78.00	87.02	70.26	84.06
Male Literacy	85.26	92.32	80.05	87.61
Female Literacy	70.50	81.37	60.05	80.34

Source: http://www.census2011.co.in/census/district/18-paschim-medinipur.html

4. HOUSEHOLD CHARACTERISTICS OF THE STUDY AREA

This section deals with household details such as their socio-economic background. The descriptive statistics of some selected parameters have been calculated for a better understanding of the household profile. General information of 240 household, especially about the head of the household reveals that the ages of the heads of the surveyed households ranged from 21 to 80 years with a mean 40.75 and 12.57 standard deviation. It is recorded that literacy rate of selected household units varies between 0-100 per cent age with a mean 69.66 and standard deviation 15.94. It is observed from sample household units that total number of family members varies between 3 and 12 with a mean 6 and total number of adult family members varies between 2 and 9 with a mean 5 (Table 4.1).

TABLE 4.1: HOUSEHOLD CHARACTERISTICS OF THE STUDY AREA

Items	Sample Districts				Total
	Paschim Medinipur	Purba Medinipur	Bankura	North 24 Paragnas	
Age of respondent	21-64 (38)	21-80 (46)	23-65 (40)	21-80 (39)	21-80 (41)
Literacy rate of family (%)	33.33-100 (69.63)	50-100 (73.75)	0-100 (63.93)	33.33-100 (71.33)	0-100 (69.66)
Total number of family members in each household unit	3-10 (6)	4-12 (6)	3-11 (6)	3-11 (6)	3-12 (6)
Total number of adult family members in each household unit	2-8 (4)	3-9 (5)	2-9 (5)	2-9 (5)	2-9 (5)

Source: Field survey; Note: parentheses indicate the mean.

5. RESULTS & DISCUSSION

5.1 HEREDITARY PROSPECT

Shankha Banik or *Shankharis* claim this craft as their traditional occupation. Artisans in conch shell activities known as *sankari.* Sankari (dealing with conch manufacturing) are usually engaged in conch shell works belongs to O.B.C.-B category constitute 92.5 per cent. Kumbhakar also belongs to O.B.C.-B category constitute 5 per cent and general category artisans constitute 2.5 per cent are engaged in conch shell works (Table 5.1).

TABLE 5.1: CASTE DOMINANCE ON CONCH SHELL INDUSTRIES IN SAMPLE SURVEYED AREA

Items		Total
Type of Category	O.B.C.-B (Sankhari)	222 (92.5)
	O.B.C.-B (Kumbhakar)	12 (5)
	General	6 (2.5)

Source: Field survey; Note: parentheses indicate the percentage shares.

It is observed from sample household units that duration of engagement years varies between 2 and 53 for male workers with a mean 29 and for female workers varies between 1 and 34 with a mean 7 (Table 5.2).

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TABLE 5.2: DURATION OF ENGAGEMENT IN CONCH SHELL INDUSTRY IN SAMPLE SURVEYED AREA

Items		Total
Duration of engagement Years	Male workers	2-53 (29)
	Female workers	1-34 (7)

Source: Field survey; Note: parentheses indicate the mean.

5.2 EMPLOYMENT PATTERN OF CONCH SHELL INDUSTRY

It is observed that per household unit number of family worker size varies between 1-6 with a mean 3 and standard deviation 1.15 and number of hired worker size varies between 0-10 with a mean 0.75 and standard deviation 1.41. Per unit yearly number of working days varies between 252-360 per cent age with a mean 323 and standard deviation 19.48. Per day number of man days by assuming one man days is equal to eight (8) work hour of per household unit by household & hired conch shell industrial worker varies between 1.25-15 per cent age with a mean 4.25 and standard deviation 2.34 (Table 5.3).

TABLE 5.3: DISTRIBUTION OF HOUSEHOLD UNITS BY FAMILY WORKERS, HIRED WORKERS, WORKING DAYS & MAN DAYS IN SAMPLE SURVEYED AREA

Items		Total
Per Unit Worker Size	Number of family Workers	1-6 (3)
	Number of Hired Workers	0-10 (0.75)
Per Unit Yearly Working Days		252-360 (323)
Per Day Number of Man Days of per Household Unit		1.25-15 (4.25)

Source: Field survey; Note: parentheses indicate the mean.

Table 5.4 shows that the distribution of industrial units by number of workers. In conch shell industries 52.50 percent of total 240 sample units employ very small number of worker, ranging from between 3 and 5 size of class which recorded highest followed by between 1 and 2 size of class (35.83 percent) and 10.83 percent of the units between 6 and 9 size of class . A small percentage of independent units (0.83 per cent) employ relatively large number of workers between 10 and 20 size of class.

TABLE 5.4: FREQUENCY DISTRIBUTION OF SAMPLE CRAFT UNITS BY NUMBER OF WORKERS AND PRODUCTION ORGANIZATION IN SAMPLE SURVEYED AREA

No. of workers/ Organization	Number of Units by Worker Size			
	1 to 2	3 to 5	6 to 9	10 to 20
Independent	0 (0.00)	30 (55.56)	22 (40.74)	2 (3.70)
Tied	86 (46.24)	96 (51.61)	4 (2.15)	0 (0.00)
Total	86 (35.83)	126 (52.50)	26 (10.83)	2 (0.83)

Source: Field survey; Note: parentheses indicate the percentage shares.

5.3 CHALLENGES/ EXISTING PROBLEMS FACED BY THE CRAFTSMEN OR CONCH SHELL UNITS

Indian is known for its rich and diverse culture. The tradition of women wearing bangles dates back to ancient times when bangles were considered as symbol of marriage; they still hold the same significance but the trend has changed over the years. Traditionally the bangles worn by brides at weddings vary depending on the religion the bride follows and the region she originates from. Modern brides don't go with the conventional colours and patterns and neither do they believe in wearing dozens of bangles to symbolize their wedding. Modern brides are opting for more contemporary designs and are experimenting with styles; they choose bangles which would complement their outfit. Raw materials for conch shell industry come from coastal town of southern part of India and traders of different town buy and take the final product. As a consequence, none of the artisans was able to import raw materials directly from abroad (Srilanka, Tamilnadu) of his own due to scarcity of funds and import market was eventually captured by the big merchants and traders (mahajanas). The craftsmen depend on master craftsmen, dealer for the raw materials or for marketing of their produce. The intervention of mahajanas in this industry and persistent dependence on them by the artisans has forced them to work on bani (making charge) system. The weakness of conch shell industry are like lack of infrastructure and communication facilities, unawareness about international requirements and market, lack of co-ordination between government bodies and private players, inadequate information of new technology, inadequate information of current market trends, less interest of young people in craft industry, lack of skilled labor, still confined to rural areas and small cities and untapped market, lack of promotion of products.

In spite of high profit margin of all types of organizations in this industry, due to lack of capital, inability to purchase intact conch raw materials at high price from merchant traders through cash payment system, some tiny tied units also forced to shut down their business and continue their traditional work on bani system. In conch shell industries producers at remote rural areas have been linked with important cities and towns directly or through traders or formal producers. This trade is highly depends on several layers of agents and middlemen. Multilevel Marketing is present in distribution of finished *sankha* or conch product. The major marketing channels constitute door-to door sales, sales in hatt, bazaar etc., supplying the product to fixed sellers, sales through own counter, contract with local trader; or middlemen of traders, contract with master artisans, or wholesale traders, through advertisement, contracts with cooperative society, marketing societies, fairs, Department Stores, Jewellary shop, stationary store. Moreover, small independent artisans suffering from dearth /scarcity of working capital and proper information about the market carry on sales within the local level (vendor and local retailer). The marketing systems and organization existing in the conch shell industry in the State are not without their defects. They have, thus, hampered the growth of a wide market for conch shell products to a very great extent both inside and outside the country.

The main shortcomings may be summarized as below:

ABSENCE OF COMMON MARKETING ORGANIZATION

The conch shell producers of the State have no separate marketing organization of their own and are unaware of the modern methods of sales promotion. Hence, they face great difficulty in selling their products. The conch shell units adopt such particular marketing system as they deem fit and desirable on any particular occasion. When the conch shell producers stand in need of money, they do not hesitate to sell their products even at lower prices. They sometimes sell their products partly on credit which is seldom realized in full. Their knowledge about their markets is utterly limited. The existing systems are adopted individually and involve comparatively higher expenditure in cartage and freight. While booking their goods through railways they have to undergo several formalities which prove to be very cumbersome and perplexing to the potters. A suitable common marketing organization could easily overcome these shortcomings.

INADEQUATE ADVERTISEMENT AND PUBLICITY

Another glaring defect in the existing marketing systems of conch shell products is that barring a few exceptions, the conch shell producers are quite indifferent to the advertisement and publicity of their products. Small size of units, limited production, inadequate finances and lack of awareness of its utility, come in the way of effective advertisement and publicity efforts on the part of producers in the industry. Needless to say, advertisement of goods is impersonal selling and creates demand. It tends to expand the market as a result of which production increases. This, in turn, goes to lower the manufacturing costs.

LACK OF SHOW ROOMS AND DISPLAYING ARRANGEMENTS

Lack of show rooms and displaying facilities is another important defect. Most of the conch shell units are indifferent to the benefits of show rooms and displaying arrangements. Small conch shell units sell all their products just after finishing their products and do not stock them. Only 6 per cent of the units in the State maintain show rooms to display their products either in a portion of their dwellings or in the unit premises in a heterogeneous manner but as a matter of fact, they are not strictly rooms in real sense of the term.

UNSATISFACTORY STANDARDIZATION AND GRADING

Standardization implies establishment of certain standards based upon intrinsic physical properties or qualities of commodity with a view to further sub-dividing it into several grades and classes, while grading simply means dividing the products of varying quality and size into lots conforming to certain standard. In conch

shell industry in West Bengal, there is no scale to measure the quality of a fixed standard and grade of the conch shell products. There is no gradation but a medley of different qualities. Only big conch shell units in the industry do carry out proper grading of their products. Hence, they are able to fetch higher prices, while others who do not do grading suffer considerable loss by selling their goods in mixed bulks at cheaper rates.

COMPETITION IN MARKETING

Conch shell producers in competition do not care for quality; they concentrate only on quantity and reduction in costs. They compete with each other in manufacturing larger quantities and in selling them at lower rates. The big conch shell units produce different types of high quality products and do not offer any competition to the small conch shell units and face no effective competition in the market.

From Table 5.5 it is discussing that which type of problems have been facing by household units. Overall all selected sample tied and independent units faced the major problem of continuously price increase of raw materials and Cost of production increase. 96.67 per cent sample household shows the problem of raw materials non-availability, 83.33 per cent sample household finds the problem of monopoly behavior of raw material supplier, 77.08 per cent sample household observes the problem of lack of capital.

TABLE 5.5: PERCENTAGE SHARE OF INDUSTRIES BY PROBLEMS FACED BY CONCH SHELL INDUSTRIAL UNITS IN SAMPLE SURVEYED AREA

No. of Units/ Organization	Lack Of Capital	Raw Materials Non-Availability	Continuously Price Increase of Raw Materials	Cost of Production Increase	Monopoly Behavior of Raw Material Supplier	Decrease of Quality of Raw Materials
Independent	39 (72.22)	51 (94.44)	54 (100.00)	54 (100.00)	44 (81.48)	40 (74.07)
Tied	146 (78.49)	181 (97.31)	186 (100.00)	186 (100.00)	156 (83.87)	136 (73.12)
Total	185 (77.08)	232 (96.67)	240 (100.00)	240 (100.00)	200 (83.33)	176 (73.33)

TABLE 5.5 (CONTINUED)

No. of Units/ Organization	Electric Problem	Delay In Payment of Businessman	Substitute Product	Competition Among Industrial Units	Change of Value System	Health Hazards
Independent	38 (70.37)	37 (68.52)	34 (62.96)	32 (59.26)	30 (55.56)	14 (25.93)
Tied	140 (75.27)	119 (63.98)	119 (63.98)	111 (59.68)	118 (63.44)	41 (22.04)
Total	178 (74.17)	156 (65.00)	153 (63.75)	143 (59.58)	148 (61.67)	55 (22.92)

Source: Field survey; Note: parentheses indicate the percentage shares.

6. RECOMMENDATIONS

For the growth and survival of conch shell industry state government has a vital role. Firstly, government should take immediate action for reduction of high increase of price of intact conch shell which is the main barrier for growth of this industry. Government's work will be to play as a mediator in the following way that government's authority should always be getting in touch with Tamilnadu and Sri Lanka government, who collect raw materials from there and distribute raw materials at a reasonable price timely. Government's agency like Manjusha has a great role to show the growth way of rural small household units. Secondly, Marketing was still largely left to private trades. Since there were no focused efforts to service craftsmen in terms of raw materials, credit, marketing, etc., no discernible impact was felt on their earnings and standard of living. Hence government's have to do to introduce an attractive package, and services offered for implementation of protectional, promotional and developmental schemes of conch shell industry in crucial areas such as design production technology and marketing.

7. CONCLUSIONS

The conch shell craft is not a new art in Bengal, this art has being practiced here for ages. The caste based occupations prevail to a large extent in modern society. Members of a particular *sankhari* community family are inclined to working with family occupation from the childhood and have hereditary skill. The present trend speaks of the lack of confidence of the craftsman in the future of the trade. The elderly artisans do not want their children to take up the craft. In this traditional handicraft, there is involvement of both the male and female labourers. The craftsperson's kept the interest of entire country and design many different patterns and shapes of bangles. For survival, they are now manufacturing various sorts of other conch shell products of novelty artistic specimens. Apart from engraved shells, other conch shell crafts include making items like table lamps, brooches, pendants, incense holders, ashtrays, vermilion containers, spoons and forks from the shells. In West Bengal, craftsperson's also design conch shells which are used to make jewelry items, like bangles, armlets, finger rings and ear rings, lockets, buttons, hairpins and clips.

Socio-economic, cultural and environmental factors sustain conch shell industries, not economic factor alone. Irregularity in the supply of raw materials caused frustration to many. Despite the poor conditions of some of the proprietor but tied artisans who incur loss they continue their production work because i) they can employ their family labour including female who does not like to work in other's firm. ii) the annual income from this industry constitutes a high percentage of their family income. From the discussion it is observed that despite some major problems conch shell industry will survive and sustain because economic and cultural factors sustain and promote it.

8. SCOPE FOR FURTHER RESEARCH

The present work suffers from some limitations. An in-depth study of the labour, raw materials, capital and product markets could be in future.

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A CHRONOLOGICAL STUDY ON EMERGENCE OF PRIVATE LABEL BRANDS IN INDIAN ORGANIZED RETAIL

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ABSTRACT

Private Labels are taking the world by storm and are also flooding the Indian markets. This research traces the origin and evolution of the retail industry along with private labels in Europe and North America, and ends with a note on the evolution of private labels in India. The emergence of retailing in India in an organized format has made private labels familiar among Indians. Go to Shoppers' Stop outlet and you will find a brand called `STOP' which is Shoppers' Stop's own brand. Similar is the case of the `Westside' brand of Westside from the house of Tata's. In Pantaloons' food retail outlet, `Food Bazaar' and the RPG counterpart, `Food World,' one can find packets of groceries marked with a `Food Bazaar' or a `Food World' stamp. The growth of private label s is quite impressive in food and grocery segment, in spite of presence of leading national manufacturers brand in most of the categories. Though, initially private labels were considered as cheap alternative and therefore visible in copycat and generic categories. But today they are part of well defined retail mix strategy, therefore are developed in value innovators and premium category by most retailers for profit maximization and customer loyalty. This paper, based on the analysis of reports of various consultants, expert opinions an available literature, highlights the evolution of Private Label brand in India. A chronological order study has been made from the earlier researches about the various ways in which PLB (Private Label Brand) and NB(National Brand) Image were understood and defined. An attempt was then made to distinguish between PLB and NB and how retailer have designed their Commercial objectives to launch Private Label brand in organized retail.

KEYWORDS

Private Brands, Indian Retail, Organized retail, Private Labels, Store brands, Store Image, Customer Loyalty, PLMA, Grocery Retail.

INTRODUCTION

There has been a significant increase in Private Label brands in recent years worldwide. Private Labels are growing faster than manufacturer's brands. They are more popular today than at any time before. Private Labels have gained an increased market penetration and are growing at a rapid rate. A Private Label is defined as 'the products retailers sell under their own names". According to the Private Label Manufacturers' Association (PLMA), "Private Label products encompass all merchandise sold under a retailer's brand. That brand can be the retailer's own name or a name created exclusively by that retailer". The term retailer's own-brand is often used interchangeably with private label, own-label, retailer brand or store brand. Private labels have come a long way over the past three decades. In the past, Private labels were a cheap, low-price alternative to manufacturer brands but today, private labels have taken on a premium brands image. They are no longer seen as just cheap and poor quality products bought by less affluent customers but rather they Endeavour to be an alternative option of value or quality to manufacturer's brands. Retailer's brands are to be found next to national brands in every category.

MARKET REVIEW OF PRIVATE LABELS IN INDIA

Private label is still an emerging concept in the Indian Environment and there is an increasing acceptance of private labels in India. According to a Global Private Label consumer study by AC Nielsen, 56% of their survey respondents in India considered private labels to be good alternatives to manufactures brands. A study done by the AC Nielson (2006) named "Asia pacific Retail and shopper trend", stated that, although private labels are a fairly recent phenomenon in India, it is a trend that is catching up very fast. According to this report, out of a total number of shoppers who shop in supermarkets or hypermarkets in India, 69% are aware of private labels.

The AC Nielson study forecasts the launch of a good number of private labels in India; it revealed that an Indian spends $50 on food, groceries and personal care items every month of which, 42% is entirely spent on fresh foods. Management consultancy, A.T. Kearney has placed India third on its global Retails Development Index in 2010. The retail market is about $410 billion, but 5% of sales are through organized retailing. Thus, with the growth of organized retail in India, private label are also growing. Retailers have launched a wide range of private labels and are gaining acceptance in categories beyond the staple.

According to Image Retail Report 2009, as quoted in the "Indian Retail: Time to Change Lanes" by KPMG, Private label brands constitute 10-12% of organized retail in India. Of this, the highest penetration of private label brands is by Trent at 90%, following by Reliance at 80% and Pantaloons at 75%. Big retailers such as Shoppers stop and Spencer's have a penetration of 20% and 10% respectively. Private label are spreading its focus from wheat flour, masalas and papads to high technology electronic gadgets like mobiles, apparels, furniture etc. With the growth of private label brands, national brands are grabbing the share from the national brands. Private labels are not only low priced but are also high on quality and for the retailers its high margin.

Private labels are growing faster than the manufacturer's brands. They have studies the taste and preference of customers and improved on quality & offer a value proposition to the customers. As compare to National brands, Private labels give higher margin and greater bargaining power to retailers and hence retailers promote more private labels. Even some private labels have positioned themselves as premium brands; they have started their own outlets.

METHODOLOGY

To write this conceptual paper, around 70 research papers have been reviewed, out of which 38 research papers were found useful for the study. The research articles have been collected mostly from Emerald, ABI/INFORM and other sources. Books and electronic resources have also been widely used for the research. A chronological order has been made from the earlier researches about the various ways in which PLB and NB were understood and defined. The findings have been presented in the table I in this article. An attempt was then made to distinguish between PLB and NB and how retailer have designed their Commercial objectives to launch Private Label brand in organized retail

LITERATURE REVIEW

Private labels of retail stores in India are on the growth path. With the emerging private players, national brand manufacturers will have to compete with the competition within the sales promotion and distribution channel, which needed to change in marketing strategy, locally, the threat of the private label in a store. The phenomenon also offers national brand manufacturers the opportunity to efficiently service the production needs of the private labels. The main objectives of all such studies had been to identify the effect of different variables such as Price, Quality, Brand, Store Image & Store loyalty on PLB purchase, So that market segment could be identified. Another objective is to review the effect of demographical/ psychological factors on PLB purchase. The chronological chart of studies on different factors has been presented in Table 1 as shown below.

TABLE - I: CHRONOLOGICAL CHART OF THE STUDIES ON PLB AND NB

| Sno	Year	Name of Author	Findings
PRICE			
1	1995	Diane Halstead and Cheryl B. Ward	The absence to date of any changes in retail prices or margins suggests that the wheel of retailing hypothesis as applied to private label brands cannot be completely supported. No clear trends across product categories can be noted at this time.
2	2005	Kristof De Wulf, Gaby Odekerken-Schro¨der, Frank Goedertier and Gino Van Ossel	The results confirm the common belief that private label products can offer the same or even better quality than national brands, but at a lower price.
3	2006	Jorge Tarzija´n	The analysis allows for different degrees of competition in the retail market, and for linear and non-linear pricing.
4	2007	Hsu Huei-Chen	Price consciousness is very important to choose domestic PLB across all purchase situations, whereas the other types of factors have differential impact. It seems that Chinese respondents get used to surf on the internet, that is, their perceived risk is not low, which is different from other literatures studied.
5	2009	Rainer Olbrich and Gundula Grewe	The empirical results indicate that, in all studied outlet formats, there is evidence of decreasing product variety and increasing prices over time. Moreover, the results show that the turnover in the supermarkets and especially in the hypermarkets is in decline. A positive turnover trend can only be found in the discount stores.
6	2010	Robert A. Lupton, David R. Rawlinson and Lori A. Braunstein	US consumers indicate that price has a greater effect on the decision to purchase when compared with Chinese consumers. The data seem to indicate that Chinese consumers believe that private label food products may be of inferior quality compared to manufacture brands. Additionally, the data indicate indirectly that Chinese respondents either do not have an understanding of private label products, or that private label names are not recognized as such.
7	2011	Michael S. Pepe, Russell Abratt, Paul Dion	The findings show that overall dollars spent by loyal customers significantly impacted overall profitability.
QUALITY			
1	1996	Paul Richardson, Arun K. Jain and Alan Dick	Consistent with the hypothesis, study participants rated the overall quality of the sampled private label product (i.e. grape jelly) to be much lower at the aesthetically unattractive branch than at the aesthetically attractive branch of the chain
2	2009	Mark S. Glynn&Shaoshan Chen	The results indicate that quality variability, price consciousness, price-quality association and brand loyalty influence consumer proneness to buy PLBs.
3	2012	Zhiliang Zhou, Yajiong Xue, Qineng Ping	A total of 45 percent of the variance in private label drug purchase intention is explained by the five predictors. Price advantage, store trust, manufacturer trust, and drug quality are all significantly related to purchase intention, whereas appearance is not. None of the control variables (age, gender, health literacy, and income) has a significant relationship with purchase intention. Product quality and service quality are significant predictors of store trust, accounting for 44 percent of its variance.
BRAND			
1	2000	Rajiv Vaidyanathan & Praveen Aggarwal	Result showed that a private brand with a name brand ingredient was evaluated more positively. However, the evaluation of the national brand was not diminished by this association.
2	2005	Astrid Jonas and Jutta Roosen	Interviewed processors of the 62.7 per cent produce organic PL. Retailers sell organic PLs, because they care about "food safety", "retail as a brand" and "health", hoping to reach new customers. Requests for entry fees, investment grants and equipment allowances are less important for processors of organic PLs than for those not producing PLs. However, PL producers have to meet other conditions imposed by retailers and feel slight more dependent on few customers.
3	2007	Julian Ming-Sung Cheng, Lily Shui-Lien Chen, Julia Ying-Chao Lin, Edward Shih-Tse Wang,	The findings revealed that on the whole national brands were perceived as significantly superior to international private labels, while international private labels were perceived as being superior to local private labels in terms of all perceptions except price perception.
4	2007	Mo´nica Go´mez, Natalia Rubio	On average, manufacturers consider that retailers are favoring unequal competition terms between manufacturer and store brands through better merchandising management for their own brands. Nevertheless, different groups of manufacturers are identified according to their perceptions.
5	2008	Magnus Hultman, Robert A. Opoku, Quang Thong Bui	The perceived advantages of private labels are connected to their overall control of the market in which they operate, whereas the advantages of BGMs are seen to be linked to product development and superior brand reputation. BGMs respond to private labels by taking them seriously and striving to increase the perceived distance of their brands from private labels in the eyes of the consumers. The overall benefit of these strategies is perceived to be preparedness for increased private label competition, while the drawbacks vary between companies.
6	2009	Magda Nenycz-Thiel and Jenni Romaniuk	Results suggest that the perceptual categorization into private label brands and national brands differs once private labels have been purchased. Users of private label brands did not see them as being any less trustworthy than national brands. However, non-users of private labels did use trust to discriminate between the two types of brands, and tended to use negative attribute information to categorize the brands into groups.
8	2010	Julie McColl & Christopher Moore	Participants identified the motivations, dimensions, success factors and problems associated with the creation, development and management of the own brand
9	2010	Ioannis E. Chaniotakis, Constantine Lymperopoulos, Magdalini Soureli	Data analysis results, using structural equation modeling , showed that consumers' purchase intention is directly affected by consumers' attitudes towards own-label olive oil, which in turn are influenced by consumers' perceived benefits, economic

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			situation, brand loyalty and trust.
10	2010	Takuya Urakami, Xueying Wu	The main findings are as follows: large-scale apparel wholesalers tend to own specialty private label stores but these wholesalers experience a worse financial outcome; apparel wholesalers with brand strength tend to possess their own specialty stores; and apparel wholesalers, who do not currently own specialty stores, plan to strengthen their brands in order to take advantage of apparel distribution channels.
11	2011	Ranga Chimhundu, Robert P. Hamlin, Lisa McNeill	The results indicate the existence of long-term equilibrium points between the shares of manufacturer brands and retailer brands in grocery product categories in the USA, New Zealand and Australia. Only the UK shows strong growth of retailer brands in line with retailer consolidation and power, but this trend is arrested, reversed and brought to equilibrium in 2001.
12	2012	Shalom Levy and Hanna Gendel-Guterman	The results show the salience of creating a strong and sustainable store brand through advertising and innovation. A store brand's perceived quality was found to be the most important factor in predicting store brand purchase intention, and advertising was found to have an indirect effect on perceived quality, shaped through extrinsic cues and novelty lovers' tendency variables.
13	2012	Andres Cuneo, Pilar Lopez	It is shown that PLB have been able to build brand equity throughout their development, across product categories; however, brand equity is capitalized across only some consumer segments. The use of consumer-level factors to segment the market prior to measuring brand equity is necessary to allow the identification of consumer groups where equity is created.
STORE IMAGE/STORE LOYALTY			
1	2005	Alain d'AstousOdile Saint-Louis	The results of the experimental study showed that consumer evaluations of store brands and national brands were influenced by the joint effects of store image and intended usage situation.
2	2006	George Baltas and Paraskevas C. Argouslidis	Specific consumer characteristics are associated with interpersonal differences in store brand demand. Store brand preferences derive from a broader evaluation process, in which quality has the most significant role.
3	2006	Archna Vahie and Audhesh Paswan	The results indicate that the store atmosphere and store quality positively influence the perception of PLB's quality, whereas, the congruence between national brand and store image (NBSI) has a negative influence on PLB's quality.
4	2009	Johan Anselmsson and Ulf Johansson	The study shows that there is a correlation between perceived quality and the price customers are willing to pay for private label products. Results also show that there is a strong correlation between perceived value of private label products in specific categories and the stores' overall product variety image. The study further supports the assumption that store loyalty is influenced by the perceived value of the grocery retailer's private label products.
5	2011	Yongchuan Bao, Shibin Sheng, Yeqing Bao, David Stewart	The paper finds that the combination of two diagnostic cues does not necessarily enhance the positive evaluation of private labels. Instead, store image reduces the effect of product signatureness. Further, product familiarity induces a positive moderating effect on product signatureness, whereas risk aversion exerts a negative moderating effect on store image.
DEMOGRAPHIC/PSYCOLOGICAL FACTOR			
1	2008	Kyoung-Nan Kwon, Mi-Hee Lee and Yoo Jin Kwon	Support existed for the significant effects of all three product characteristics on the intent to purchase private brands. A moderating effect by value consciousness on the product type (search versus experience) emerged
2	2009	Amelia Yuen Shan Au-Yeung and Jessica Lu	The development of retail own label products in Taiwan does not follow the pattern witnessed in the West as described in the literature. Only some of the strategic motives of using own label as stated in existing literature are fully echoed in this study. Furthermore, the progress of most of the retailers studied in Taiwan does not mirror the typical stages of evolution as advocated by Laaksonen and Reynolds.
3	2010	Marguerite Moore & Jason M. Carpenter	Findings indicate demographic predictors as important drivers of private label apparel purchase among retailers positioned as providers of value, while behavioral drivers are more common among patrons of retailers that are differentiated on service or brand. Cross-shopping is more common among the retailers positioned on value.
4	2010	Murat Hakan Altıntas¸, Serkan Kılıc¸ and Gokhan Senol & Feride Bahar Isin	Three strategic objective factors were found to have an effect on competitive advantage, production efficiency, market embeddedness and product selling control.
5	2010	Ram Herstein, Kalanit Efrat and Eugene D. Jaffe	The most attractive MEDA markets with regard to private brands for retailers and manufacturers are the emerging countries, which have the most rapid growth potential in this region.
6	2010	Sigal Tifferet and Ram Herstein	Individualism predicted the inclination to purchase store brands better than demographic variables such as age, sex and income. Culture affected the importance of country of origin, and moderated the effect of individualism on the importance of manufacturer identity..
7	2011	Dr Ranga Chimhundu	While the literature has depicted private label share growth as gradual and incremental in nature, this study found that it is only on average that the yearly increase in private label share could fit the gradualist description. In reality, the actual process is not always gradual. Often, a period of gradual change and/or stability is followed by a punctuation, and vice-versa.
8	2012	Justin Beneke, Anne Greene, Inge Lok and Kate Mallett	This study revealed that functional and time risk both have a significant negative influence on consumers' purchase intention of premium grocery private label brands (at the 5 per cent significance level), while financial, physical, psychological and social risks do not significantly influence their purchase intention.
9	2012	Lay Peng Tan, Jack Cadeaux	The findings show that organic private label stock-keeping units are more likely to be present in categories with supermarket competition. They also show that concentration of shares amongst manufacturer brands (as measured by the Herfindahl index) negatively affect the probability that the retailer will enter a category with a private label stock-keeping unit (SKU) but positively affects the share of that private label SKU.
10	2012	Marta Arce-Urriza and Javier Cebollada	The results indicate that, whereas both PL and NB increase their loyalty online (versus offline), only the PL increases market share and conquesting power online. Several specific category-level effects are also found.

Source: As adapted by the authors from various publications

It is evident from the table-I, 'Chronological Chart of the studies on PLB and NB ' that the term PLB was initially used by researchers and academicians as a cheap alternatives to national brand but now the perception of PLB has changed as a better quality product at reasonable prices soon they will compete with national brand and increase the profitability of retailer. So over a period of time they will be part of well defined retail mix strategy use by the retailer to increase the customer base.

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COMMERCIAL OBJECTIVES BEHIND LAUNCHING PRIVATE LABELS

There are certain objectives that a retailer has in mind before getting into private label goods. Figure 1 lists the benefits that a retailer expects from the in-store brands.

FIG 1
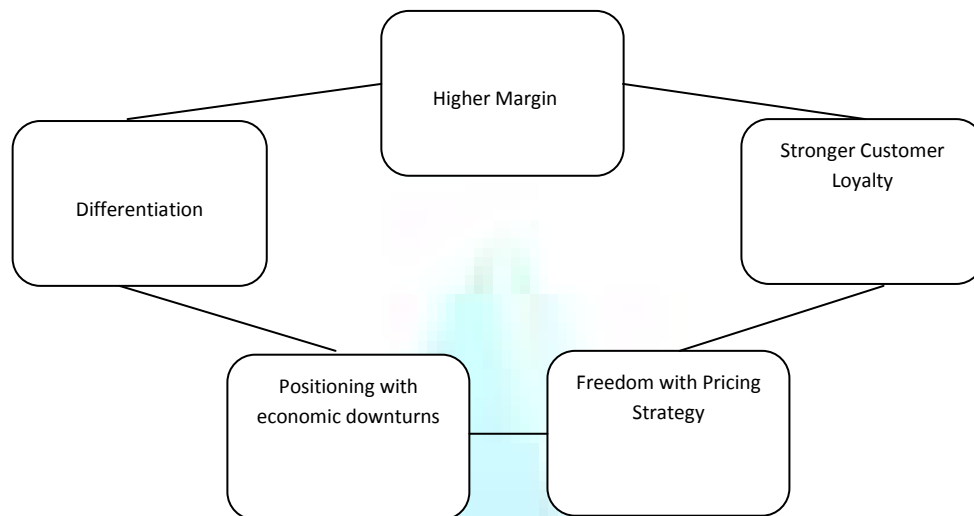
1. HIGHER MARGINS

Private label goods are cheaper to produce than branded goods. Besides, due to the lack of advertising and marketing expenses they provide double advantage to the retailer when it comes to the profit margins. While majority of branded goods provide margins in the range of 6-12%, private label goods can offer margins up to 40% . Not only they give a higher margin to the retailers, private labels have also changed the balance of power between brand manufacturers and retailers, giving the latter a decided advantage when negotiating terms with the brand manufacturers.

2. STRONGER CUSTOMER LOYALTY

As the private label offerings increase and the quality is assured, a high sense of loyalty is cultivated among its customer base. This customer loyalty is the result of an affinity with the retailer brand which implies that the development of private label brands can tangibly enhance the retailer's brand itself. So in the long run, the private labels become an important tool for the retailer to establish its positioning and strategically attract the target customers to its outlet. Numerous studies have also shown that private label buyers are more store-loyal and not as easily influenced as brand buyers.

3. DIFFERENTIATION

Through private labels, retailers get a chance to bring in unique products in their supply chains that have not been branded before. So if a retailer can cater to the local tastes and preferences of the consumers well by top quality private labels then they can differentiate themselves from other stores and become destination stores. In effect, it's a win-win situation even for the producers who get a chance to display their produce.

4. FREEDOM WITH PRICING STRATEGY

A retailer promoting a private label has the added benefit of greater freedom to play with pricing strategies, as a result of which these are overall cheaper than brand leaders. For instance, in USA, some private labels are 25 percent cheaper than leading brands . In addition, since it is an own private label, the retailer has the freedom to create its own marketing strategy and have more control over its stock inventory. This command of all the stages that a product goes through, gives the retailer high flexibility in pricing.

5. POSITIONING DURING ECONOMIC DOWNTURNS

The growth of private labels is likely to continue in the current financial environment as cash-strapped consumers' perception of the products as a cheaper option changes. The price advantage of private labels leads to the belief that these score in times of economic meltdown, and further that this newly-acquired market share is maintained even as the recession swings out. Even after the economy bounces back, consumers will naturally gravitate towards products marked at lower prices yet offering the same quality, especially where the retail name is a trusted national or regional player.

PRIVATE LABEL MATURITY CURVE

FIG 2
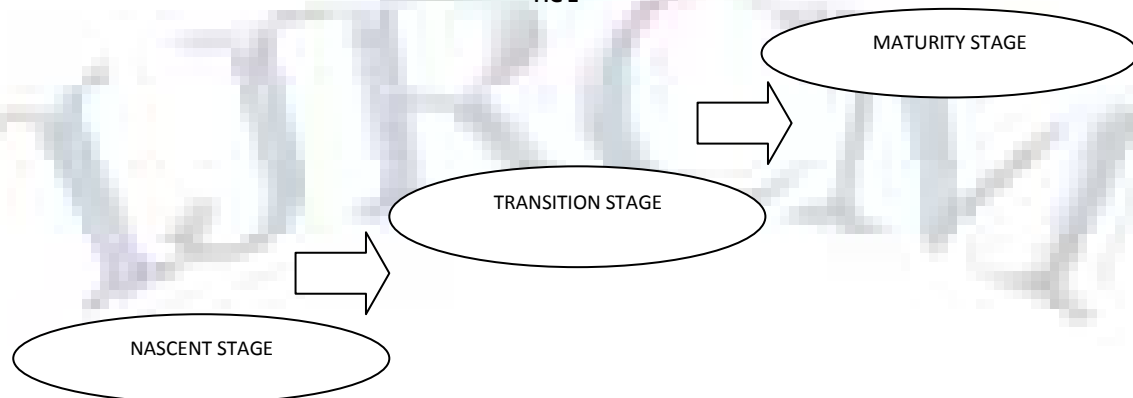
The share of private labels is related to the level of retailer sophistication and concentration in the country. In economies where retail is more consolidated, private label shares are both higher and expected to grow faster. However, the Indian retail industry is highly fragmented at the moment and organized retail is in its nascent phase presently with contribution of about 5% to the whole market. In this stage, the private labels that are launched play mostly the price game to compete with the branded products. At this stage, most private labels which have acceptance are at the bottom of the pyramid of retail products. However, as the retailers mature and gain experience they want to move up the pyramid where realizations are higher. As the figure depicts, over a period of time as the market matures, the retailers shift their focus from price to product quality which leads them to a stage where they can launch their own brands in the premium

category expecting to capture the brand equity and the customer loyalty built over years of good service. The consumers too, at this point, have enough trust and confidence to accept premium products from the retailer.

CONCLUSION

The growth of private labels in the Indian retail industry is inevitable but retailers do need to keep a few things in mind. Promotion of own label and allocation of large shelf space at the expense of well-marketed national brands can depress the overall size and value of the category while on the other hand, joining hands with them and following principles of category management can create a win-win situations for both. Retailers need to realize the importance of consistent brand message and should ensure that the product quality backs it well. Moreover, when used as an umbrella brand, the brand portfolio should be managed properly as to avoid any negative impact on the store brand. To conclude it is quite evident that as the Indian retail industry consolidates over next decade, retailers will look to differentiate among themselves and private labels will form a highly significant part of their strategies.

SCOPE FOR FURTHER RESEARCH

There is a large scope of research on Private Label Brand in India. As a part of the ongoing study, the authors have brought in the conceptual understanding through this paper, which is validated by an empirical study in the forth coming research paper. Research may also be conducted in other situations and geographical regions to validate the same.

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MUTUAL FUNDS IN INDIA-RECENT ISSUES, OPPORTUNITIES AND CHALLENGES

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ABSTRACT

This article presents an overview of the mutual fund industry in India and the reasons for its poor penetration, which includes lack of objective research. It benchmarks the industry globally, and raises key issues regarding the ownership and performance of mutual funds, the sensitivity of fund flows to performance, and the importance of regulation to its growth, all of which have been largely under researched in India. It then captures the views of leading practitioners on these and other issues, including the challenges posed by poor financial literacy, the equity culture in the country, and the weakly supportive regulatory environment.

KEYWORDS
mutual funds, Indian mutual fund, UTI, asset management company.

INTRODUCTION

Mutual Funds in India are financial instruments. A mutual fund is not an alternative investment option to stocks and bonds; rather it pools the money of several investors and invests this in stocks, bonds, money market instruments and other types of securities. The owner of a mutual fund unit gets a proportional share of the fund's gains, losses, income and expenses. Mutual Fund is vehicle for investment in stocks and bonds. Each Mutual fund has a specific stated objective. The funds objective is laid out in the fund's prospectus, which is the legal document that contains information about the fund, its history, its officers and its performance.

Some popular objectives of a mutual fund are as per following:

Fund Objective	What the fund will invest in
Equity (Growth)	Only in stocks
Debt (Income)	Only in fixed-income securities
Money Market (including Gilt)	In short-term money market instruments (including government securities)
Balanced	Partly in stocks and partly in fixed-income securities, in order to maintain a 'balance' in returns and risk

The share value of the Mutual Funds in India is known as net asset value per share (NAV). The NAV is calculated on the total amount of the Mutual Funds in India, by dividing it with the number of shares issued and outstanding shares on daily basis. The company that puts together a mutual fund is called an AMC. An AMC may have several mutual fund schemes with similar or varied investment objectives. The AMC hires a professional money manager, who buys and sells securities in line with the fund's stated objective. The Securities and Exchange Board of India (SEBI) mutual fund regulations require that the fund's objectives are clearly spelt out in the prospectus. In addition, every mutual fund has a board of directors that is supposed to represent the shareholders' interests, rather than the AMCs.

GROWTH OF MUTUAL FUND INDUSTRY IN INDIA

The Indian mutual fund industry is one of the fastest growing sectors in the Indian capital and financial markets. The mutual fund industry in India has seen dramatic improvements in quantity as well as quality of product and service offerings in recent years. The concept of mutual funds was introduced in India with the formation of Unit Trust of India in 1963. The first scheme launched by UTI was the now infamous Unit Scheme 64 in 1964. UTI continued to be the sole mutual fund until 1987, when some public sector banks and Life Insurance Corporation of India and General Insurance Corporation of India set up mutual funds. It was only in 1993 that private players were allowed to open shops in the country. Today, 32 mutual funds collectively manage Rs 6713575.19 cr under hundreds of schemes.

The industry has steadily grown over the decade. For example, before the public sector mutual funds entry, UTI was managing around Rs 6,700 crore on its own. Public sector mutual funds also helped accelerate the growth of Assets Under Management. UTI and its public sector counterparts were managing around Rs 47,000 crore when Kothari Pioneer, the first private sector mutual fund, set up shop in 1993. Before the US 64 fiasco, there were 33 mutual funds with total assets of Rs 1, 21,805 crore as on January 2003. The UTI was way ahead of other mutual funds with Rs 44,541 crore assets under management. The industry overall has performed well over the years. Of course, there were a few funds houses, which disappointed investors. However, overall performance has been good. However, lack of awareness still impedes the growth of the mutual fund industry. Unlike developed countries, most of the household savings still go to bank deposits in India. In the year 2004, the mutual fund industry in India was worth Rs 1,50,537 crores. The mutual fund industry is expected to grow at a rate of 13.4% over the next 10 years. Mutual funds assets under management grew by 96% between the end of 1997 and June 2003 and as a result it rose from 8% of GDP to 15%. The industry has grown in size and manages total assets of more than $30351 million.

HISTORY OF MUTUAL FUND INDUSTRY IN INDIA

The history of mutual funds in India can be broadly divided into four distinct phases
1. First Phase – 1964-87
2. Second Phase – 1987-1993 (ENTRY OF PUBLIC SECTOR FUNDS)

3. Third Phase – 1993-2003 (ENTRY OF PRIVATE SECTOR FUNDS
4. Fourth Phase – Since febravary2003

FIRST PHASE 1964-87

Unit Trust of India (UTI) was established on 1963 by an Act of Parliament. It was set up by the Reserve Bank of India and functioned under the Regulatory and administrative control of the Reserve Bank of India. In 1978 UTI was de-linked from the RBI and the Industrial Development Bank of India (IDBI) took over the regulatory and administrative control in place of RBI. The first scheme launched by UTI was Unit Scheme 1964. At the end of 1988 UTI had Rs.6,700 crores of assets under management.

SECOND PHASE – 1987-1993 (ENTRY OF PUBLIC SECTOR FUNDS)

1987 marked the entry of non- UTI, public sector mutual funds set up by public sector banks and Life Insurance Corporation of India (LIC) and General Insurance Corporation of India (GIC). SBI Mutual Fund was the first non- UTI Mutual Fund established in June 1987 followed by Can bank Mutual Fund (Dec 87), Punjab National Bank Mutual Fund (Aug 89), Indian Bank Mutual Fund (Nov 89), Bank of India (Jun 90), Bank of Baroda Mutual Fund (Oct 92). LIC established its mutual fund in June 1989 while GIC had set up its mutual fund in December1990. At the end of 1993, the mutual fund industry had assets under management of Rs.47, 004 crores.

THIRD PHASE – 1993-2003 (ENTRY OF PRIVATE SECTOR FUNDS

With the entry of private sector funds in 1993, a new era started in the Indian mutual fund industry, giving the Indian investors a wider choice of fund families. Also, 1993 was the year in which the first Mutual Fund Regulations came into being, under which all mutual funds, except UTI were to be registered and governed. The erstwhile Kothari Pioneer (now merged with Franklin Templeton) was the first private sector mutual fund registered in July 1993. The 1993SEBI (Mutual Fund) Regulations were substituted by a more comprehensive and revised Mutual Fund Regulations in 1996. The industry now functions under the SEBI (Mutual Fund) Regulations 1996. The number of mutual fund houses went on increasing, with many foreign mutual funds setting up funds in India and also the industry has witnessed several mergers and acquisitions. As at the end of January 2003, there were 33 mutual funds with total assets of Rs.1,21,805 crores. The Unit Trust of India with Rs.44,541 crores of assets under management was way ahead of other mutual funds.

FOURTH PHASE – SINCE FEBRUARY 2003

In February 2003, following the repeal of the Unit Trust of India Act 1963 UTI was bifurcated into two separate entities. One is the Specified Undertaking of the Unit Trust of India with assets under management of Rs.29,835 crores as at the end of January 2003, representing broadly, the assets of US 64 scheme, assured return and certain other schemes. The Specified Undertaking of Unit Trust of India, functioning under an administrator and under the rules framed by Government of India and does not come under the purview of the Mutual Fund Regulations. The second is the UTI Mutual Fund, sponsored by SBI, PNB, BOB and LIC. It is registered with SEBI and functions under the Mutual Fund Regulations. With the bifurcation of the erstwhile UTI which had in March 2000 more than Rs.76,000 crores of assets under management and with the setting up of a UTI Mutual Fund, conforming to the SEBI Mutual Fund Regulations, and with recent mergers taking place among different private sector funds, the mutual fund industry has entered its current phase of consolidation and growth.

FUTURE AND GROWTH OF MUTUAL FUNDS IN INDIA- KEY FINDINGS

According to report of Business maps of India, Important aspects related to the future of mutual funds in India are -
✓ The growth rate was 100 % in 6 previous years.
✓ The saving rate in India is 23
✓ There is a huge scope in the future for the expansion of the mutual funds industry.
✓ A number of foreign based assets management companies are venturing into Indian markets.
✓ The Securities Exchange Board of India has allowed the introduction of commodity mutual funds.
✓ The emphasis is being given on the effective corporate governance of Mutual Funds.
✓ The Mutual funds in India has the scope of penetrating into the rural and semi urban areas.
✓ Financial planners are introduced into the market, which would provide the people with better financial planning.

OPPORTUNITIES OF MUTUAL FUND INDUSTRY

✓ In any industry, innovation and improvements happen when the rules are changed. Large-scale environmental changes such as those that have taken place in the last three years must lead to innovation and evolution.
✓ Newer leaner operating structures will have to evolve which will entail the use of technology that helps an AMC (Asset Management Company) reach the retail end user with solutions that enable transactions via platforms such as mobile or online platforms. This will not only give greater direct access but will also help AMCs to better understand investor behaviour and create the appropriate environment and products to move towards long and healthy relationships with the investors.
✓ As the industry evolves, outsourcing an increasing number of functions to reduce the head-count and increase efficiency might be the norm. All aspects of operating costs must be examined for efficiencies.
✓ A rational look at schemes of an AMC by their management teams is needed to better understand the mix, the cost and the benefits – to the investors as well as to the AMCs.
✓ Agile product design, re-positioning of ETFs (Exchange Traded Funds) and SIPs(Systematic Investment Plans)
✓ Better communication of scheme returns on a relative basis to investors is required. The alpha achieved is insufficiently communicated or understood.
✓ The new AIF (Alternative Investment Fund) guidelines will create opportunities to broaden the revenue base without commensurate cost increases.
✓ Advisory services to off-shore funds should be explored further as an area of revenue diversification. More could be done in this direction.

MUTUAL FUND- EMERGING CHALLENGES

o Growths versus governance – a right mix.
o Administration and Distribution
o Investor Education- A Driving force on Financial Planning
o The Talent Technological Backbone
o Diminishing Talent pool

GROWTHS VERSUS GOVERNANCE – A RIGHT MIX

The Indian Mutual Fund industry has held its ground in the center of hard times in capital market. As number of players in the market increases, competition may force fund houses to comply not only with the laid down regulations and concentrate more on growth but efforts in creating excellence in governance as well. In this challenging environment, the debate of growth versus governance is surely set to assume greater significance.

ADMINISTRATION AND DISTRIBUTION

No discussion on mutual funds can be complete without touching upon the aspect of distribution. A lot has been spoken about the need to increase penetration of mutual funds in Tier II and Tier III cities. Rural participation in mutual funds continues to be poor. Such poor penetration has much to do with lack of investor awareness, inefficiencies in fund transfer mechanisms, presence of safer substitutes and cost of establishing presence in smaller areas. Fund houses cannot fight this battle single handedly. They need adequate support in terms of banking infra structure, distribution services and technological solutions to ensure a sustainable cost-benefit model of growth.

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INVESTOR EDUCATION: A DRIVING FORCE ON FINANCIAL PLANNING

The efforts taken by the industry and AMFI towards investor education are definitely showing results. The media is also making a fair share of its contribution. Today, we have news channelrunning dedicated shows for mutual funds, wherein fundamentals of investing in mutual funds are explained and queries of investors are answered by experts. However, the fact remains that in our country mutual funds are sold rather than bought and this trend has been observed uniformly across all classes of investors and for all kinds of products. This is where professional help is required. The economic boom in our country has led to the emergence of a very strong Small and Medium Enterprise (SME) sector.

THE TALENT TECHNOLOGICAL BACKBONE

Fund houses have introduced interesting technological innovations such as transacting through the internet, net asset value updates on mobile phones, unit balance alerts via SMS messages, transacting through ATM cards etc. However, these innovations currently cater to the already pampered urban class of investors. The internet revolution in our country is yet to penetrate to the grass root levels. The per capita usage of internet in our country is still very low compared not only to the developed countries but also as compared to our developing peers. Mobile telephony comparatively has grown exponentially. Herein lies another important challenge for the industry. It is very important to strike the right balance while choosing to invest in technological advancements.

DIMINISHING TALENT POOL

Print media these days has dedicated space to capture resource movements between companies, especially in the financial services sector. The acute shortage of talented resources is slowly but surely showing its impact. The pool of talented people is diminishing and staff costs are soaring. The key challenge is to find a permanent solution to tide over this acute shortage. One possible solution could be for the industry through AMFI to tie up with universities and colleges to offer programmes dedicated to the financial services industry in general and the mutual fund industry in particular, which would cover various critical aspects of the financial services industry ranging from fund management, research, analysis, treasury, operations and accounting.

WHAT WOULD THESE CHALLENGES LEAD TO...?

PRESSURES ON MARGINS

To effectively tide over the challenges, fund houses will have to expand their cost budgets which may put pressure on margins in the short run. Reduced margins may have the effect of funds houses flexing their muscles to garner a higher market share of assets under management to enjoy the benefits of economies of scale. This will surely benefit the investors in the long run as they would be able to enjoy better service standards and more product differentiation. Increasing regulations may also bring about an increase in the cost of compliance.

CONSOLIDATION IN THE INDUSTRY

Increasing challenges and growing competition may make it difficult for the smaller players to survive. With more and more new players keen on entering the market, a new wave of consolidation may spark of by way of mergers and acquisitions in the industry.

INNOVATION AND PRODUCT DIFFERENTIATION

Global fund houses are set to make their presence felt in India in a big way. Some of these fund houses are known globally for their specialization in structured products and offering an array of different choices to the investors. With competition going up in India and most fund houses offering the same bouquet of products to the investors, product differentiation could take centre stage going forward. Innovative distribution models and service standards would also be a key distinguishing factor amongst players.

INCREASING TRENDS ON OUTSOURCING

With the industry facing a shortage of talented resources, there is an increasing trend amongst players to outsource the non-core functions and utilize the limited available resources only for core functions to be performed in house. This is a norm in mature markets for global fund houses which may set a similar trend in our industry as well. Sensing this, more players have entered the fund accounting service provider market in the last one year.

KEY FINDINGS

According to RNCOS research report titled "Current and Future outlook of Mutual Fund Industry", key finding are –

- The Indian mutual funds retail market, growing at a Compounded Annual Growth Rate(CAGR) of about 30%, is forecasted to reach US$ 300 Billion by 2015.
- Income and growth schemes made up for majority of Assets Under Management (AUM)in the country.
- At about 84% (as on March 31, 2008), private sector Asset Management Companies account for majority of mutual fund sales in India.
- Individual investors make up for 96.86% of the total number of investor accounts and contribute 36.9% of the net assets under management.
- Based on KPMG report titled "Indian Mutual Fund Industry – The Future in a Dynamic
- Environment Outlook for 2015" key results are-

KPMG in India is of the view that the industry AUM is likely to continue to grow in the range of 15 to 25 percent from the period 2010 to 2015 based on the pace of economic growth. In the event of a quick economic revival and positive reinforcement of growth drivers identified, KPMG in India is of the view that the Indian mutual fund industry may grow at the rate of 22 to 25 percent in the period from 2010 to 2015, resulting in AUM of INR 16,000 to 18,000 billion in 2015. In the event of a relatively slower economic revival resulting in the identified growth drivers not reaching their full potential, KPMG in India is of the view that the Indian mutual fund industry may grow in the range of 15 to 18 percent in the period from 2010 to 2015, resulting in AUM of INR 15,000 to 17,000 billion in 2015.

CONCLUSION

Having crossed the Rubicon and introducing the next generation products to the investors, funds house have to now roll up their sleeves and get back to the drawing board to find effective solutions to newly emerging challenges. These are interesting times for the industry. It is rightly said that Change is the only constant. The sea of changes in the financial and economic scenario in our country has brought with it a fresh wave of opportunities. These opportunities and challenges can only lead to the betterment of the investment community at large. The message to the investors is Happy Investing!!

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GREEN MARKETING AND THEIR IMPACT ON ENVIRONMENT: A STUDY

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ABSTRACT

Today, due to rapid industrialization and other human activities against nature have badly affected the nature which was earlier considered to be green. As a result there is an urge for protecting the nature so as to sustain longer human life and in action to that, few areas have integrated green concept with their daily activity. This also applies to marketing and is popularly known as "Green Marketing" and "Environmental Marketing". As society becomes more concerned with the environment, businesses have started to modify their behavior in an attempt to address society's "new" concerns. Some businesses have been quick to accept concepts like environmental management systems and waste minimization, and have integrated environmental issues into all organizational activities. Not only industries but governments around the world have shown concern for the same and have made norms to regulate industries so as to protect nature. In this paper we have attempted to introduce the terms and concepts of green marketing, its importance and examine various reasons because of which organizations are adopting a green marketing philosophy, with mentioning some of its problems.

KEYWORDS

Green Marketing, Green Business, Green Technology, Green Consumer.

INTRODUCTION

The concept of Green Marketing came into picture between late 1980's and early 1990's when for the first time the American Marketing Association (AMA) organizes a workshop entitled "Ecological Marketing" in which various factors of marketing process which directly or indirectly affects environment were discussed. It is a great myth among people that green marketing only solely to the promotion or advertising of products with environmental characteristics. So, generally terms like Phosphate Free, Recyclable, Refillable, Ozone Friendly, and Environmentally Friendly are most often associated with green marketing. But in general green marketing is a much broader concept, that can be applied to consumer goods, industrial goods and even services. In fact, green marketing includes a broad range of activities, including product modification, changes to the production process, packaging changes, as well as modifying advertising.

The Green Marketing concept is designed to suit both buyers and organizations because it is a well known fact that voluntary exchange will not take place unless both the buyer and seller mutually benefit. The above definition also includes the protection of the natural environment, by attempting to minimize the detrimental impact this exchange has on the environment.

Thus green marketing should look at minimizing environmental harm, not necessarily eliminating it.

REVIEW OF LITERATURE

While doing extensive literature survey regarding Green Marketing, we find following things that are directly or indirectly linked or affected by the term Green and these are:

GREEN CONSUMER

Consumer is the main center of any marketing activity and whole firm's decisions revolve around it. It directly or Indirectly affect the activities within an organization. Ultimately it is the consumer who finally gets affected with deteriorating environment because of firms action. The green consumer is generally defined as one who adopts environmental friendly behaviors and/or who purchases green products over the standard alternatives. Green consumers are more internally controlled as they believe that an individual consumer can be effective in environmental protection. Thus, they feel that the job of environmental protection should not be left to the government, business, environmentalists and scientists only; they as consumers can also play a part. They are also less dogmatic and more open-minded or tolerant toward new products and ideas. Their open-mindedness helps them to accept green products and behaviors, more readily. According to the consumption report of the EU (Consumers in Europe), it is found that ten percent of the consumers recognize the ecological product labels or green energy labels on the products sold in the supermarkets. Although the companies in our country progress with significant speed in terms of the environment, it is not possible yet for us to say that they have reached the same level regarding consumer sensitivity. In Western implementations, environmental awareness and the "green policy" in business organizations are reflected in the business as result of the environmental awareness of the consumers. The most recent and classical example regarding this subject is airline transportation industry. In airline transportation, large amount of carbon emission released by the planes into the environment is a matter in question. British Airway offers the following "relieving" solution to people who have to travel by plane but feel disturbed due to the carbon emission: to give financial support to a fund providing researches intended to reduce carbon emission. The carbon emission, released during the distance covered is calculated and a contribution of 12.08 Euro per ton can be paid per person. Carbon dioxide emission per one passenger during an Istanbul-London flight reaches 29 kilograms, and with this fund, which was established on a voluntary basis, environmentally conscious passengers can donate 3.25 Euro and feel relaxed. On the other hand, Turkish Airlines has stated "we achieved fuel savings and this saving reduced carbon emission" in a statement they made in October, demonstrating that the firm has a more low profile "temporary" approach.

ENVIRONMENTAL SAFETY

Environment is simply our surrounding and is mandatory for the longer sustenance of human life. Organizations are now a day's affecting it and have created various environmental problems in front of human being. Some of such problem's are: Global Warming, depletion of vital non-renewable natural resources, Industrial Air Pollution, slow depletion of Agricultural land, Water Pollution, disappearance of forest land, hazardous waste from industry. Environment can only be protected against such problems by awareing the consumers and in India one such role is played by Media. The increased awareness on environmental issues is as a result of increased publicity on the media on issues such as, the warring off of the ozone layer and increased pollution of the environment by industries. Customers have become concern about their everyday habit and the impact it has on their environment. Managing environmental safety issue is highly challenging, time consuming and expensive. There are many laws on environmental safety that have made companies liable to any wrongdoings. These

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laws cover areas such as, harmful pollution, managing of hazardous materials and soon. As a result, several hazard control, pollution control and prevention programs are held in different parts of the world on emergency procedures, contingency planning and employee training. Similarly, many regulatory bodies and acts are set to ensure environmental safety and protection, some of which include, OSHA (Occupational Safety and health Act), CERCLA (Comprehensive environmental Respond Compensation liability Act), TSCA (Toxic Substance Control Act), HMTA (the Hazardous Material Transportation Act), FIFRA (Federal Insecticide, Fungicide and Rodenticide Act), FFDCA (Federal food, Drug and Cosmetic Act, Clean Air Act, Clean Water Act, GHS (Globally Harmonized System of Classification and labeling of Chemicals). Environmental Safety is not an easy task to implement. Implementing the GHS standardization policies of a single frame work of the classification and labeling of chemicals so hazards are consistently defined across different national jurisdiction is beneficial but highly challenging, especially in countries like U.S, Japan and Korea that have multiple regulatory authorities. EH&S (Environmental Health and Safety) regulatory compliance and CSR (Cooperate Social Responsibility) initiative throughout the supply chain can help promote and sustain ongoing improvement within an organization. These improvements will help the company achieve regulatory compliance and position itself as a socially responsible company.

GREEN MARKETING IN TERMS OF PRICE, PRODUCT, PLACE AND PROMOTION

Green Marketing begins with 'green design'. Product design constitutes an active interface between demand (consumers) and supply (manufactures). An example by Ottman and Terry; super- concentrated laundry detergents are associated with energy saving, reduced packaging, space and money. The product itself has to be made in such a way that it satisfies consumer and manufacture's needs. For ecologically sustainable products to be successful, green branding attributes have to be efficiently communicated. Most buyer decisions are influenced by the labeling, (green labeling) that states all that makes the product green compliant. The price of green product has to be affordable for the customer to encourage purchase. Industrial differentiation works only when products reduce client's cost. Most buyers are influenced by advertisement that reflects a company's commitment to environment. Companies that do green advertisement that tend to portray an image of environmental friendliness, influences their customer purchase decisions. Consumers love to associate themselves with companies that are environmental stewards. When a company communicates this through their advertisements, promotions, publicity and corporate social responsibilities, they are sure to get many loyal customers. Green distribution is a very delicate operation. Customers must be guaranteed of the 'Ecological nature' of the product. The green environment is a constantly regulated environment and as such high level of compliance is necessary when carrying out distribution of green products. This is a common procedure in the united state.

CUSTOMER SATISFACTION AND GREEN MARKETING

Customer satisfaction has been defined in two basic ways: as either an outcome or as a process. As an outcome, satisfying the end state resulting from the consumption experience. As a process, it is the perceptual evaluative and psychological process that contributes to satisfaction. The definition is varied with regards to their level of simplicity which includes; • Product satisfaction • Satisfaction with the purchase decision experience. • Satisfaction with the performance attribute Marketing literature suggests that there is a relationship between customer satisfaction and loyalty. Satisfaction leads to attitudinal loyalty. It could be seen as the intension to purchase. Satisfaction is an outcome that occurs without comparing expectations. Customer satisfaction could also be defined as an evaluative response to perceived outcome of a particular consumption experience. It is an overall judgment on satisfaction, based on the assumption that satisfaction is the outcome of ser- vice quality. Many Authors believe that customers have a high level of involvement regarding environmental issues as a consequence of growing environmental consciousness. Studies have shown the significant influence of environmental knowledge and consciousness on consumer environmental attitude. Consequently, companies that communicate their 'green product' in their packaging, advertisement or manufacturing process, gain satisfied customers. Because of the green trend, companies that fail to 'go green' are not failing to fail in their industry. Customers want to associate themselves with companies and products that are eco-friendly.

GLOBAL SCENARIO IN GREEN MARKETING

"Green' is the buzzword that is gaining popularity among the current generation. A number of businesses right from private entities such as Wal-Mart trying to push the concept of organic food to public entities like the London governments congestion charge are all aimed at improving the environment by promoting 'Green' products and issues. 87% of people from various nations like Brazil, Canada, China, France, Germany, India, the UK and the US have shown an interest in reducing their impact on the environment, according to a survey by (McKinsey, 2007). However, showing interest and actually acting on the interest are two different deeds. This fact is proved by a survey that was conducted on a global scale, which was repeated in 2008 with the help of BBC World, which showed that not a lot of people were actually doing something to move their lifestyle to a green lifestyle.

The overall market for green marketing is said to be worth $ 3.5 trillion by the year 2017, according to a report by Global Industry Analysts Inc. of 2011. The report also states that increasing awareness about the environmental issues among the people, businesses and the governments is one of the main reasons for such market potential. Another research study by Mintel, clearly showed that 12% of the American population actively sought green products. There is a growing need to switch over to green products and services by both marketers and consumers. Even though the shift to 'green' will be expensive to both the consumers as well as businesses, it will most definitely pay off in the long run. There are a number of literatures that focus on various aspects related to green marketing and also delves into the various inter relationships between the customers attitudes and environmental strategies in relation to the organizations use of marketing. Environmental issues are addressed in green marketing efforts. The core idea of green marketing is to create awareness among people on the environmental issues and how consumers would be helping the environment if they switch over to green products. Thus green marketing aims to provide more information to people and also gives those more choices to switch over to green lifestyle. According to (Rex and Baumann, 2007), those aspects will spur businesses to develop more products from an environmentally friendly perspective. Green marketing is a part of marketing and therefore shares a number of aspects with traditional marketing such as price, promotions, products and place. Even green marketing requires that businesses develop and maintain a strong relationship with all their suppliers, their market intermediaries and significantly with the consumers, according to (Chan et al., 2012). A number of businesses have begun committing themselves to making their entire operation more environmentally friendly. Thus corporations are becoming more aware of their responsibilities towards the environment. This has forced the law makers, environment groups, consumers, financial institution, insurers and the organization's own employees to become more aware of environmental aspects and this in turn has led to an increase in the number of policies and schemes and regulations at both the national and international levels.

FACTORS IN FAVOR OF FIRMS TO ADOPT GREEN MARKETING

The question of why green marketing has increased in importance is quite simple and relies on the basic definition of Economics. According to McTaggart, Findlay and Parkin " Economics is the study of how people use their limited resources to try to satisfy unlimited wants". So, mankind has limited resources on the earth, with which she/he must attempt to provide for the world's unlimited wants. In market societies where there is "freedom of choice" for the consumer, it is the strong duty of firms that they must develop new or alternative ways of satisfying these unlimited wants against limited resources that are available to them. Ultimately green marketing looks at how marketing activities utilize these limited resources, while satisfying consumers wants, both of individuals and industry, as well as achieving the selling organization's objectives.

When looking through the literature there are several suggested reasons for firms which ultimately results in increased use of Green Marketing. And these possible reasons can be summarized as below:

1. Organizations perceive environmental marketing to be an opportunity that can be used to achieve its objectives.
2. Organizations believe they have a moral obligation to be more socially responsible.
3. Governmental bodies are forcing firms to become more responsible.
4. Competitor's environmental activities pressure firms to change their environmental marketing activities; and

5.   Cost factors associated with waste disposal, or reductions in material usage forces firms to modify their behavior.
The detailed analysis of various factors is as follows:

1.   OPPORTUNITIES

It was discovered (as per the survey's coducted) that all types of consumers, both individual and industrial are becoming more concerned and aware about the natural environment. According to *Ottman* in a 1992 study of 16 countries, more than 50% of consumers in each country, other than Singapore, indicated they were concerned about the environment. A 1994 study in Australia found that 84.6% of the sample believed all individuals had a responsibility to care for the environment. A further 80% of this sample indicated that they had modified their behavior, including their purchasing behavior, due to environmental reasons. As a result, many firms see these changes as an opportunity to be exploited to overcome firms marketing non-environmentally responsible alternatives. Numerous examples can be collected from history which shows the effect of Green Marketing and one such example is:

"*McDonald's replaced its clam shell packaging with waxed paper because of increased consumer concern relating to polystyrene production and Ozone depletion*". And "*Xerox introduced a "high quality" recycled photocopier paper in an attempt to satisfy the demands of firms for less environmentally harmful products*".

Further, not all firms have undertaken environmental marketing activities. In some cases firms also have misled consumers in past in an attempt to gain market share.

2.   SOCIAL RESPONSIBILITY

Many firms are beginning to realize that they are members of the wider community and therefore must behave in an environmentally responsible fashion. This translates into firms that believe they must achieve environmental objectives as well as profit related objectives. This results in environmental issues being integrated into the firm's corporate culture. Firms in this situation can take two perspectives; 1) they can use the fact that they are environmentally responsible as a marketing tool; or 2) they can become responsible without promoting this fact. There are examples of firms adopting both strategies.

Organizations like the Body Shop heavily promote the fact that they are environmentally responsible. While this behavior is a competitive advantage, the firm was established specifically to offer consumers environmentally responsible alternatives to conventional cosmetic products. This philosophy is directly tied to the overall corporate culture, rather than simply being a competitive tool.

An example of a firm that does not promote its environmental initiatives is Coca-Cola. They have invested large sums of money in various recycling activities, as well as having modified their packaging to minimize its environmental impact. While being concerned about the environment, Coke has not used this concern as a marketing tool. Thus many consumers may not realize that Coke is a very environmentally committed organization.

Another firm who is very environmentally responsible but does not promote this fact, at least outside the organization, is Walt Disney World (WDW). WDW has an extensive waste management program and infrastructure in place, yet these facilities are not highlighted in their general tourist promotional activities.

3.   GOVERNMENTAL PRESSURE

Any government is supposed to work in favor of consumers and society, and this protection now a days has significant green marketing implications. Governmental regulations relating to environmental marketing are designed and enforced to protect consumers in several ways, 1) reduce production of harmful goods or byproducts; 2) modify consumer and industry's use and/or consumption of harmful goods; or 3) ensure that all types of consumers have the ability to evaluate the environmental composition of goods.

Governments establish regulations designed to control the amount of hazardous wastes produced by firms. Many byproducts of production are controlled through the issuing of various environmental licenses, thus modifying organizational behavior. These regulations are all designed to ensure consumers have the appropriate information which would enable them to evaluate firm's environmental claims.

So, we can say that governmental attempts to protect consumers from false or misleading claims should theoretically provide consumers with the ability to make more informed decisions.

4.   COMPETITIVE PRESSURE

Competitive Pressure is another major factor in the environmental marketing area which forces firm's desire to maintain their position in marketing. It was seen that firms are silently observing their competitor's promoting green environmental behaviors and attempting to emulate it in order to stay in the market. This behavior is further becomes necessary due to the much educated and environmental concern consumers. For example, the introduction of "Recycled Paper" by Xerox's was introduced in an attempt to address the introduction of recycled photocopier paper by other manufacturers.

5.   COST OR PROFIT ISSUES

Firms may also use green marketing in an attempt to address cost or profit related issues. This can be done in following three ways:-

1.   One such attempt is because of governmental pressure on firms regarding disposing of environmentally harmful byproducts are becoming increasingly costly and in some cases difficult. Therefore firms that can remove or minimize harmful wastes may incur substantial cost savings. This ultimately forces firms to re-examine their production processes & as a result they often develop more effective production processes that not only reduce waste, but reduce the need for some raw materials. This serves as a double cost savings, since both waste and raw material are reduced.

2.   Another such attempt from firms without minimizing waste is try to find markets for their waste materials, where one firm's waste becomes another firm's input of production. One Australian example of this is a firm who produces acidic waste water as a byproduct of production and sells it to a firm involved in neutralizing base materials.

3.   The last way in which cost or profit issues may affect firms' environmental marketing activities is that new industries may be developed for waste recycling.

SIDE EFFECTS OF GOING GREEN

As there are always two sides of any technology, similarly green marketing concept has some negative sides also. Till now we have studied only positive impact of it, some of the problems with this concept are as follows:-

1.   Firms using green marketing must ensure that their activities are not misleading to consumers or industry, and do not breach any of the regulations or laws dealing with environmental marketing set by regulating authority time-to-time.

2.   Firms which modify their products due to increased consumer concern must contend with the fact that consumers' perceptions are sometimes not correct.

3.   When firms attempt to become socially responsible, they may produce the risk that the environmentally responsible action of today may be found to be harmful in the future just because of limited scientific knowledge at any point in time .So, it may be impossible for a firm to be certain they have made the correct environmental decision.

4.   While governmental regulations are designed to enforce green marketing in favor of consumers, but, there are various difficulties in establishing policies that will address all environmental issues.

5.   Reacting to competitive pressures can cause all "followers" to make the same mistake as the "leader." Thus blindly following the competition can have costly ramifications.

6.   The idea to reduce costs or increase profits may results in firms not addressing the important issue of environmental degradation. E.g the idea of *"End-of-pipe"* where waste of one firms may be the input or raw material for another firm may not actually reduce the waste but rather shift it around.

GREEN MARKETING & ITS INDIAN SCENERIO

*   **Need for Standardization** It is found that only 5% of the marketing messages from "Green" campaigns are entirely true and there is a lack of standardization to authenticate these claims. There is no standardization to authenticate these claims. There is no standardization currently in place to certify a product as organic. Unless some regulatory bodies are involved in providing the certifications there will not be any verifiable means. A standard quality control board needs to be in place for such labeling and licensing.

- **New Concept** Indian literate and urban consumer is getting more aware about the merits of Green products. But it is still a new concept for the masses. The consumer needs to be educated and made aware of the environmental threats. The new green movements need to reach the masses and that will take a lot of time and effort. By India's ayurvedic heritage, Indian consumers do appreciate the importance of using natural and herbal beauty products. Indian consumer is exposed to healthy living lifestyles such as yoga and natural food consumption. In those aspects the consumer is already aware and will be inclined to accept the green products.

- **Patience and Perseverance** The investors and corporate need to view the environment as a major long-term investment opportunity, the marketers need to look at the long-term benefits from this new green movement. It will require a lot of patience and no immediate results. Since it is a new concept and idea, it will have its own acceptance period. This long period is not generally afforded in Indian market by conumers.

- **Avoiding Green Myopia** The first rule of green marketing is focusing on customer benefits i.e. the primary reason why consumers buy certain products in the first place. Do this right, and motivate consumers to switch brands or even pay a premium for the greener alternative. It is not going to help if a product is developed which is absolutely green in various aspects but does not pass the customer satisfaction criteria. This will lead to green myopia. Also if the green products are priced very high then again it will lose its market acceptablity.

- **Vague credibility:** False or misleading green marketing claims made by businesses that do not undergo   proper certification but still want to appeal to environmentally conscious consumers can damage the   credibility of the whole sector. Consumers have a hard time distinguishing between simple green advertisements and valid, certified claims.

- **Deluding information:** Green marketing can lead to consumer awareness, but it also runs the risk of   deluding consumers with erroneous information. There is always a danger that the marketing of these   products or services may send a message that might lead to behavioral change with substantial adverse effect on the environment and society in the future (such as buying electric vehicles without   considering how to dispose of old batteries in the future).

- **Gap between sustainable intention and behavior:** Although most consumers might claim they are   intending to follow a sustainable lifestyle or that they would want to buy green products, when it comes   down to actually transforming these intentions into actions, only a fraction of people actually do it. A survey conducted by EcoAlign in the United States found that although 90 per cent of the American   citizens were aware of the importance of eco-efficiency, only 3 per cent of them turned their computer   off during the night.

- **Price premium:** Consumers who are interested in making more sustainable purchases are often not willing   to accept the comparatively high price of green products, resulting from the internalization of environmental costs. Only a very small fraction of the population is willing to compromise performance, quality or price in exchange for environmental performance in their purchasing decisions, diminishing the   motivation for businesses to venture into green production and marketing.

- **Information gap:** Despite the increasing consumer awareness of green purchasing alternatives, the   number of people who are truly familiar with a wide range of green products or their benefits for the environment is still quite low. The US American environmental labeling program, ENERGY STAR, for example, was only known to 56 per cent of American citizens some 12 years after its creation in 1992.

CONCLUSION

Green marketing is a tool for protecting the environment for the future generation. it has a positive impact on environmental safety. Because of the growing concern of environmental protection, there is an emergence of a new market which is the green market. For companies to survive in this market, they need to go green in all aspect of their business. Consumers want to identify themselves with companies that are green compliant and are willing to pay a premium for a greener life style. As such, green marketing is not just an environmental protection tool but also, a marketing strategy.

SCOPE FOR FUTURE RESEARCH

Green Marketing is the emerging technology which is greatly affecting both customers and firms. As Environment protection is mandatory for the longer sustenance of the human life on earth, so adopting of Green concept by firms is becoming more and more compulsory either in terms of marketing field or in production technology. In this paper, we have mainly studied Green term related to marketing mainly. The same concept can further be studied related to production inside firms.

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ASSESSING QUALITY OF WEBSITES THROUGH OBSERVATION

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ABSTRACT

Website is an electronic brochure of an organization where the organization's product, information and services are displayed. Hence, in this Internet age, websites have become the identity of every organization. So, in order to acquire a decent competitive position, organizations need to improve the quality of their websites. This arouses the need to understand the attributes of quality, as perceived by the prospective viewers. This study is an attempt to evaluate the quality of websites by observing quality attributes on those websites. Five classes of websites are classified based on the product they offer. The sample comprised of a total of 30 websites, considering six websites (3 national and 3 international websites) from each of the five classes of websites. The presence of attributes of four website quality features viz. marketing, accessibility, information and presentations identified from literature are observed in the sample websites. The websites are also observed for special attributes, if any. Based on the observations, features of each class of website are assessed and a comparison among the website features of different classes of websites is done. The study also identifies the Special features of each website classification.

KEYWORDS
electronic brochure, websites.

INTRODUCTION

With the advent of Internet technology, every organization and individual felt the need for creating their space in the web. Website is an electronic medium through which an organization or an individual can capture attention. It acts as an interface through which the website owner communicates with its target users. A Website can also be defined as an electronic brochure of an organization. It is a place where organizations project their products and services for sale. Therefore, it is very important that a website must be informative, accessible and well presented. In this highly competitive world, where the website represents the organization's identity, a small negligence on the part of the organization might weaken the organization's competitive position. It is therefore important that an organization be able to make an assessment of the quality of their website as perceived by their users and in the context of the competition in their industry. In order to help the organizations in assessing their website quality, it is essential to identify the attributes of website that determine its quality.

OBJECTIVE

This study aims at comparing different classes of websites based on observed quality attributes identified from literature. The study also assesses the quality features and identifies the special features of each class of websites.

REVIEW OF LITERATURE

Previous studies have identified different attributes of Website that determine its quality.
Barnes and Vidgen (2000) assessed the quality of Internet Auction sites by observing the quality dimensions identified by WebQual 3.0, which they modified from WebQual 1.0 and WebQual 2.0. Web information quality, web interaction quality and site design quality are the quality dimensions in WebQual 3.0. Another study identified the design issues of university websites (Farkas, 1997). The design issues are (1) indicating the identity of individual units within the hierarchical structure of the institution; (2) maintaining visual consistency throughout the site and (3) harmonizing the messages conveyed by the university's homepage and the homepages of the university's colleges and departments. In yet another study, Udo and Marquis (2000) conducted a survey involving 117 e-commerce customers, which aimed at gathering opinions of commercial web users in order to determine the critical design features of an effective website. The features of good website quality used in the study are cohesion, navigation, interactivity, graphics and aesthetics; download time, advertisement, frames, use of color, use of language and basic website maintenance. Jenamani, et al. (2002) developed a design benchmark by studying the design features of 148 corporate websites. The features that were considered for studying the websites are Marketing, Accessibility, Presentation, Informative and Special features. Content quality, service quality and technical quality are considered as the dimensions of a framework for evaluating the global quality of websites by Rocha (2011).

RESEARCH METHODOLOGY

The study is based on observation of quality attributes in websites. Samples of 30 websites are observed for the study. These websites can be classified into five categories viz. web mail sites, e-shopping sites, online trading sites, IT company's sites and e-ticketing sites. From each class, six sites are observed, out of which three are national and three are international. Selection of websites is done to ensure a blend of communication and marketing. The websites observed for the study are listed in Table 1 of ANNEXURE. Website observations are made in the month of November, 2013.
The websites are observed for the presence of the following features identified by Jenamani, et al. (2002).
Marketing features, Accessibility Features, Presentation Features, Informative Features and Special Features of a website.
The attributes of each of the above features are as follows:
Attributes of Marketing Features
Product Page, Dealer Locator, Links to country sites, Price, Advertisement, Sales Promotion, Online Ordering, Customer Support and Marketing Research.
Attributes of Accessibility Features
Site Map, Site Search, External Links, Internal Links and Site evaluation offer.
Attributes of Presentation Features
Real Time Interactivity, Use of Audio, Use of Video, Use of Frames, Page Orientation, Graphics, Background color (Bgcolor) and Foreground color (Fgcolor).
Attributes of Informative Features
Profile, Career (Job Opportunities), News & Events, Legal Notices, Privacy statements, Investor Relations, FAQ's, Links to e-markets, Contact and Customer Feedback.
The details of the features are given in Table II of ANNEXURE.
Except for the page orientation, graphics, foreground color and background color attributes of presentation feature, the other attributes are measured in a Yes/No type binary scale to indicate the presence or absence of a feature. For Page orientation, 1 is considered for portrait orientation and 2 is considered for landscape orientation. Graphics is measured subjectively using 3-point scale. In this scale, 0 (zero) indicates no use of graphics, 1 is considered for moderate use of graphics and 2 indicates high use of graphics. Foreground colour and background colour are measured subjectively, using an 8-point scale. This scale is meant

to emphasize the presence of Red, Green or Blue (RGB) colour in the website. In this scale, 0 (zero) is assumed to be pure white, 7 to be pure black, 1and 2 to be green shades, 3 and 4 to be blue shades, and 5 and 6 to be red shades.

RESULTS AND ANALYSIS

The results of the study are analyzed in three ways:
1. Feature wise comparison of different classes of websites,
2. Assessing the features observed on each class of website, and
3. Identifying special feature of each class of website (if any).

FEATURE WISE COMPARISON OF DIFFERENT CLASSES OF WEBSITES

The results of the observation of the website attributes measured in binary scale are presented in Table 3. From the observations, it is found that the marketing attribute product page, dealer locator and online ordering are observed in all classes of websites. On the other hand, marketing features price, advertisement, sales promotion and customer support are observed in all classes of websites, except for webmail websites. Presence of market research attribute is negligible (1%) in all classes of websites whereas links to country sites varies in different classes of websites.

Presence of accessibility attribute internal link is observed in all classes of websites whereas external link is not observed only in IT company sites. Site search is observed in majority of websites while only fifty percent of websites performs site evaluation and about fifty seven percent possess sitemap.

TABLE 3: RESULTS OF OBSERVATIONS OF WEBSITES

Features	Attributes	Percentage (%) Observed in Websites				
		Webmail	IT Company	e-ticketing	e-shopping	Online Trading
Marketing	Product Page	100	100	100	100	100
	Dealer Locator	100	100	100	100	100
	Links to country sites	33.33	100	100	50	16.67
	Price	0	100	100	100	100
	Advertisement	50	100	100	100	100
	Sales Promotion	50	100	100	100	100
	Online Ordering	100	100	100	100	100
	Customer Support	66.67	100	100	100	100
	Market Research	0	0	33.3	0	16.67
Accessibility	Sitemap	16.67	83.3	83.3	33.3	66.67
	Site Search	66.67	100	100	100	83.3
	External Links	83.3	100	100	100	100
	Internal Links	100	100	100	100	100
	Site Evaluation	33.3	66.67	33.3	66.67	50
Presentation	Real Time Interactivity	33.3	100	83.3	83.3	83.3
	Use of Audio	0	100	16.67	0	100
	Use of Video	0	100	16.67	0	100
	Use of Frames	0	0	0	0	0
	Virtual Community	50	100	83.3	33.3	50
Informative	Profile	16.67	100	100	100	100
	Career	0	100	100	83.3	66.67
	News & Events	66.67	100	100	66.67	66.67
	Legal Notice	83.3	100	100	100	66.67
	Privacy statements	66.67	100	100	100	100
	Investor Relations	0	83.3	100	33.3	33.3
	FAQ's	66.67	100	66.67	100	83.3
	Links to e-markets	66.67	0	100	100	100
	Contact	16.67	100	100	100	100
	Customer Feedback	100	83.3	100	83.3	66.67

Presentation attributes real time interactivity (76.7%) and virtual communities (73.3%) are observed in majority of the websites. Audio and video are mostly used in IT Company and Online Trading websites and few e-ticketing websites. Frames are not used in any of the sample websites.

Majority of the websites provides news and events (80%), legal notice (90%), privacy statements (93.3%), FAQs (83.3%) and customer feedback (86.7%). Except for webmail websites, informative attributes such as profile (100%), career (70%) and contact (100%) are observed in majority of the websites whereas investor relation attribute is observed in fifty percent of the websites. Links to e-market is not observed only in IT Company sites.

From the observations it is also found that the websites follow portrait page orientation. Figure 1 shows the usage of graphics in the sample websites. From the figure, it can be seen that except for few (33.3%) webmail websites, all websites displays high usage of graphics.

FIGURE 1: USE OF GRAPHICS IN WEBSITES
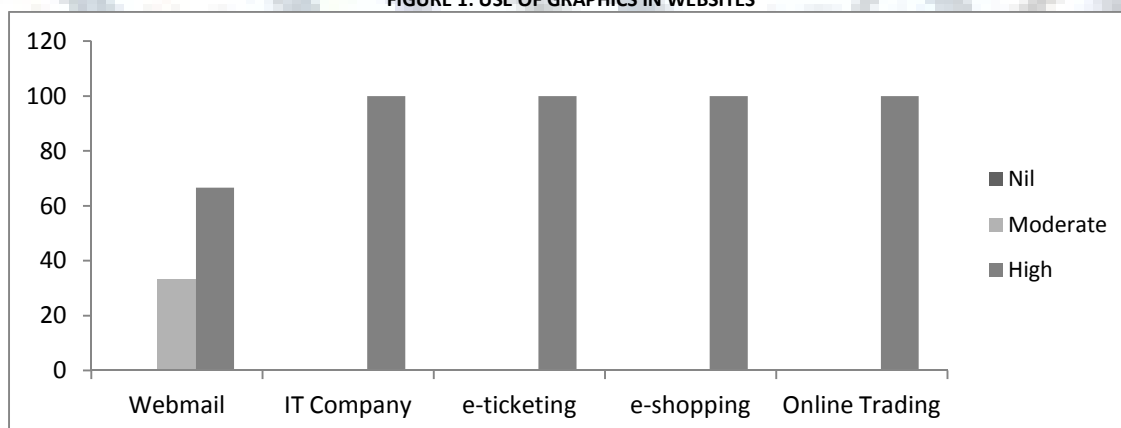
The patterns of foreground and background color of the websites which are measured in an 8 point-scale are shown in Figure 2 and Figure 3 respectively.

FIGURE 2: PATTERN OF BACKGROUND COLOUR USAGE
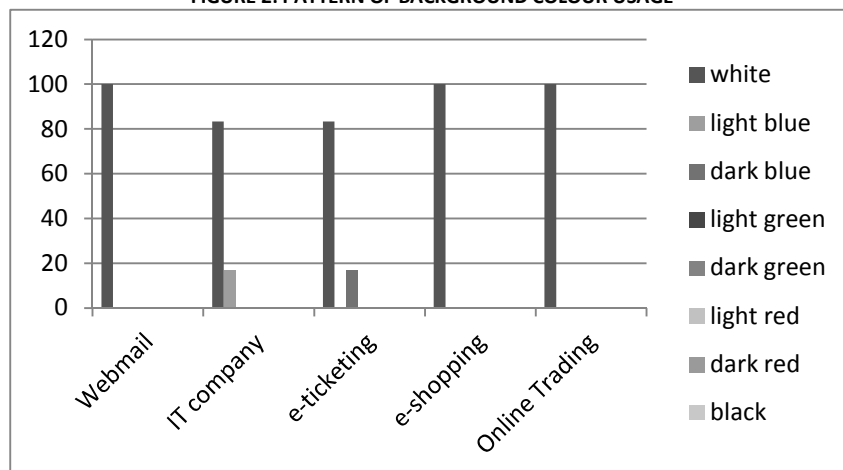
FIGURE 3: PATTERN OF FOREGROUND COLOUR USAGE
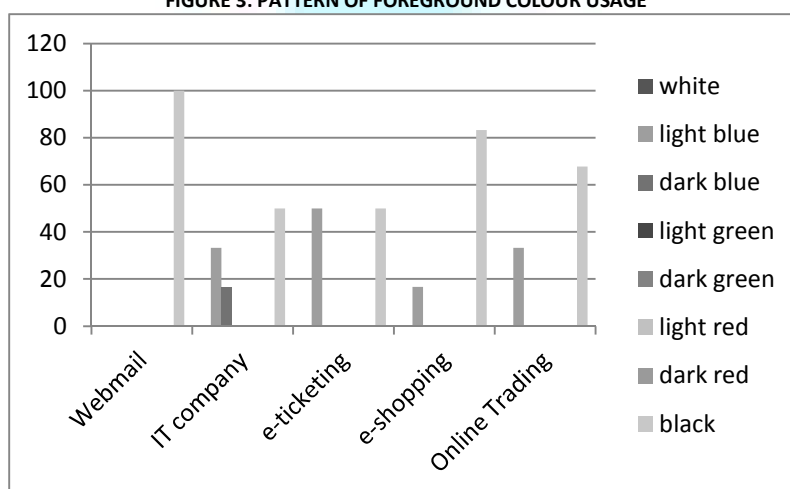
From Figure 2, it can be seen that the most preferred background colour of all classes of websites is pure white (93.3%). Blue shade websites background color is also observed in few IT Company (3.33%) and e-ticketing (3.33%) websites.

Black colour (70%) is found to be the most preferred foreground colour of all classes of websites, as illustrated in Figure 3. Moreover, except for webmail websites, blue shades (30%) are also used as foreground colour in other classes of websites.

ASSESSING THE FEATURES OBSERVED IN WEBSITES

An assessment of the features observed in each class of website is discussed next.

Assessment of features observed in web mail websites

In Web Mail website, marketing features like product page, dealer locator, advertisement, sales promotion, online order and customer support are observed whereas links to country sites, price and market research are not observed in most of the websites. Product page in this context refers to the list of facilities of web mail like inbox, write mails, address books, etc. and the details of these facilities are dealer locator. Web Mail incorporates both outside advertisement and also advertisement regarding the new facilities that they are including in their website. Sales promotion in web mails is done through advertisements and special offers. Online orders in these sites are the orders given by users to send their mails and attachments. Customer support is provided by web mails sites to help customers in dealing with problems encountered in using web mails. Web mails are only virtually available, as such another country site does not exist; therefore links to country sites is not important for these sites. Since, web mails are mostly free, price option is not observed in these sites. However, in some web mail sites, provisions for increasing the mailbox capacity by incurring some price exist. The popularity of a web mail can be estimated by the numbers of mail accounts created, therefore there is no requirement for an additional market research.

Presentation features like audio and video files and frames are not observed whereas real time interactivity and virtual community are observed in few Web Mail websites. Real time interactivity and virtual community are not much desired in these sites as people use these sites only for sending and reading mails. An audio and video file in websites makes them slow. Therefore, they are not promoted in web mail sites, as people select those web mails, which open fast.

Among the Accessibility features, site search, external links and internal links are observed in web mail sites whereas sitemap and site evaluation features are not observed in most of the websites. Sitemap shows the organization of the website, which is not so important for web mails. Site Evaluation feature of web mails sites would give the web users an idea of the best web mail site.

Informative features like profile, career, investor relation and contact are not much observed whereas news and events, legal notices, privacy statements, FAQ's, links to e-market and customer feedback features are observed in a web mail website. Profiles and contact address of web mails are not available as most of the web mails are products of other companies. Career option is redundant in web mail websites as it has limited openings that do not need advertisement. As webmail are mostly free, therefore displaying financial reports through investor relation link is redundant in these sites. News and events of outside world are only available in web mail sites. Web mails websites have links to e-markets sites like Job sites, Matrimony sites, and provides antivirus to scan attachments.

Assessment of features observed in IT Company websites

In IT Company websites marketing features like product page, dealer locater, links to country sites, price, advertisement, sales promotion, online order and customer support are observed whereas market research is not observed in most of the websites. Product page of IT company websites displays the list of the products (software and hardware) developed by the company along with details of the product (dealer locator) and its price. Advertisements of these products are also observed in their sites. Sales promotion of an IT Company website is done with the help of advertisements and discount offers. In their website,

provisions for online order of the products are also incorporated. Links to country site is the link to the websites of branches of the Company, located in other countries. As IT Companies are global in nature, presence of links to country sites is observed in majority of the websites.

Except for frames, all the other presentation features like real time interactivity, use of audio, use of video, and virtual community are observed in majority of the websites.   Real time interactivity and virtual community is provided through social networking sites like Facebook, twitter, etc., which are linked with the IT Company websites. Audio and video files in these sites are mostly the demos of their software.

All the Accessibility features, Site Map, Site Search, External Links, Internal Links and Site Evaluation are observed in most of the IT Company websites. External Links from these sites are mainly to the social networking sites. Site Evaluation through feedback from users is given importance in order to make the website user friendly.

Informative features like profile, career, news and events, legal notices, privacy statements, investor relations, FAQ's and contact are observed whereas links to e-market feature is not seen in most of the IT Company websites. As IT Companies sale only the product produce by them so links to other company's e-market is not present. Information like upcoming meetings of investor, financial projections of the company, etc. are shown through the investor relation feature. This information is not only useful for investors of the company but also useful for prospective investors who want to invest in the company. FAQ's is an important feature mainly for these sites, because users of these sites may have many product related queries.

Assessment of features observed in e-ticketing websites

In e-ticketing websites, marketing features like product page, dealer locater, link to country sites, price, advertisement, sales promotion, online order and customer support are observed. In these sites, products are tickets for different services. Dealer locater shows the details of the tickets. Since e-ticketing websites are international sites, therefore through links to country site we can visit the sites of different countries of the same Travel Agent. Price is the price of the tickets. Advertisements are given for different offers and schemes offered by the Travel Agent. Sales promotion is done through these advertisements. Tickets can be purchased online from these sites by placing online order. Travel and ticket related queries are handled by the customer support provided in these sites. Popularity of the services offered by these sites is assessed through market research. It is observed that only few sites have incorporated market research in their sites.

In majority of e-ticketing sites, presentation feature like real time interactivity and virtual community are observed whereas frames, audio and video files are not observed in most of these sites. Real time interactivity in these sites is observed in the online booking process whereas virtual community is provided through social networking sites. Audio and Video demos of different tour packages, offered by them, would have made these sites more attractive. However, the loading time of these files is high.

All the accessibility features except site evaluation feature is observed in most of the e-ticketing websites. External links observed are mainly to hotel industry and other travel agents. Feedback regarding the site (i.e. site evaluation) is very useful for making the site more attractive and user friendly.

All the informative features are observed in most of the e-ticketing sites. Links to e-markets are the mostly links to Hotel industry, whereby the customer can also book rooms in hotels online.

Assessment of features observed in e-shopping websites

Marketing feature market research is the only item that is not observed in an e-shopping website. This feature would have given knowledge of customer product preferences. Product pages show a range of products of different brands, which is sold through these websites. These pages also display the price for the products. Advertisements of the products sold by these sites and bidding schemes are also observed. Sales promotion is done with the help of advertisements, schemes and discounts offers. Purchase of products in these sites can be done through online order. International e-shopping sites also have country-wise version of their site, which is link to the main site.

Presentation feature real time interactivity is observed in all the e-shopping sites whereas in few sites virtual community feature is also observed. Use of audio, video and frames are not observed in any of the sites. Real time interactivity is exhibited by the purchase process of these sites. In certain sites, virtual community to discuss about the product offered by these sites is also observed. Incorporation of audio and video is avoided in these sites as it makes the site slow.

Site Map is the accessibility feature that is not observed in most of the e-shopping site. This feature gives the structure of the websites. Since the e-shopping sites are user friendly, so absence of site map feature does not make any difference to users. External links are mainly to the company sites whose products are sold in these sites.

Among the informative features, investor relation features are not found in most of the e-shopping websites. Since these websites are intermediaries in web for selling products of other companies, recruitment is not required in few sites. As e-shopping sites earn revenue through transactions of products of other organization, so these sites do no encourage investors.

Assessment of features observed in online trading websites

In an Online Trading Website, all marketing features except link to country sites and market research features are not observed in most of the websites. Products page in these sites displays products like shares, mutual funds, trading, IPOs, etc. Links to the details of these products was dealer locator. Price was the price of these products. Advertisements of different trading schemes offered by these websites were displayed in the sites. Sales Promotion is done through advertisement and discount schemes. Customers can invest in the different products offered by these sites by placing online order. Most of the online trading sites do not have links to any partner site of another country. Feedback on the popularity of products can be gathered through amount of sales of products, so an additional market research is not required for these sites.

As far as Presentation features are concerned, frames are not observed in most of the Online Trading websites. The online investment provision of these sites exhibited real time interactivity. Use of audio and video is in form of demos of the trading process displayed mainly for new users. Virtual community provisions are also observed in some online trading sites that facilitates interaction among the traders of the site.

Except for site evaluation feature, all the other accessibility features are observed in most of the Online Trading sites. Site evaluation enables creation of user friendly sites which can attract more investors.

Informative features like investor relation is not observed in most of the Online Trading websites since investors are the customer of these sites. Links to e-market are the links to financial institutions in which the users invest money online through these sites.

SPECIAL FEATURES OF WEBSITES

Some special features of each class of websites are also observed in the study. Scanning the mail attachments for virus and capacity of inbox are the special features observed in webmail sites. Whereas, free trial software downloads facility is a special feature of IT Company sites. In e-shopping sites, the special feature is shopping cart. Tour packages are the attractions of e-ticketing sites, whereas financial courses feature in Online trading sites.

CONCLUSION

From the study, it is found that all the websites are successful in fulfilling the objectives with which they are launched. Websites forms the interface through which organizations and individuals project themselves in the web, in order to give information about them, market their products and communicate with the users. The attributes considered in the study, measured these parameters, which finally contributed to the role of a website.

The role of a web mail website is to give free mailing facilities to users and to generate revenue by advertising products of different companies. On the other hand, the role of IT Company website is to advertise their products, attract investors and customers and to recruit efficient people from different regions. Role of an e-ticketing website is to generate revenue through sales of services and advertisements. On the other hand, role of e-shopping websites is to promote online selling of products. The role of an Online Trading website is to encourage retail investors to go for investments.

After analyzing the observations on websites, it has been found that online registration must be done for transacting with web mail websites, e-shopping websites, and online trading websites. Use of frames reduces the performance of websites. Site Evaluation feature is important in IT Company websites, e-

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shopping websites and online trading sites, as it authenticates these websites. Feedback about the website design has more importance than product feedback. Online support to customers in dealing with product related problems must be emphasized for promotion of the websites. Color combination of a website must be soothing to eyes. Websites must be user friendly and attractive. Spacing between words and paragraphs must be sufficient for proper visibility.

Also, it can be concluded that the attributes derived from literature survey are found to exist in different degrees in the websites studied. However, new attributes can also be considered. New presentation attributes like font size and spacing between works can be added. Also, the identified special attributes for each class of website can be considered to evaluate the quality of those classes of websites in a better way.

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ANNEXURE

TABLE 1: LIST OF WEBSITES OBSERVED FOR THE STUDY

Type of Website	Name of Organisation/ Institute	Website Address
Web Mail	Microsoft Corporation, USA	http://www.hotmail.com
	Yahoo!, USA	http://mail.yahoo.com
	Rediff.com, USA	http://www.rediff.com
	India.com, India	http://mail.india.com
	GMX, India	http://www.gmx.com
	Itimes, India	http://ww.itimes.com/login/indiatimes
IT Company	Infosys, Bangalore, India	http://www.infosys.com
	Wipro, India	http://www.wipro.com
	HCL Technologies, India	http://www.hcltech.com
	Microsoft Corporation, USA	http://www.microsoft.com
	IBM, USA	http://www.ibm.com
	Intel Corporation, California, USA	http://www.intel.com
e-ticketing	Jet Airways, India	http://www.jetairways.com
	makemytrip.com, India	http://www.makemytrip.com
	spicejet, India	http://www.spicejet.com
	Tripadvisor, USA	http://www.tripadvisor.com
	Expedia, USA	http://www.expedia.com
	ebookers.com, UK	http://www.ebookers.com
e-shopping	amazon.com, Amazon, USA	http://www.amazon.com
	ebay Inc, USA	http://www.ebay.com
	Shop your World Inc, Singapore	http://www.shopyourworld.com
	flipkart.com, India	http://www.flipkart.com
	indiaplaza, India	http://www.indiaplaza.com
	Jabong.com, India	http://www.jabong.com
Online Trading	ICICI Direct.com, India	http://content.icicidirect.com/newsitecontent/Home/Home.asp
	Sharekhan, India	http://www.sharekhan.com
	India Infoline Ltd., India	http://www.5paisa.com/
	charlesSCHWAB, USA	http://www.schwab.com
	Ameritrade, USA	http://www.tdameritrade.com
	Scottrade, USA	http://www.scottrade.com

TABLE 2: DETAILS OF WEBSITES ATTRIBUTES

Features	Attributes	Details
Marketing	Product Page	The product description by any such means i.e. static page or database search or maintaining a separate sites for individual brands
	Dealer Locator	The variable is true if the site shows the product description by any such means i.e. static page / database search / image maps
	Links to country sites	Links to the sites of a organization specifically dedicated for its operations in another country
	Price	Availability of price information on the products and services offered by the organization
	Advertisement	Advertisements on organization's own products and services
	Sales Promotion	Any functionality to promote organization's product or information on any type of sales promotion activity
	Online Ordering	Facility to procure or order a product or service online
	Customer Support	Any facility provided by the organization to help a customer to select a product or service
	Market Research	Any facility (questionnaire survey, opinion poll, etc.) provided by the site to collect data for conducting market research
Accessibility	Sitemap	A repository and categorization of the links present in the site
	Site Search	Facility to search organization's website for required information
	External Links	Links from the homepage to the pages that are not the part of the concerned site
	Internal Links	Links to the pages that belong to the concerned site
	Site Evaluation offer	Any facility to get users feedback on website design and facilities offered by the site
Presentation	Real Time Interactivity	Chat facility
	Use of Audio	Presence of any audio files
	Use of Video	Presence of any video files
	Use of Frames	Use of frames in the website to divide the user interface to multiple windows
	Page Orientation	The orientation of the home page (landscape/ portrait)
	Graphics	Perceived amount of graphics used (nil/moderate/high)
	Background color	Background color of the homepage
	Foreground color	Text color of the homepage
	Virtual Community	Any facility (discussion groups, user forum, etc.) provided by the site to enable the customers to communicate with each other on the issues related to the products or services offered by the organization
Informative	Profile	General information on organization's history, performance and achievements
	Career	Information on career opportunities and current job openings existing in the organization
	News & Events	Information on current happenings and special events to take place in the near future
	Legal Notice	Legal notice to the users of the website
	Privacy statements	Organization's definition of privacy to be provided to the users of the website
	Investor Relations	Information on organization's financial statement, stock quotes, etc
	FAQ's	List of frequently asked questions on company's product and services
	Links to e-markets	Links to organization's site dedicated for e-business or links to e-markets or portal for the product or service offered by the organization
	Contact	The contact address of various key persons in the organization
	Customer Feedback	Any facility (forms, email addresses specifically for the purpose of getting feedback and complaints) provided to the customer to put forward their views, complaints and suggestions on companies products and services

ANALYSIS ON THE CASH MANAGEMENT OF NEPA LIMITED

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NOIDA

ABSTRACT

Paper Industry is one of the oldest industry in India. The prosperity, civilization and culture of a country depend upon its paper industry. There is huge demand of paper now a days A country which uses the maximum paper, is known highly civilized, developed and educated. NEPA Limited was floated by M/s Nair Press Syndicate Limited, as a private entrepreneur, on 25th January 1947. The management of NEPA was taken by the Madhya Pradesh Government in 1949 and it became a Govt. company in 1959. It is the first indigenous newsprint manufacturing unit in the country. A company's profit, assets and other financial indicators are key information for investors, when deciding whether to buy or sell a company's stock. The objective of this research is to study & analyze the Cash Management of NEPA Limited for the duration of 15 Years from 1987-88 to 2001-02. Index Numbers & Percentage Change have been calculated to analyze and observe the fluctuations in the Cash Management of NEPA Limited. The conclusion of this research is that the cash balance of NEPA Limited shows many ups & downs during this period. It also reveals that cash in hand play a major role in the cash management of NEPA Limited in comparison with Bank & other balances.

KEYWORDS

Absolute Change, Cash Management, Index Number, Newspaper, NEPA Limited.

INTRODUCTION

The Key element of economic development process any where in the world is Paper. Therefore the Paper Industry in India is recognized as "Core & Premium Sector". The consumption of paper in India is increasing day by day due to the increase in literacy. Paper Industry in India is the 15th largest paper Industry in the world. Paper Industry is primarily dependent upon forest based raw materials. The paper in India began from Muslim time.

At present there are 515 units which are engaged in the manufacture of paper, paper boards and news print in India, in the private sector with installed capacity of 51 lakh tons, these units are of diverse size, type and magnitude, there are about 30 large integrated mills, well organized and well equipped and there are about 270 small units which, are too small and too moderately equipped. As many as 194 paper mills, particularly small mills are either sick or lying close. It is also to be noted down here that NEPA Limited which commenced production in 1955, was the only unit in the country manufacturing newsprint.

The actual theory of paper making started in year 1870 when "Beli", near Kolkata the Royal paper mills was established. In 1925, Punjab Paper Mills was started with an annual capacity of 6000 tons. By 1930-1931, the total capacity of paper production in India was increased to 45600 tons as against 33000 tons in 1925. The share of indigenous production in national consumption was 71% as against 54% in 1925. This research paper analyses the Cash Management of NEPA Limited for a period of fifteen years starting from 1987-88.

LITERATURE REVIEW

This section covers the reviews of literature of some of the important studies, research papers, projects, books, etc. on the various aspects of this topic.

Rao,Y.A.(1989) in his paper presented the Status and Prospects of Indian Paper Industry.

Hiller(1990) In his paper "The politics of News Print – The New Foundland Pulp and Paper Industry (1915-1939)" founded that in 1930s the industry employed not more than 10% of the labour force and even less Perhaps half on a full time basis.***** It was dominated by two major pulp and paper companies with mills of grand falls and corner brook, which together held leases to almost all the island's productive forest on generous terms.

Mall,I.D. (1998) discussed the responses of Indian Paper Industry to challenges posed by globalization.

Hameri and Lehtonen (2001) revealed in his study that, the traditional production management strategy in paper manufacturing is based on a volume – intensive approach. This involves the measurement of overall performance or productivity, while aiming at a high level of capacity utilization and minimum waste levels. This approach has proved successful in mills producing high volumes with a limited and standardized products range. He also said that this situation changes radically when paper and board products are being tailored to customer specified dimensions and quantities.

Barik, K.(2003) mentioned the Production Structure and Productivity Growth of Indian Paper Industry.

Subburaj (2006) in his paper he explored that until 1981, national Newsprint and Paper Mills, which is known as NEPA Limited and which commenced its production in 1955, was the only unit in the country manufacturing newsprint. He also explored that the import of paper and paper products was 1.62 lakh tones in 2001-02.

His research also tells that from 1997 the Government has delicensed the paper industry.

Mehta (2009) he studied about paper and newsprint in India, where he reveals that for expansion of newspaper in the country there is a need for substantial increase in indigenous production of newsprint. Limited annual availability of such newsprint is a serious bottleneck to the growth of newspaper. He also found that India is a deficit country in respect of newsprint production. He pointed out that only after independence NEPA Limited, NEPA Nagar, Madhya Pradesh, emerged as a newsprint producer. The domestic production of newsprint increased from 1.02 lakh metric tones in 1981-82 to 2.72 lakh metric tones during 1989. The total newsprint requirement for 1988-89 was of the order of 5.40 lakh metric tones.

Singh (2011) In his research he found that paper industry is generally define as a forest based industry. He revealed that there are currently 64 newsprint mills with an installed capacity of 12 lakh tones. He also said that until 1981, there was just one newsprint producing unit in the country, i.e. National Newsprint & Paper Mills (NEPA).

STATEMENT OF PROBLEM

As the use of every kind of paper is increasing day by day the more and more pressure on the manufacturing units is also increasing. The manufacturing units which are in the private sector are doing well but few of the manufacturing units of paper specially the Newspaper in Public Sector are running in losses and therefore not able to meet out the demand of the country for the same. NEPA Limited is one of such Newsprint manufacturing unit in Public Sector among the all Newspaper producing unit which is running in losses and not able to pay back its debts. In this paper the focus is on the Analysis of Cash Management of NEPA Limited (because Cash is the most important item in Current Asset of any company) so that we can analyze and understand the position of company in Management of its Cash, which in turn will reflect its performance and accordingly remedial solutions can be suggested not only to the Company but also to the Government for improvement.

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*   J.D.Sutherland "A Social History of Pulpwood Logging in Newfoundland during the great depression", M.A. thesis, Memorial University, 1988, PP. 2-4, 29.

RESEARCH METHODOLOGY

The Methodology & Approach followed in this study has naturally been to remain very close to the data available and to analyze them to test the various hypotheses based on theoretical and imperial evidences. To analyze the data various statistical techniques such as absolute percentage change, index numbers, trend values, and ratio techniques have been used in this paper. The secondary data has been used in this research project which had been collected with the help of the various annual reports of NEPA Limited & Various information have been collected from valuable books, articles, bulletins and news papers also. For collecting the data, the web site of the paper making units have also been used.

OBJECTIVE OF STUDY

- Paper is a vital core industry for any country and for capital consumption can be taken as a measure of growth and progress in areas of industrial, cultural & educational activities. The first objective of this paper is to find out the core importance of Paper, Newspaper and Newspaper Mills and their performance in India with reference to NEPA Limited.
- The economic and social development of any country depends on the paper industry. So one of the objective here is to study how NEPA has contributed for the economic and social development of the economy of India.
- Due to the increase in the educational standard among the people, the consumption of paper is increasing continuously in the country. Here keeping in mind this point, an effort has been put to reveal that weather Newspaper Mills(NEPA) are able to fulfill the required demand in the country.
- In the whole research only Cash Management of NEPA Limited has been focused. Therefore the main objective this research is to study and analyze the Cash Management of the Company for the duration of fifteen years from 1987-88 to 2001-02.

ANALYSIS

Current assets are those assets, which are easily convertible into cash in the normal functioning of the business. These assets are convertible into short term that's why these assets are also called as short-term assets; this period may range from one day to one year. Current Assets are helpful in meeting day to day requirements of the business and Cash is the basic and primary foundation of any business in Current Assets of any company. No business can survive without cash.

Therefore the research has been focused on the Analysis of the Cash Management of NEPA Limited for the duration of fifteen years commencing from 1987-88. In this research various forms of Cash Management options which have been considered by the company have been studied which are Cash in hand, Cash at Bank, Cheques & Drafts in Hand, Short Term Deposits & Current Accounts. Balance sheet is an indicator of the financial position of a business concern in terms of assets and liabilities.

The Cash and Bank balance of NEPA Limited includes the following:-

1. Cash in hand including Cheques & Drafts of NEPA Limited
2. Percentage Share of Cash in hand including Cheques & Drafts of NEPA Limited.
3. Cash at Bank including Short Term Deposits & Current Accounts of NEPA Limited
4. Percentage Share of Cash at Bank including Short Term Deposits & Current Accounts of NEPA Limited.
5. Cash & Bank Balance of NEPA Limited
6. Percentage Share of Cash in hand & Cash at Bank of NEPA Limited

Cash always play a key role in every organization. Soundness of any business can be examined with the cash balance in it. So an attempt has been made in the Table 1 to judge the Cash in hand including Cheques and Drafts of NEPA Limited during the fifteen years of study from 1987-88 to 2001-02.

TABLE – 1: CASH IN HAND INCLUDING CHEQUES AND DRAFTS OF NEPA LIMITED (Rs. in lakhs)

Year	Amount (in Rs.)	Absolute Change	Percentage Change	Index Number
1987-88	11.51	-	-	100
1988-89	8.29	(-)3.22	(-)27.98	72.02
1989-90	13.47	5.18	62.48	117.03
1990-91	3.82	(-)9.65	(-)71.64	33.19
1991-92	5.79	1.97	51.57	50.30
Changes From (1987-88 to 1991-92)	(A) Absolute Terms Rs. (-) 5.72 (B) Percentage (-) 9.94 %			
1992-93	3.95	(-)1.84	(-)31.78	34.32
1993-94	211.98	208.03	5266.58	1841.70
1994-95	30.68	(-)181.30	(-)85.53	266.55
1995-96	48.54	17.86	58.21	421.72
1996-97	125.79	77.25	159.15	1092.88
Changes From (1992-93 to 1996-97)	(A) Absolute Terms Rs. 121.84 (B) Percentage 616.91 %			
1997-98	25.17	(-)100.62	(-)79.99	218.68
1998-99	30.50	5.33	21.18	264.99
1999-00	9.66	(-)20.84	(-)68.33	83.93
2000-01	109.88	100.22	1037.47	954.65
2001-02	1.30	(-)108.58	(-)98.82	11.29
Changes From (1997-98 to 2001-02)	(A) Absolute Terms Rs. (-) 23.87 (B) Percentage (-) 18.97 %			
Changes From (1987-88 to 2001-02)	(A) Absolute Terms Rs. (-) 10.21 (B) Percentage (-) 5.91 %			

Source : Annual Reports of NEPA Limited from 1987-88 to 2001-02.

It can be analyzed that the Cash in hand including Cheques and Drafts of NEPA Limited has shown many ups and downs during the fifteen years of the study from 1987-88 to 2001-02.

Cash in hand can be further arranged into many parts such as cash available in the business which is called as Cash in hand, and it can be Cheques and Drafts in hand. Cheques and Drafts includes those which were received from our debtors, but we have at present not collected their amount from bank. So NEPA Limited has also divided its cash in to such two parts. So for this purpose in Table 2 an attempt has been made to divide and study the percentage share of Cash in hand including Cheques and Drafts of NEPA Limited during its fifteen years period of study commencing from 1987-88 to 2001-02. The Cash in hand of NEPA Limited has been categorized as (i) Cash, (ii) Cheques and Drafts.

TABLE – 2 PERCENTAGE SHARE OF CASH IN HAND INCLUDING CHEQUES AND DRAFTS OF NEPA LIMITED (Rs. in lakhs)

Year	Cash in hand		Cheques and Drafts		Total Amount
	Amount	%	Amount	%	
1987-88	6.53	56.73	4.98	43.27	11.51
1988-89	3.61	43.55	4.68	56.45	8.29
1989-90	11.48	85.23	1.99	14.77	13.47
1990-91	3.76	98.43	0.06	1.57	3.82
1991-92	3.87	66.84	1.92	33.16	5.79
1992-93	3.95	100	-	-	3.95
1993-94	4.07	1.92	207.91	98.08	211.98
1994-95	4.72	15.38	25.96	84.62	30.68
1995-96	5.62	11.58	42.92	88.42	48.54
1996-97	1.99	1.58	123.80	98.42	125.79
1997-98	10.56	41.95	14.61	58.05	25.17
1998-99	1.93	6.33	28.57	93.67	30.50
1999-00	9.66	100	-	-	9.66
2000-01	9.88	8.99	100	91.01	109.88
2001-02	1.30	100	-	-	1.30

Source: Annual Reports of NEPA Limited during 1987-88 to 2001-02.

It can be seen from the above table that the major portion of cash of NEPA Limited was in Cash during all fifteen years of operation from 1987-88 to 2001-02, but Cheques and Drafts have also played a crucial role.

Cash at bank is also very important part of any organization and its soundness. So every organization has to deposit its money in the bank. Table 3 reveals Cash at bank of NEPA Limited during its fifteen years of operation commencing from 1987-88 to 2001-02.

TABLE – 3 CASH AT BANK INCLUDING SHORT TERM DEPOSITS & CURRENT ACCOUNTS OF NEPA LIMITED (Rs. in lakhs)

Year	Amount (in Rs.)	Absolute Change	Percentage Change	Index Number
1987-88	312.14	-	-	100
1988-89	143.40	(-)168.74	(-)54.06	45.94
1989-90	78.99	(-)64.41	(-)44.92	25.31
1990-91	431.31	352.32	446.03	138.18
1991-92	14.82	(-)416.49	(-)96.56	4.75
Changes From (1987-88 to 1991-92)	(A) Absolute Terms Rs. (-) 297.32 (B) Percentage (-) 19.05 %			
1992-93	27.85	13.03	87.92	8.92
1993-94	162.46	134.61	483.34	52.05
1994-95	1765.60	1603.14	986.79	565.64
1995-96	280.81	(-)1484.79	(-)84.10	89.91
1996-97	161.16	(-)119.65	(-)42.61	51.63
Changes From (1992-93 to 1996-97)	(A) Absolute Terms Rs. 133.31 (B) Percentage 95.73 %			
1997-98	144.33	(-)16.83	(-)10.44	46.24
1998-99	134.61	(-)9.72	(-)6.73	43.12
1999-00	278.06	143.45	106.57	89.08
2000-01	601.70	323.64	116.39	192.77
2001-02	158.95	(-)442.75	(-)73.58	50.92
Changes From (1997-98 to 2001-02)	(A) Absolute Terms Rs. 14.62 (B) Percentage 2.03 %			
Changes From (1987-88 to 2001-02)	(A) Absolute Terms Rs. (-) 153.19 (B) Percentage (-) 3.27 %			

Source : Annual Reports of NEPA Limited from 1987-88 to 2001-02.

It can be summarized from this table that there were less fluctuations in Cash at Bank of NEPA Limited during the whole period.

Any business or organization can deposit the amount available in cash, in a bank. The cash at bank can be deposited in different types of accounts such as saving account, current account, fixed deposit account, NEPA Limited has also deposited its cash into two heads one is Short-term deposits and the other is Current Account. So it was felt essential to categories and analyze the percentage share of Cash at bank of NEPA Limited into different categories, which are as follows:-
I. Short term deposits
II. Current account
An attempt has been made in Table 4 to analyze the Percentage Share of Cash at bank of NEPA Limited during the fifteen years of study from 1987-88 to 2001-02.

TABLE – 4 PERCENTAGE SHARE OF CASH AT BANK INCLUDING SHORT TERM DEPOSITS & CURRENT ACCOUNTS OF NEPA LIMITED (Rs. in lakhs)

Year	Short Term Deposits		Current Accounts		Total Amount
	Amount	%	Amount	%	
1987-88	296.32	94.93	15.82	5.07	312.14
1988-89	0.76	0.53	142.64	99.47	143.40
1989-90	0.75	0.95	78.24	99.05	78.99
1990-91	405.37	93.99	25.94	6.01	431.31
1991-92	7.54	50.88	7.28	49.12	14.82
1992-93	3.50	12.57	24.35	87.43	27.85
1993-94	1.25	0.77	161.21	99.23	162.46
1994-95	1645.50	93.20	120.10	6.80	1765.60
1995-96	255.10	90.84	25.71	9.16	280.81
1996-97	86.24	53.51	74.92	46.49	161.16
1997-98	72.29	50.09	72.04	49.91	144.33
1998-99	85.28	63.35	49.33	36.65	134.61
1999-00	104.78	37.68	173.28	62.32	278.06
2000-01	308.40	51.25	293.30	48.75	601.70
2001-02	98.02	61.67	60.93	38.33	158.95

Source: Annual Reports of NEPA Limited during 1987-88 to 2001-02.

Conclusively we can say that the contribution in Short term deposits as well as in Current Accounts of NEPA Limited was important during all fifteen years of the study.

In Table 5 we have shown the Cash and Bank balance of NEPA Limited during its fifteen years of operation from 1987-88 to 2001-02.

TABLE – 5 CASH AND BANK BALANCE OF NEPA LIMITED (Rs. in lakhs)

Year	Amount (in Rs.)	Absolute Change	Percentage Change	Index Number
1987-88	323.65	-	-	100
1988-89	151.69	(-) 171.96	(-)53.13	46.87
1989-90	92.46	(-) 59.23	(-)39.05	46.87
1990-91	435.13	342.67	370.61	134.44
1991-92	20.61	(-) 414.52	(-)95.26	6.37
Changes From (1987-88 to 1991-92)	(A) Absolute Terms Rs. (-) 303.04 (B) Percentage (-) 18.73 %			
1992-93	31.80	11.19	54.29	9.83
1993-94	374.44	342.64	1077.48	115.69
1994-95	1796.28	1421.84	379.72	555.01
1995-96	329.35	(-)1466.93	(-)81.66	101.76
1996-97	286.95	(-) 42.40	(-)12.87	88.66
Changes From (1992-93 to 1996-97)	(A) Absolute Terms Rs. 255.15 (B) Percentage 160.47 %			
1997-98	169.50	(-) 117.45	(-)40.93	52.37
1998-99	165.11	(-) 4.39	(-)2.59	51.01
1999-00	287.72	122.61	74.26	88.90
2000-01	711.58	423.86	147.32	219.86
2001-02	160.25	(-) 551.33	(-)77.48	49.51
Changes From (1997-98 to 2001-02)	(A) Absolute Terms Rs. (-) 9.25 (B) Percentage (-) 1.09%			
Changes From (1987-88 to 2001-02)	(A) Absolute Terms Rs. (-) 163.40 (B) Percentage (-) 3.37%			

Source : Annual Reports of NEPA Limited from 1987-88 to 2001-02.

It can be summarized from the Cash and Bank balance of NEPA Limited that it has decreased during the last five years period of the study, which is not a good indication for the company. So for the better management of cash, the company should have appropriate amount available as Cash in hand and Bank.

Cash can be divided into many parts according to the requirements of the business. In the following Table - 6 we have studied the Percentage Share of Cash in hand and Cash at bank of NEPA Limited after dividing it in to two parts such as Cash in hand including Cheques and Drafts and Cash at bank.

TABLE – 6 PERCENTAGE SHARE OF CASH IN HAND AND CASH AT BANK OF NEPA LIMITED (Rs. in lakhs)

Year	Cash in hand including cheques & drafts		Cash at Bank		Total Amount
	Amount	%	Amount	%	
1987-88	11.51	3.56	312.14	96.44	323.65
1988-89	8.29	5.47	143.40	94.53	151.69
1989-90	13.47	14.57	78.99	85.43	92.46
1990-91	3.82	0.88	431.31	99.12	435.13
1991-92	5.79	28.10	14.82	71.90	20.61
1992-93	3.95	12.42	27.85	87.58	31.80
1993-94	211.98	56.61	162.46	43.39	374.44
1994-95	30.68	1.71	1765.60	98.29	1796.28
1995-96	48.54	14.74	280.81	85.26	329.35
1996-97	125.79	43.84	161.16	56.16	286.95
1997-98	25.17	14.85	144.33	85.15	169.50
1998-99	30.50	18.47	134.61	81.53	165.11
1999-00	9.66	3.36	278.06	96.64	287.72
2000-01	109.88	15.44	601.70	84.56	711.58
2001-02	1.30	0.81	158.95	99.19	160.25

Source: Annual Reports of NEPA Limited during 1987-88 to 2001-02.

we can conclusively say that the Cash in hand of NEPA Limited has played a very import role as current assets during the year 1994-95, the Bank balance has raised up to Rs. 1765.60 lakhs.

INTERPRETATIONS

The study reveals that there are a lot of fluctuations in the Cash balance of the company & due to this the company is not able to fulfill its working capital requirement. It can be seen from the analysis that the Cash in hand of NEPA Limited including Cheques & Drafts which was Rs. 11.51 lakh in the year 1987-88 has gone down to just Rs. 1.30 lakh in the year 2001-02 which shows the decrease of Rs. 10.21 lakh. Similarly Cash at Bank balance including Short Term Deposits & Current Accounts which was Rs. 312.14 Lakh in the year 1987-88 has also gone down to Rs. 158.95 lakh in the year 2001-02 showing a decrease of Rs. 153.19 lakh.

The most important interpretation from this study is that Cash at Bank has made a significant contribution in the overall Cash Management of NEPA Limited during the period of study as it was 96.44% & 99.19% of the total Cash including Bank Balance of NEPA Limited during 1987-88 & 2001-02 respectively.

SUMMARY & FINDINGS

- This paper has been emphasized on the Cash Management of NEPA Limited for the duration of fifteen years from 1987-88 to 2001-02.
- During the fifteen years of the study, I have studied and analyzed Cash in different forms lying with the company such as Cash & Bank Balance, Percentage share of Cash in hand & Bank, Cash at Bank, Percentage share of Cash at Bank, Cash in Hand, Percentage share of Cash in Hand of NEPA Limited.
- The study of it reveals that the Cash played a very important role in the management of Working Capital for the company, but some time there were inappropriate downfalls in it, which was not a good sign for the company.
- The Cash & Bank Balance which was Rs. 323.65 lakh in the year 1987-88 has gone down to Rs. 160.25 lakh in the year 2001-02 which showed a decrease of Rs. 163.40 lakh and in % it was 3.37%. The index number which was 100 during the year 1987-88 has also reduced to 49.51 in the year 2001-02, showed a decrease by 50.49.
- On the other hand the Cash at Bank played much significant role in the Cash Management of the company as the deposits at bank were very high as compared to cash in hand. Cash in hand was Rs. 11.51 lakh, whereas Cash at bank was Rs. 312.14 lakh in the year 1987-88 which was 96.44% out of total Cash in hand & Bank. Moreover in the Year 2001-02 the deposits at bank were 99.19% out of total Cash in hand & Bank.

PROBLEMS AND SUGGESTIONS

- The main problem of the company is the unavailability of adequate raw material used for producing the paper and newsprint.
- Present age is the age of Computer. The success of any business and organization largely depends upon Computer. Being a public company most of the work is done here manually which does not prove much effective and takes lots of time and money. So NEPA Limited should install advanced Computer System with advanced technology to improve its work.
- For the betterment and effective functioning of the company different committees can be formed by any business or organization. So a committee should be established by the company for the improvement, progress and look in to the Cash Management of NEPA Limited.
- The Central and State Government should provide adequate grants to the Company so that the financial requirements can be fulfilled.

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INTERNATIONAL JOURNAL OF RESEARCH IN COMMERCE, IT & MANAGEMENT 38

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DESTINATION BRANDING AS A MARKETING TOOL FOR DEVELOPING COUNTRIES: A COMPARATIVE ANALYSIS BETWEEN INDIA & SPAIN

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ABSTRACT

Globally, Travel & tourism industry is one of the largest and flourishing industry accounting for USD 6 trillion and contributing 9 % to GDP (as per UNWTO). The developed nations like U.K., U.S, Germany, Switzerland, Spain etc. are the major beneficiaries of this trade. But with the burgeoning of developing nations in travel & tourism industry, the competition began and the concept of Branding a country as a powerful marketing tool initiated. Destination branding is a process of differentiating one's country with another's by obtaining competitiveness and upper edge. To add, in year 2004 WTTC also started ranking the countries and managing the competitiveness index of destinations on various factors. The purpose of this research paper is to assess India's tourism branding campaign 'Incredible India' by conducting a detailed analysis of difference between the promoted image and the perceived image of India as an incredible destination along with the perceptions about the slogan and further the comparison between Spain's marketing campaign 'Smile, you are in Spain'. The focus of the paper is on studying the attributes contributing to image of both the destinations. The results found are hypothetically tested by several parametric & non- parametric tests (chi-square, Anova, paired T- test etc.) and was analyzed with the help of SPSS. Further, the reliability of the results was assessed through Cronbach's alpha (α).

KEYWORDS

Branding, competitiveness, image, differentiation, marketing campaign.

1. INTRODUCTION

Travel & tourism is the ever fastest growing industry in the economy at the global level with magnificent contribution to GDP and employment in both direct and indirect ways. In 2012 its contribution is almost 9% towards GDP and 245 million jobs were created worldwide which is really remarkable. Tourism sector is estimated to flourish more between 2010 and 2020 by having annual growth of 4.4% in real terms (**WTTC, 2010).**

Tourism is an integral sector of the economy and contributes in a larger extent towards the destination image. Moreover, due to globalization, ever increasing competition between the destinations and high end use of information and technology has put forward the challenge of marketing the country to its tourists. Destinations nowadays have to reach to the emotional needs of the tourists for choosing a destination rather than focusing only on marketing of their destination. They have to reach the level of destination branding by having a distinct identity of the country with unique attributes within the destination.

The increasing competition in the tourism industry and the global economic situation has made countries aware of the importance of destination branding to differentiate themselves from competitors (**Baloglu & Mangaloglu, 2001).**

Branding of destinations has taken an upliftment in the last decade but still this field is lacking research. It is almost 47 years back when the concept of destination image was raised and discussed but the actual implementation of this concept has begun recently.

The branding of a destination is a challenging activity which affects the tourists decision making process but ultimately tourists choice of destination depends on the perception of the tourists Therefore, destination image is a fundamental part of the motivation to travel; a critical element in the selection process, irrespective of whether or not it is based on stereotypes or reality (**Cai, 2002).**

FIG. 1: MODEL OF DESTINATION BRANDING (Source Cai 2002)

2. OBJECTIVES OF RESEARCH

Considering the importance of branding this research paper would like to contribute towards the existing literature on this subject.

a.) To understand the effectiveness of Incredible India marketing campaign.

b.) To analyze what image is actually promoted through the campaign.

c.) To assess whether the slogan and logo are correctly perceived by the tourists.

d.) To analyze if the perceived image is the same promoted image as done by Ministry of tourism, Govt. of India.

e.) To understand the comparative analysis between the marketing strategies of both the countries taken as a case study.

3. LITERATURE REVIEW

In today's scenario Destination image is one of the majorly researched and discussed concepts in the study of tourism **(Echtner & Ritchie 2003, Pan & Li 2011)**. A destination brand 'is the sum of perceptions that someone has about a place (whether based on experience, hearsay or prejudice), which influence his attitude towards that destination at an emotional level; exists in the eyes of the beholder. It has to be credible and real, it cannot be manufactured **(Handbook on Tourism Destination Branding, 2009)** .Image has been defined in a number of ways: as a person's set of beliefs, opinions and impressions about an object, a consideration of all information gained from different channels or a mental connotation the person has about something beyond physical perception **(Aksoy & Kiyci, 2011)**. According to **Pearce (1998**) "...image is one of those terms that will not go away … …a term with vague and shifting meaning…" – a commonly cited definition is: "…the sum of beliefs, ideas and impressions that a people have of a place**"(Kotler, Haider, & Rein, 1993)**. Lopes discuss how a destination with a strong image is more easily differentiated from its competitors, and that tourists are more likely to consider and select destinations with stronger and more positive images **(Lopes, 2011)**. Ultimately researchers agree that destination image is a valuable concept with regard to tourist destination selection process **(Baloglu & McCleary, 1999; Beerli & Martin, 2004).**Several studies (**Bosque & Martin, 2008; Bosque et al., 2009; Gali & Donaire, 2005; Selby & Morgan, 1996; Tasci & Gartner, 2007)** indicates that destination image is an important factor that influences the consumer behavior during the pre-visit (decision-making process of destination choice), during the visit (antecedent of satisfaction), and post-visit (recommendation and intention to revisit). Thus, the process of image formation starts before the decision, but it can be changed during the visit, as well as after the return. It has been argued that tourists' perception of a destination can be more important than its tangible attributes and that '….the tourist goes to a destination to see the image rather than the reality' **(Krippendorf, 1982)**. **Hunt (1975)** suggested that image was a critical factor in a destination's tourism success. Further,

the attraction elements such as scenery, facilities, activities, and cultures of a destination provide the motivations necessary to induce an individual to visit a determined place. It was also mentioned in the literature that Destination image can be measured and assessed. Destination image is multidimensional and comprises both symbolic and tangible **features (Echtner and Ritchie 1993)**.This is why destination image is such an important part of a destination brand. When **Ekinci (2003,)** states that "A destination that forms a clear identity in tourists' minds can be easily branded" he means that organic image is quite powerful in this regard, further branding of the destination may be easy but creating a positive image and information to be portrayed by the **destination (Aksoy & Kiyci, 2011)** requires smart use of communication techniques and product development to build a personality for a tourist destination **(Lopes, 2011; Ekinci, 2003).**There are various elements which contribute towards the formation of destination image such as Age, income, education, socio-psychological motivations etc. which leads to cognitive or affective evaluation by the tourists and ultimately contributes to the overall image of the destination. The below mentioned figure 2 is an elaborative explanation given by Beerli & Martin.

FIG. 2: ELEMENTS FORMING DESTINATION IMAGE (Beerli & Martin 2004)
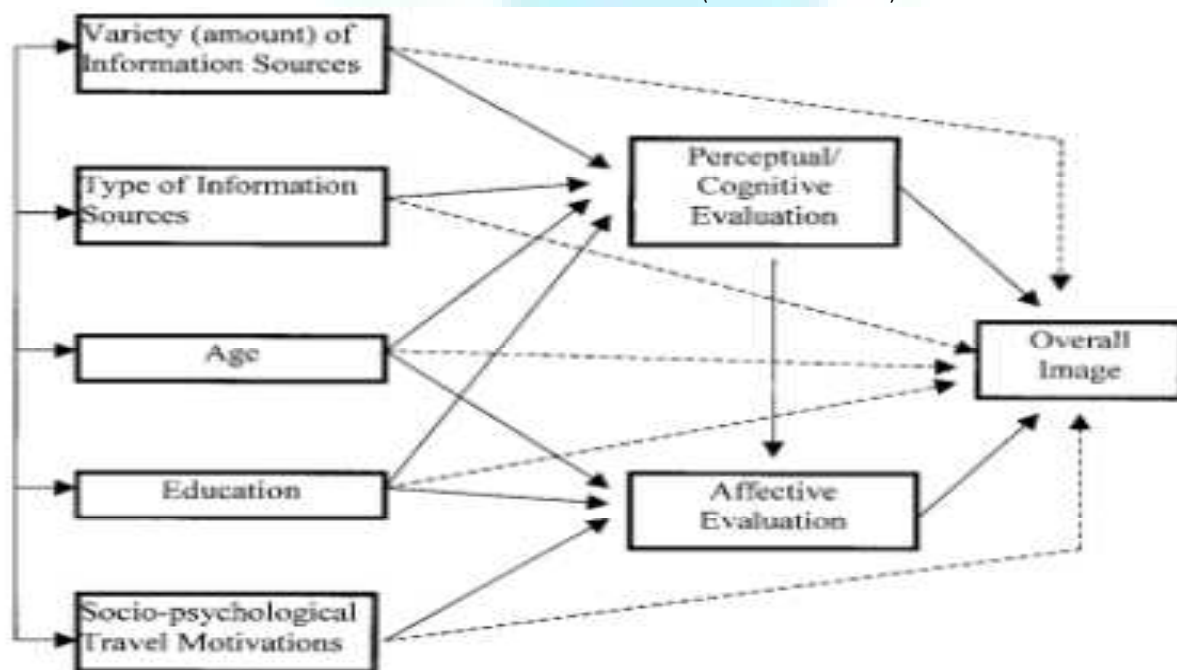
4. DESTINATION BRANDING IN INDIA

As there was tough competition for India to sustain its tourism viability. There was the need for India to change its traditional marketing approach to one that is more competitive and can reach to its tourists in return of their demand from the tourism product. It was so essential for India to have positive global image and brand to mark its position in Country's competitive Index. Then the tourism ministry with the help of Ogilvy & Mather (India) (O&M) created a new campaign to increase the tourist inflows into the country. The "Incredible India" campaign was launched in 2002.And that was the moment for Indian tourism industry which has changed the perception of tourists while contributing to the overall positive image of India at global level. Under this Incredible India umbrella other marketing efforts like "Atithi Devo Bhava" were also initiated which has altogether made India an incredible destination. Slogans and logos are fundamental for the communication and enhancement of the brand image and brand equity (Henderson, 2007).Thus Slogans and logos made for Indian tourism marketing were so apt and reached to the heart of tourists as the slogan linked India with its cultural diversity.

5. RESEARCH METHODOLOGY

This research work is based on the inductive approach that is firstly the data is collected and then generalization to theory is done after analyzing the data. **(Saunders et al., 2007).**To analyze the perceived image from the tourists questionnaires are designed and for the projected image the promotional campaign

videos are analyzed in detail in form of content analysis. Limitation of the research design used for this research work could be the sample. Sample size was determined as 100 but still keeping in mind non-response 150 questionnaires are circulated. Out of which 120 are answered.

6. FINDINGS & DISCUSSION

The below mentioned **Fig 3 & fig 4** reflects the India's travel & tourism industry contribution towards GDP in 2012 & India's rank at global level in travel & tourism respectively.

FIG. 3 (Source: Economic Impact 2013 India, World Tourism & Travel Council)

Travel & Tourism's Total Contribution to GDP	2012 % share
24 Cambodia	25.8
39 Thailand	16.7
44 Malaysia	15.6
World Average	14.1
89 Vietnam	9.4
92 China	9.3
94 Sri Lanka	9.1
97 Indonesia	8.9
121 Pakistan	7.0
128 India	6.6
169 Bangladesh	4.3

FIG 4: INDIA'S RANK AT GLOBAL LEVEL

Percentage share of Top 10 Countries of the World and India in International Tourist Arrivals in 2012

France 8.02%
USA
China 5.57%
Spain 5.57%
Italy 4.48%
Turkey 3.45%
Germany 2.94%
UK 2.83%
Russia 2.48%
Malaysia 2.42%
India 0.64%
Others 61.60%
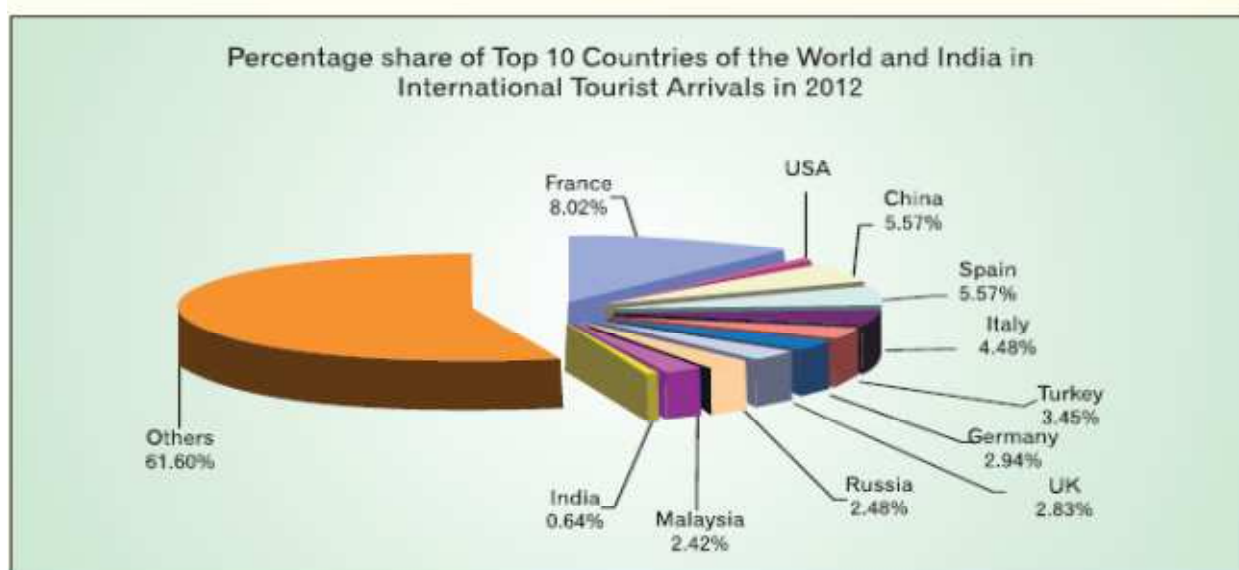
Source: Ministry of Tourism, Govt of India

a.) The promoted image is analyzed focusing on the promotional video of the campaign, using content analysis and other quantitative and qualitative methods.

FIG.5 INDIA'S INCREDIBLE CAMPAIGN PICTURE

b.) The Analysis of the fit between the slogan marketed and perceptions about the identity (logo and slogan) The major finding of this research work is that our slogan "Incredible India" does not address a unique theme as it is not specific in the terms like what India is majoring in. After the analysis the result is that 58% of the respondents thought that the logo suggests culture, only 24% associated it with mountains, sun and water and 12% associate the logo with adventure.

c.) For measuring the perceived image the data was gathered with the help of questionnaires with open and closed questions from almost 120 individuals between the ages of 20 and 45. The average age of the respondents is 33.02 years, 51 being men and 49 women.30% were Europeans, 20% from US, 5% from Africa, rest from South East Asia.

d.) Comparison between India's "Incredible India" Campaign & Spain's Marketing Campaign "Smile when you are in Spain". As per the Handbook on Tourism destination Branding Spain has the best branding campaign and they initiated this process in 1930's.Spain has covered all the communication media, their logo designing, their tag line all are up to the mark. The campaign wants to highlight, through a smile featured in all the posters, the hospitality and warmth of the Spanish, and the relaxed rhythm of life that tourists can enjoy in Spain. It promoted a lifestyle, the Spanish culture and richness of the cultural diversity **(Turespana, 2011).**The major difference between both the tourism marketing efforts is that India lacks in that positive global image which Spain without any pain is enjoying. Another challenge already discussed is that our campaign lacks specificity it is quite general in nature as we say we have everything for everyone. But this is wrong as now days the tourist is very specific in choosing his holiday destination and it should have that one click appeal.

e.) Demographic profile of the Respondents n=100

Gender	Percentage	Chi square Test	Significance
Male	**51%**		
Female	**49%**	**1.244**	**.265**
Age 20-45 years	**Avg. age 33.02 years**	**72.674**	**.000**
Education level			
High school or less	**19.27%**	**9.624**	**.022**
Diploma	**20.00%**		
College-level graduation	**54.18%**		
Graduate or higher	**6.55%**		

f.) The Cronbach's alpha result is .8

7. CONCLUSION

While India has been gaining acknowledgement as an attractive tourism destination, there is a lack of research on its destination image that plays an important role to influence tourists' decision making to visit India. No such study has been conducted so far which can provide us with the exact information like how the Incredible India campaign has done internationally. More importantly, tourism development depends strongly on the degree of congruency between the projected and perceived image. Therefore the analysis of fit between perceived image and projected image is need of the hour. By exploring the perception of international tourists toward India as a tourism destination, we can ascertain that foreign tourists seem very sensitive to safety & security, hygiene, development of the nation as a tourist destination before they finalize the destination to be visited. Unfortunately, these crucial factors have not been paid that much attention by the tourism industry. The results of this research will help destination developers and government to be aware of the structure of destination image and to assess the major destination image elements so as to take decision on building a strong the tourism destination image of India globally.

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FINANCIAL LITERACY AND ITS' INFLUENCING FACTORS: AN EMPIRICAL STUDY OF INDIAN INVESTORS

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ABSTRACT

Financial literacy among the people plays pivotal role in the process of financial inclusion. Financial literacy is the ability to make informed judgments and to take effective decisions regarding the use and management of money. Research has shown that levels of financial literacy worldwide are unacceptably low. People find it difficult to take decisions regarding personal finance issues confidently and often make mistakes. In India too the levels of financial literacy are very low. An attempt has been made through this paper to determine financial literacy level of respondents and also to examine whether or not the financial literacy is related with the demographic and socio-economic factors of investors. The study observed that overall financial literacy level of respondents is not very high. Financial literacy level has been influenced by age, education, income and nature of employment whereas it does not get affected by gender of the population. Moreover, the study recommended that it is the time for policy makers and regulators to adopt appropriate strategies like introducing subject based on finance in the secondary level of education rather than confining only in commerce based higher level of education and also encourage programs to ensure the higher level of financial literacy amongst the population.

KEYWORDS

Financial Inclusion, Financial Literacy, Awareness Program, Appropriate Strategy.

1. INTRODUCTION

Financial literacy or financial education can broadly be defined as "*providing familiarity with and understanding of financial market products, especially rewards and risks, in order to make informed choices*". Financial literacy has assumed greater importance in the recent years, as the natures of financial market have changed and becomes more complex for the investors.

In the context of financial inclusion, the scope of financial literacy is relatively broader and it acquires greater significance since it is concerned with the very access of such excluded groups to finance. In countries with diverse social and economic profile like India, financial literacy is particularly relevant for people who are resource-poor and who operate at the margin and are vulnerable to persistent downward financial pressures. It becomes challenges for those people having either little bit or no knowledge in finance to access financial market resulting into financial exclusion. Therefore, only financial literacy can help and prepare them to face life cycle needs and deal with unexpected emergencies without assuming unnecessary debt.

2. STATEMENT OF THE PROBLEM

While investing decision, investors tend to use thumb rules or seek advice from friends and relatives. If they get bad advice, their outcomes will be poor, and they will start to lose faith in the financial sector. A big improvement of financial knowledge of households is necessary so that they participate efficiently in financial markets. Financial literacy plays a significant role in the efficient allocation of household savings and the ability of individuals to meet their financial goals. Therefore, the present study aims to find out the financial literacy level of Indian investors by asking basic questions about financial instruments as well as to identify the factors which influence financial literacy.

3. REVIEW OF LITERATURE

Volpe et al. (2002) conducted a study to analyse the investment literacy of online investors. The study included 530 online investors to find out the difference in financial literacy level on the basis of age, gender, experience, education and income and previous online experience. The study came out with the results that level of financial literacy varied with people's age, gender, experience, education and income.

Hussein A. Hassan Al –Tamimi and Al Anood Bin Kalli conducted a research study (2009) on Financial Literacy in UAE. The study finds that financial literacy of UAE investors is well below the needed level. Moreover, a significant difference in the level of financial literacy was observed between the respondents according to their gender. Women were found to have lower level of financial literacy than men.

4. OBJECTIVES OF THE STUDY

The objectives of the study are outlined below
(i) To find out the financial literacy level of the individuals
(ii) To examine the influencing factor of Financial Literacy

5. HYPOTHESIS OF THE STUDY

H_0: Financial literacy of an individual is not influenced by age, income, education, profession and gender.
H_1: Financial literacy of an individual is influenced by age, income and education, profession and gender.

6. RESEARCH METHODOLOGY

The present study based on primary and secondary data. The primary data collected through field survey where as secondary data was collected from books and journals. A questionnaire was prepared to test basic and advanced financial knowledge and sent to a sample of 90 respondents covering three villages of Barpeta district of Assam. The study followed stratified sampling method and statistical tools like Average, Correlation and Regression have been used for analyzing the data. The hypothesis was tested by using student t-test technique.

SAMPLE DESIGN: ON THE BASIS OF RESPONDENT EDUCATION (Stratified Sampling Technique)
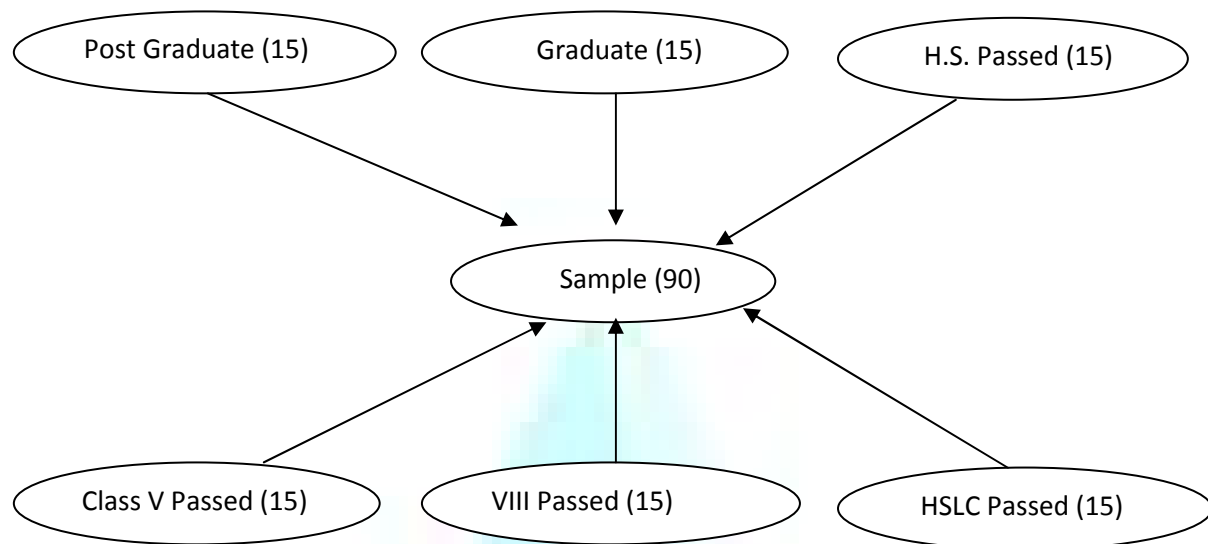
7. PROFILE OF THE RESPONDENTS

Apart from the questions asked to test the financial knowledge of the respondents, demographic data has also been collected which is depicted in the Table 1. From the table it is observed that 30% of the respondents are female and 70 % percent are male. In respect of annual income, around 24 % are in the income slab of Rs 40,000 to Rs 1,00,000, 19 % are having income slab of Rs.1,00,000-3,00,000, 29 % are in the income slab of Rs 3,00,000-6,00,000 and 28 % are in the income slab of Rs 6 lacs and above annually. With respect to age, around 20 % of total respondents fall in the age group of 20 to 39 years, 46 % of the respondents are in the age group of 40 to 49 years and around 34 % of the respondents are in the age group of 50 to 59 years. In terms of profession, around 43 % of respondents doing business, 13% engaged in services, 8% of respondents are labour, 22% are engaged themselves in the agriculture and farming activities and 13% of the respondents are servant.

TABLE 1: RESPONDENT'S PROFILE

Characteristics	Number	Percentage
Gender		
Male	63	70
Female	27	30
Annual Income		
40,000- 1,00,000	22	24
1,00,000-3,00,000	17	19
3,00,000-6,00,000	26	29
6,00,000 & onwards	25	28
Age		
20-39	18	20
40-49	41	46
50-59	31	34
Profession		
Business	39	43
Service	12	13
Labour	7	8
Farmer	20	22
Servant	12	13

Source: Field Survey

8. ANALYSIS AND RESULTS

8.1 FINANCIAL LITERACY LEVEL

The study asked basic as well as advanced questions about the financial instruments to the respondents to know their financial literacy level. The table exhibits the respondent awareness level in form of percentage.

TABLE 2: RESPONDENTS AWARENESS RELATING TO FINANCIAL INSTRUMENTS

Question Subject	Respond (In %)	Question Subject	Respond (In %)
Savings Account	98	National Savings Certificate	78
Difference between Saving Account and Current Account	54	Tax Benefit in NSC	74
Life Insurance Policies	83	Nomination in NSC	45
Nomination and Assignment	53	Maturity period of NSC	34
Income Tax Benefit in Fixed Deposit	68	Heard about Mutual Funds	58
Minimum Period for Investing in Fixed Deposit	52	Invested in Mutual Funds	26
Nomination in Savings Account & Bank Fixed Deposit	46	Tax Benefit in Mutual Fund	24
Post Office Savings	80	Heard about SENSEX/National Stock Exchange	61
Heard about Public Provident Fund	43	Use information available on SENSEX/NSE	24
Minimum Amount to be deposited in PPF	36	Invested in shares	23

The study shows respondents have different levels of financial literacy for different financial instruments as shown in the table above. Almost all the respondents are aware about saving bank account and its operations. But only 54% of the respondents are aware about the difference between saving and current account. The respondents are more aware about the instruments like life insurance policies, post office for saving, national saving certificate. On the

other hand it has been seen that the respondents are little aware about advanced financial instrument like Mutual Fund, Capital Market, Stock Exchange and Share etc.

8.2 ECONOMETRIC ANALYSIS

In this section, the interrelationship between the variables of age, income, education and financial literacy is examined by applying correlation matrix analysis and through multiple regression technique the influencing factor of financial literacy has been measured.

8.2.1 Correlation Matrix

The correlation matrix table shows that the there are interrelationship between financial literacy and age (r=.631; p=.028), financial literacy and income (r=.702; p=.003), financial literacy and education (r=.988; p=.000), financial literacy and profession (r=.613; p=.004). The value of p shows the relationships are statistically significant at either 5% level or 1%level. Therefore, the relationships are statistically significant and the null hypotheses of the study regarding the relationship are rejected. But no statistically significant relationship has been found in between the financial literacy and gender of the people (r=-.034; p=.491).

CORRELATION MATRIX

	Gender	Age	Income	Education	Profession	Literacy
Gender	1.00					
Age	-.684** (.004)	1.00				
Income	-.516** (.000)	.698** (.003)	1.00			
Education	-.007 (.456)	.239* (.034)	.691** (.000)	1.00		
Profession	-.518** (..000)	.480** (.000)	.840** (.000)	.580** (.000)	1.00	
Literacy	-.034 (.491)	.631* (.028)	.702** (.003)	.988** (.000)	.613** (.004)	1.00

** Indicates 1% level of significance and * Implies 5% level of significance: The figures within the brackets are values of p

8.2.2 Multiple Regression Analysis

To examine the impact of selected variables (Age, Income, Education, Profession) on financial literacy; the multiple regression technique has been applied. The financial literacy level being considered as dependent variable and other variables fitted in the regression equation as independent variable.

$Y = a + bx_1 + bx_2 + bx_3 + bx_4 + bx_5 + c$

Y= Literacy Level, x_1 = Gender x_2 = Age x_3 = Income x_4 = Education, bx_5 = Profession,

a= constant, b= regression coefficient and c= standard error

The regression table exhibits that financial literacy is influenced by age and education (β=.060; β=.953) and statistically significant at 5% level of significance.

It implies that with the increase of age the person develops knowledge on financial instrument through informal education. Similarly, educated people are more acquainted with the financial instruments.

Regression Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.366	1.033		.354	.724
	GENDER	-.319	.295	-.027	-1.080	.283
	AGE	3.50E-02	.017	.060	2.065	.042
	INCOME	6.660E-07	.000	.029	.625	.533
	EDUCATIO	2.990	.084	.953	35.701	.000
	PROFESSI	.173	.112	.050	1.541	.127

a. Dependent Variable: LITERACY

Anova Analysis

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2530.297	5	506.059	821.298	.000[a]
	Residual	51.758	84	.616		
	Total	2582.056	89			

a. Predictors: (Constant), PROFESSI, AGE, EDUCATIO, GENDER, INCOME

b. Dependent Variable: LITERACY

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Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.990ᵃ	.980	.979	.78

a. Predictors: (Constant), PROFESSI, AGE, EDUCATIO, GENDER, INCOME

9. FINDINGS AND SUGGESTIONS

- The study reveals that maximum respondents have knowledge on bank savings accounts
- A large section of respondents have knowledge about basic financial instruments like life insurance policies, public provident fund and national saving certificate.
- The study observes that some of the respondents are aware about the advance financial instruments like existence of capital market, mutual fund.
- Therefore, it can be recommend that financial literacy or knowledge on finance depends on the age, income, and education of the people. The person belongs to lower income group or having lower level of education restrict them from using financial transaction.
- To improve the current low levels of financial literacy, the government should introduce devise and encourage programs that simplify financial decision-making as well as provide sources of reliable financial advice.
- Introduce subject based on finance in the secondary level of education rather than confining only in commerce based higher level of education.
- Develop global guidelines and standards for financial literacy initiatives and consumer protection frameworks in financial markets and help out stakeholders in implementing those rules and standards.

10. CONCLUSION

From the above analyses, it can be concluded that overall financial literacy level among all the respondents is not encouraging. This shows that in our country people are still not much aware about their finance related issues. The results suggest that level of financial literacy varies significantly among respondents based on various demographic and socio-economic factors. It can be concluded that financial literacy level gets affected by education, income, age, and nature of employment and place of work. Overall it can be concluded that financial literacy level is low in our country and necessary measures should be taken by government to increase awareness about financial related matters.

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STUDYING THE RELATIONSHIP BETWEEN CORPORATE GOVERNANCE AND FINANCING THROUGH THE TWO PERSPECTIVES OF BALANCE SHEET AND CASH FLOW STATEMENT IN FIRMS ACCEPTED IN STOCK EXCHANGE TEHRAN (IRAN)

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ABSTRACT

In the present research the relationship between corporate governance and financing in firms accepted in Tehran Stock Exchange (Iran) has been investigated regarding two perspectives as follows: balance sheet perspective and cash flow statement perspective. The statistical population of the present research included all companies which financed in Tehran Stock Exchange during the time period between 2006 and 2011, regarding the two perspectives mentioned. Corporate governance was the independent variable of the research. To measure corporate governance we have used 4 elements as follows: 1. Board of directors [size of board of directors, independence of board of directors (managers not in charge)], 2. Investors (the ownership percentage of institutional stockholders, the percentage of external stockholders was higher than %5), 3. Auditing (auditing was carried out either by audit organization or other auditing entities), and 4. Board of administrative directors (the isolation of managing director from board of directors and the number of years of experience to manage a company were considered). The dependent variable was financing through long-term loans and internal financing and to calculate it we have utilized the two perspectives of balance sheet and cash flow statement (Kordestani & Najafi-e-Omrani, 2010). Those companies were chosen that have had financed through accumulated earnings, long-term loans or stocks. The statistical sample contained 93 firms accepted in Tehran Stock Exchange. Finally and by using a multiple variable regression the research hypotheses were tested by using Eviews7 software. The research results showed that some elements of corporate governance have a meaningful relationship with financing.

KEYWORDS
corporate governance, financing.

INTRODUCTION

Undoubtedly decisions about financing are considered to be among the most important decisions made by managers of economic units in order to maximize the wealth of stockholders. This type of decision making is related to capital structure and also the identification and selection of the best financing method and its composition. Thus, a financial manager can affect stockholders' wealth through creating changes in some items such as earnings per each share, dividends policy, timing procedure, profitability risk, and financing method selection. In recent decades firms' financing issues have gain a certain position in financial management field. Several artificial methods such as the absorption of surplus cashes of the individuals in the society have been proposed. However, in Iran financing is generally done through banks, stock issuance, accumulated earnings, and savings (except legal ones). On the whole, manages have a main role in financing method selection and the optimized capital composition. Thus, a supervising mechanism, such as corporate governance, can affect optimized financing method election and following that it can affect the decisions made by managers. Researches have shown that the promotion of leadership in corporations in newly emerged markets is important to make sure of the appropriate performance of the companies and financial markets and to increase the trusts of local and foreign investors. Additionally, the promotion of corporate leadership will result in increasing long-term investments and economic growth and the lack of an appropriate corporate leadership will result in damaging the rights of stockholders (especially minor stockholders), probable abuses, capital invested in foreign countries and ... . In limited perspectives, corporate leadership is limited to the relationship between the company and stockholders. This is a traditional pattern which is expressed in the form of agency theory. In the other end of the continuum, corporate leadership can be considered as a network of the relationships which exist not only between the company and its owners (stockholders) but also between the company and a lot of the beneficiaries such as staff, salespersons, holders of bonds and ... . Such an outlook is seen as the beneficiaries' theory (Botshekan & Kharrazi, 2009, 3). Corporate governance acts as a legal structure and a set of direction and control mechanisms of the company and the observation of these rules will result in transparency of goals in working procedure, responsiveness against the beneficiaries and observing their rights.

RESEARCHES CARRIED OUT IN IRAN

Ahmadpour & et al (2010) studied about the effect of corporate governance and auditing quality on financing cost through debt. The findings, using the data of 119 companies from among those which have been accepted in Tehran Stock Exchange between the years 2003 and 2008 and regression analysis of the pooled data by using Eviews software, showed that the existence of main institutional stockholders among the stockholders and their efficient supervisions will result in a reduction in debt cost of the companies in the sample. Meanwhile, auditing quality did not have such an effect.

Nasrollahi & et al (2011) carried out a research about the relationship between corporate governance and information asymmetry in Tehran Stock Exchange. In this research they used Eviews software and tableau data method and GLS method to investigate about the relationship between changes in liquidity in the market and the variables of corporate governance. The results of testing the hypotheses showed that there is a meaningful negative relationship between the percentage of independent managers in board of directors and the percentage of institutional investors and information asymmetry. Also there is a meaningful positive relationship between debt ratio and information asymmetry but there is not a meaningful relationship between size of board of directors and information asymmetry.

Talebnia & Rahimian (2011) investigated about 98 companies accepted in Tehran Stock Exchange during the time period between 2004 and 2008 to test the hypotheses in a research paper entitled: "Studying the relationship between corporate governance strategies and the amount of wealth created for the

stockholders". The statistical analyses were carried out by using Eviews software and the results showed that there is not any meaningful relationship between any of corporate governance strategies and the wealth amount created for the stockholders.

Kordestani & Pirdavari (2012) posed two hypotheses regarding the effects of different external financing on future return of the stocks as 'incorrect pricing for bonds' and 'over-investment' in a research entitled: "Studying the effect of financing methods on future stock return". Based on these hypotheses, different external financing methods have a negative effect on future stock return. The data of this research included 65 firms accepted in Tehran Stock Exchange during the time period between 2006 and 2008. The tests were carried out using pooled data method and temporarily. The findings showed that there is a meaningful relationship between net changes in overall financing and net changes in external financing and unusual return of stock accumulation. But on the contrary to our predictions this relationship was positive. Besides that, the relationship between the ratios of internal financing and external financing in companies with greater growth, has been stronger than the companies with a lower level of growth. Also based on the temporary data the relationship between net changes in internal financing and changes in net operating assets financed through internal resources and unusual return of stock accumulation was positive and meaningful.

FOREIGN RESEARCHES

Park & Sun (2009) showed in their research about corporate governance and financing through stocks in bourse firms during the years between 2000 and 2006 that firms having good corporate governance ranks compared to those with lower ranks (companies having weaker corporate governance) are more opt to finance through stock issuance. They reported that the relationship between the members of board of directors and financing through stocks is negative but there is a positive relationship between institutional governance and stock issuance. They also found positive results considering whether those companies which issue stocks have good corporate governance or not?

Coriniady & Rad (2010) studied corporate governance, financing patterns and debt cost in firms in New Zealand during the years between 2004 and 2008. In this study they used Fama & French's (1999) method and firms' financing method to calculate corporate governance index. They showed that firms having weak corporate governance have more debts compared to firms with a strong corporate governance mechanism. After controlling this effect between the companies they saw that firms with different levels of corporate governance quality use different corporate governance mechanisms regarding financing methods.

Mande & et al (2012) investigated about two hypotheses of: 1- firms with higher corporate governance tend to issue stocks for financing, 2- the relationship between corporate governance and tendency to issue stocks is more in firms having information asymmetry, in a research paper entitled: "Is corporate governance important in financing through stocks or debt?", which has been carried out about the companies accepted in American Stock Exchange during the years between 1998 and 2006. They restudied the issue regarding three criteria of corporate governance, G index, and E index. The results of studying 2000 companies in the United States showed that corporate governance has had a positive effect in choosing the companies for financing through stocks. This relationship was also approved in small companies where there was a greater information asymmetry between stockholders and managers. These results showed that on the contrary to hierarchical theory, appropriate and good corporate governance in companies can affect financing through stocks compared to debt. Unlike this theory financing through debt on the stocks is rejected. Also they suggested as an applied result that those companies which are seeking for a good market for their stocks should exploit from an appropriate corporate governance to use the advantage and inexpensive safety and accessibility of this market.

RESEARCH METHODOLOGY

The present research is post-incidental which studies the hypotheses based on the previous financial data of the companies. It is applied regarding the goal and the results could be utilized directly to choose financing and investing resources. Also it is descriptive regarding the nature. The data in this research include data gathered from financial reports of firms accepted in Tehran Stock Exchange which were extracted from databases, calculated and research models were determined based on them to prepare a basis to test the hypotheses. The raw data needed about the firms to study about the research hypotheses were collected through Rahavard-e-Novin software and also in most cases through the official website of Tehran Stock Exchange and after comparison and removing the frequent disharmonies and being transferred into Excel broadsheet they were transferred into Eviews7 software to do the final analyses.

The statistical population for the present research includes all companies accepted in Tehran Stock Exchange during the time period between 2006 and 2011. Of course, we have considered the followings limitations in gathering data and determining the research sample from among the population above:

1.   The companies should have been accepted in Stock Exchange up to the start of the year 2006.
2.   The data needed and the audited financial statements of the companies for the years between 2006 and 2011 should be completely presented and accessible.
3.   The sample companies should not be from among banks and credit and finance entities (investing companies, leasing companies, financial intermediaries).
4.   During the study period the companies should not have changed their fiscal year.
5.   The end of fiscal year should be the end of solar calendar year (21st. March).

Regarding the limitations considered above, the number of the sample selected was 93 companies.

RESEARCH HYPOTHESES

First Hypothesis: There is a meaningful relationship between corporate governance and internal financing (balance sheet perspective).

Second Hypothesis: There is a meaningful relationship between corporate governance and internal financing (cash flow statement perspective).

Third Hypothesis: There is a meaningful relationship between corporate governance and financing through long-term debts (balance sheet perspective).

Fourth Hypothesis: There is a meaningful relationship between corporate governance and financing through long-term debts (cash flow statement perspective).

INDEPENDENT VARIABLE

Independent variable in the present research was corporate governance which was measured by 4 elements as follows: 1. Board of directors [size of board of directors, independence of board of directors (managers not in charge)], 2. Investors (the ownership percentage of institutional stockholders, the percentage of external stockholders was higher than %5), 3. Auditing (auditing was carried out either by audit organization or other auditing entities), and 4. Board of administrative directors (the isolation of managing director from board of directors and the number of years of experience to manage a company were considered) and each of them were calculated as follows:

1.1- Size of board of directors: if the size of board of directors is less than the average of sample companies we measure it as code 1, or else we scale it as code 0.

1.2- Independence of board of directors (not in charge managers): if %60 of the managers is not in charge we assign code 1, and if not code 0 will be assigned.

2.1- The percentage of institutional stockholders: if institutional ownership of the company is more than the average percentage of the companies in the sample we assign code 1, and if not code 0 will be assigned.

2.2- The percentage of external stockholders higher than %5: if the external stockholders in the company is higher than %5 (except for the board of directors), code 1 and if not code 0 will be presented as the scales.

3- Great auditing: if the auditing task is carried out by auditing organization we assign code 1, and if not code 0 will be assigned.

4.1- Isolation of managing director: if the managing director is not included in board of directors we assign code 1, and if not code 0 will be assigned.

4.2- Tenure of managing director: if the tenure of managing director is less than the tenure of the managing director in average sample companies we assign code 1, and if not code 0 will be assigned.

Finally regarding the elements mentioned (corporate governance) the total sum of codes was utilized as a criterion to rank the companies. Companies ranking 7 are considered as companies with high corporate governance, and companies ranking 1 were categorized as companies with low corporate governance.

DEPENDENT VARIABLE

The dependent variables in the present research were: financing through long-term loans and internal financing which have been calculated and shown in table (1) regarding the two perspectives f balance sheet and cash flow statement.

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TABLE (1): INFORMATION RELATED TO THE DEPENDENT RESEARCH VARIABLES AND THE RELATED CALCULATIONS

No.	Variable title	Measurement method
1	Net changes in internal financing (ΔIFin)	**Balance sheet perspective:** the difference between accumulated earnings and the end of the previous period before adjustments **Cash flow statement perspective:** cash resulting from operations + cash resulted from sales
2	Net changes in debts created for financing (ΔDebt)	**Balance sheet perspective:** the net changes in total debts after the reduction of net changes in savings of pensions of staffs at the time of retirement and the proposed stock profit and the paid profit **Cash flow statement perspective:** net cash increase resulted from debts of financing activities – income tax paid

CONTROL VARIABLE

The control variables in the present research were as follows: sales changes logarithm ($LOGSALE_{it}$), the ratio of debts to assets (BA_{it}), firm size (assets' logarithm), the ratio of fixed assets to total assets ($TFAR_{it}$), the ratio of net earnings to assets ($EBITR_{it}$), and the ratio of market value of the stock to the nominal stock value (BMV_{it}).

RESEARCH FINDINGS

In this part and in order to enter data analysis, the descriptive statistics of the data including: central indexes, dispersion indexes, and deviation from symmetry and also Jarque-Bera test which approves the normal distribution of the leftovers, were calculated and the results were presented in table (2).

TABLE (2): THE DESCRIPTIVE STATISTICS OF RESEARCH VARIABLES

RESEARCH VARIABLES																		
BA	LOGSALE	EBITR	BMV	TFAR	LOGASSET	GOV	FBAU	BDS	MOFU	YTV	OWN	UBR	SUMNUM	DEBTSJ	DEBTT	IFINSJ	IFINT	Symbol in the model
5.7	2.1	0.94	2.54	0.35	5.73	4.11	0.19	0.88	0.07	0.7	67.	0.6	5.035	86473.	0.247	3.696	1.70	Average
0.2	4.4	0.07	1.51	0.33	5.65	4.00	0.00	1.00	0.00	1.00	75.	0.6	5.00	4.80	3.26	4.630	4.0	Mean
598.4	8.02	91.87	86.9	0.85	8.0	7.00	1.00	1.00	1.0	1.0	99.0	4.	7.0	3349	7.03	7.33	7.04	Maximum
-3.7	-7.15	-2.79	-10	0.03	4.26	1.0	0.00	0.00	0.00	0.00	0.00	0.2	5.0	-1251.	-6.496	-6.51	-6.6	Minimum
44.9	4.22	7.08	7.53	0.18	0.59	0.99	0.4	0.31	0.26	0.42	27.7	0.2	0.244	1432	4.713	3.02	4.12	Criterion deviation
10.7	-0.88	10.1	-1.6	0.52	1.30	-0.3	1.5	-2.4	3.1	-1.2	-1.1	7.3	7.17	22.89	-0.043	-2.19	-0.7	Skewdness
125.8	2.01	111.5	108.	2.64	5.57	3.10	3.25	6.81	11.0	2.52	3.42	11.	54.8	534.0	1.105	6.44	1.7	Pulling
310	671	65	36	94	282	25	28	31	12.	210.	876.	241	146.4	131.1	3106	671	65	Jarque-Bera statistics
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.0	Statistics probability
558																		Observations

Since normality of data distribution is one of the presuppositions of the regression model, the normality of the distribution of the research variables was investigated and Jarque-Bera's test was utilized to do so. According to the calculations estimated by Eviews7 software and presented in table (1), all probabilities are equal to 0. Thus, the null hypothesis was rejected and it was found that the distribution of variables' data was not normal. But regarding the central tendency and the high frequency of the observations (sample number) we can ignore normality presupposition.

One of the main problems arising in time series regressions is artificial regression phenomenon. Artificial regression refers to the state in which on the contrary to the existence of an adjusted identification coefficient (R^2), there is not a meaningful relationship between the variables. To be ensured about the research results and lack of artificial relationships in the regression and meaningfulness of the variables we carry out survival test and calculate the square root of the research variables in EGLS model. The results of Hudri's hypotheses (table 3) show the survival of variables. Thus, the null hypothesis claiming that the variables have square roots is rejected.

H_0: there is a root for the unit

H_1: there is not a root for the unit

TABLE (3): SURVIVAL TEST OF VARIABLES

Hypotheses	Meaningfulness	Statistics
1	0.0000	11.4963
2	0.0000	10.3754
3	0.0000	10.4020
4	0.0000	101704

HYPOTHESES ANALYSES

In this research we have used static pooled data method to test the hypotheses. In this method first we use a test called Chow's test which is also called structural changes test to choose from among the two models of pooled and fixed effects. Chow's test is an equilibrium test between a set of coefficients in a linear regression. After carrying out Chow's test if the administration of pooled model is approved, our task will be terminated in this stage. But if fixed effects model is approved we should test it against random effects model to identify the optimal model from among these two models and this will be done by using Hausman's test. An alternative method to estimate fixed effects model is the estimation by random effects model. Below we will deal with the tests carried out and the tables of the results of the administration of the model will be presented by using Eviews software version 7.01.

CHOW'S TEST OR THE TEST OF STRUCTURAL CHANGES RELATED WITH THE HYPOTHESES

To test the research hypotheses first we estimate fixed effects model of the time and then we will use structural changes test to study the meaningfulness differences.

As it can be seen regarding the meaningfulness level achieved, the pooled data model is selected as the preferred one for the hypotheses except hypothesis 1. Regarding hypothesis 1 and due to the meaningfulness of first hypothesis, fixed effects model was selected and it should be investigated by random effects model through Hausman's test. Next, Hausman's test related to the first research hypothesis will be carried out in the state a. To do this test first we should estimate random effects time model. Hausman's test to study the existence of random effects will be arranged as follows:

TABLE (4): HAUSMAN'S TEST

Meaningfulness	Freedom degree	Statistics	Test effect	Hypotheses
0.3776	14	15.008736	random	testing the model in first hypothesis

The statistical method used in the present research is the regression method using pooled data. To estimate the regression models with panel data we use estimated generalized least squares method (EGLS). The hypotheses were tested through the results of economy measurements and multi-variable regression. To determine the regression model meaningfulness we have utilized Fisher's statistics. To study the meaningfulness of the independent variables' coefficients in each model we have used t student statistics in %95 level. Also Durbin-Watson's test was used to study whether there is the problem of self-correlation between the leftover sentences or not. If there occurs ant rejection of the classic presuppositions of the linear regression model such as variance divergence or self-correlation between interfering elements of the model, we will use first order self-regression pattern AR(1) to modify and adjust the model finally.

FIRST HYPOTHESIS MODEL

$IFINT_{it} = \alpha_0 + \beta_1 Sumnum_{it} + \beta_2 UBR_{it} + \beta_3 OWN_{it} + \beta_4 YTV_{it} + \beta_5 MOFU + \beta_6 BDS_{it} + \beta_7 FBAU_{it} + \beta_8 GOV_{it} + \beta_9 LOGASSET_{it} + \beta_{10} TFAR_{it} + \beta_{11} BMV_{it} + \beta_{12} EBITR_{it} + \beta_{13} LOGSALE_{it} + \beta_{14} BA_{it} + \varepsilon_{it}$

TABLE (5): RESULTS OF TESTING THE FIRST HYPOTHESIS USING EGLS METHOD

Variables	Coefficient	Criterion deviation	t statistics	Meaningfulness
C	-13.81898	4.348804	-3.177650	0.0016
SUMNUM	2.425673	0.797102	3.043115	0.0025
UBR	-0.183679	0.830703	-0.221113	0.8251
OWN	0.001864	0.006326	0.294647	0.7684
YTV	-0.629074	0.509511	-1.234660	0.2175
MOFU	-0.863054	0.718327	-1.201479	0.2301
BDS	-0.135315	0.648830	-0.208552	0.8349
FBAU	-0.967496	0.492073	-1.966163	0.0498
GOV	0.529594	0.295501	1.792189	0.0737
LOGASSET	0.208580	0.291510	0.715516	0.4746
TFAR	0.646537	0.941914	0.686407	0.4927
BMV	0.000225	0.021662	0.010382	0.9917
EBITR	0.121042	0.051779	2.337674	0.0198
LOGSALE	0.264975	0.040000	6.624293	0.0000
BA	-0.022309	0.007908	-2.821281	0.0050
Durbin-Watson statistics	2.104389			
Adjusted identification coefficient	0.094324			
F statistics	5.136154			
F statistics probability	0.000000			

As it can be seen in the table (4-6) above, the F statistics' index of model adjustment in error level of lack of assurance is %5 bigger. Thus, we can claim that the model above is not meaningful. And the amount of Durbin-Watson statistics equals 2.1 and it shows that this statistic is suitable and it shows the removal of self-correlation problem between the interfering elements of the primary model. The amount of the adjusted identification coefficient of the model shows that the estimated variables of the model have %9.4 capability to describe the changes in the dependent variable. In table (4-7) above, the results of analyzing the independent variables present in test model of the first hypothesis have been represented.

TABLE (6): RESULTS RELATED TO THE INDEPENDENT VARIABLES IN FIRST HYPOTHESIS

Independent variable	Meaningfulness	Effect type
SUMNUM	meaningful	direct
UBR	meaningless	-
OWN	meaningless	-
YTV	meaningless	-
MOFU	meaningless	-
BDS	meaningless	-
FBAU	meaningless	reverse
GOV	meaningless	-

Second hypothesis model

$IFINSJ_{it} = \alpha_0 + \beta_1 Sumnum_{it} + \beta_2 UBR_{it} + \beta_3 OWN_{it} + \beta_4 YTV_{it} + \beta_5 MOFU_{it} + \beta_6 BDS_{it} + \beta_7 FBAU_{it} + \beta_8 GOV_{it} + \beta_9 LOGASSET_{it} + \beta_{10} TFAR_{it} + \beta_{11} BMV_{it} + \beta_{12} EBITR_{it} + \beta_{13} LOGSALE_{it} + \beta_{14} BA_{it} + \varepsilon_{it}$

TABLE (7): RESULTS OF TESTING THE SECOND HYPOTHESIS USING EGLS METHOD

Variables	Coefficient	Criterion deviation	t statistics	Meaningfulness
C	5.656302	1.621617	3.488062	0.0005
SUMNUM	-0.866092	0.314788	-2.751348	0.0062
UBR	-0.080511	0.342788	-0.234870	0.8144
OWN	0.002364	0.001561	1.514816	0.1305
YTV	-0.406324	0.144678	-2.808473	0.0052
MOFU	-0.628854	0.205676	-3.057503	0.0024
BDS	0.145389	0.162454	0.894955	0.3713
FBAU	-0.093370	0.138844	-0.672482	0.5016
GOV	0.181849	0.081500	2.231262	0.0262
LOGASSET	0.286179	0.082220	3.480644	0.0005
TFAR	-0.050064	0.264629	-0.189185	0.8500
BMV	0.016489	0.005191	3.176658	0.0016
EBITR	-0.035872	0.041015	-0.874621	0.3822
LOGSALE	0.062070	0.012071	5.141908	0.0000
BA	0.005014	0.005030	0.996871	0.3194
Durbin-Watson statistics		2.423959		
Adjusted identification coefficient		0.201378		
F statistics		2.322635		
F statistics probability		0.000000		

As it can be seen in the table (4-8) above, the F statistics' index of model adjustment in alpha error level of %5 is bigger. Thus, we can claim that the model above is meaningful. And the amount of Durbin-Watson statistics equals 2.42 and it shows that this statistic is suitable and it shows the removal of self-correlation problem between the interfering elements of the primary model. The amount of the adjusted identification coefficient of the model shows that the estimated variables of the model have %20 capability to describe the changes in the dependent variable. In table (4-9) above, the results of analyzing the independent variables present in test model of the second hypothesis have been represented.

TABLE (8): RESULTS RELATED TO THE INDEPENDENT VARIABLES IN SECOND HYPOTHESIS

Independent variable	Meaningfulness	Effect type
SUMNUM	meaningful	reverse
UBR	meaningless	-
OWN	meaningless	-
YTV	meaningful	reverse
MOFU	meaningful	reverse
BDS	meaningless	-
FBAU	meaningless	-
GOV	meaningful	direct

Third hypothesis model:

$DEBTT_{it} = \alpha_0 + \beta_1 Sumnum_{it} + \beta_2 UBR_{it} + \beta_3 OWN_{it} + \beta_4 YTV_{it} + \beta_5 MOFU_{it} + \beta_6 BDS_{it} + \beta_7 FBAU_{it} + \beta_8 GOV_{it} + \beta_9 LOGASSET_{it} + \beta_{10} TFAR_{it} + \beta_{11} BMV_{it} + \beta_{12} EBITR_{it} + \beta_{13} LOGSALE_{it} + \beta_{14} BA_{it} + \varepsilon_{it}$

TABLE (9): RESULTS OF TESTING THE THIRD HYPOTHESIS USING EGLS METHOD

Variables	Coefficient	Criterion deviation	t statistics	Meaningfulness
C	-3.713749	5.215686	-0.712035	0.4768
SUMNUM	-0.204551	1.000161	-0.204518	0.8380
UBR	0.880368	0.891076	0.987983	0.3237
OWN	-0.000193	0.005342	-0.036205	0.9711
YTV	0.136460	0.432912	0.315214	0.7527
MOFU	-0.174674	0.716369	-0.243832	0.8075
BDS	-0.790323	0.533086	-1.482544	0.1389
FBAU	0.939246	0.370572	2.534584	0.0116
GOV	-0.243010	0.238701	-1.018051	0.3092
LOGASSET	0.932499	0.314674	2.963378	0.0032
TFAR	0.723220	0.740556	0.976591	0.3293
BMV	0.015431	0.021223	0.727104	0.4675
EBITR	0.090494	0.063010	1.436184	0.1516
LOGSALE	0.056329	0.035917	1.568312	0.1175
BA	0.004801	0.009189	0.522529	0.6016
Durbin-Watson statistics	2.471030			
Adjusted identification coefficient	0.698277			
F statistics	13.11729			
F statistics probability	0.000000			

As it can be seen in the table (4-10) above, the F statistics' index of model adjustment in alpha error level of %5 is bigger. Thus, we can claim that the model above is meaningful. And the amount of Durbin-Watson statistics equals 2.47 and it shows that this statistic is suitable and it shows the removal of self-correlation problem between the interfering elements of the primary model. The amount of the adjusted identification coefficient of the model shows that the estimated variables of the model have %69 capability to describe the changes in the dependent variable. In table (4-11) above, the results of analyzing the independent variables present in test model of the second hypothesis have been represented.

TABLE (10): RESULTS RELATED TO THE INDEPENDENT VARIABLES IN THIRD HYPOTHESIS

Independent variable	Meaningfulness	Effect type
SUMNUM	meaningless	-
UBR	meaningless	-
OWN	meaningless	-
YTV	meaningless	-
MOFU	meaningless	-
BDS	meaningless	-
FBAU	meaningful	direct
GOV	meaningless	-

Fourth hypothesis model:

$DEBTSJ_{it} = \alpha_0 + \beta_1 Sumnum_{it} + \beta_2 UBR_{it} + \beta_3 OWN_{it} + \beta_4 YTV_{it} + \beta_5 MOFU_{it} + \beta_6 BDS_{it} + \beta_7 FBAU_{it} + \beta_8 GOV_{it} + \beta_9 LOGASSET_{it} + \beta_{10} TFAR_{it} + \beta_{11} BMV_{it} + \beta_{12} EBITR_{it} + \beta_{13} LOGSALE_{it} + \beta_{14} BA_{it} + \varepsilon_{it}$

TABLE (11): RESULTS OF TESTING THE FOURTH HYPOTHESIS USING EGLS METHOD

Variables	Coefficient	Criterion deviation	t statistics	Meaningfulness
C	572078.6	133686.4	4.279257	0.0000
SUMNUM	-109631.9	25400.86	-4.316070	0.0000
UBR	22527.25	25606.07	0.879762	0.3795
OWN	-88.79685	152.1786	-0.583504	0.5598
YTV	-11921.10	13636.23	-0.874222	0.3825
MOFU	-7180.825	15688.45	-0.457714	0.6474
BDS	-9367.629	15665.73	-0.597970	0.5502
FBAU	3046.114	11226.60	0.271330	0.7863
GOV	2557.993	6838.951	0.374033	0.7086
LOGASSET	10449.25	8942.393	1.168507	0.2432
TFAR	9139.655	22345.66	0.409013	0.6827
BMV	-279.8946	656.4428	-0.426381	0.6700
EBITR	-7633.475	1894.720	-4.028814	0.0001
LOGSALE	-1063.490	928.8084	-1.145004	0.2528
BA	2113.830	246.8170	8.564363	0.0000
Durbin-Watson statistics	2.343209			
Adjusted identification coefficient	0.299984			
F statistics	3.247803			
F statistics probability	0.000000			

As it can be seen in the table (4-12) above, the F statistics' index of model adjustment in alpha error level of %5 is bigger. Thus, we can claim that the model above is meaningful. And the amount of Durbin-Watson statistics equals 2.34 and it shows that this statistic is suitable and it shows the removal of self-correlation problem between the interfering elements of the primary model. The amount of the adjusted identification coefficient of the model shows that the estimated variables of the model have %29 capability to describe the changes in the dependent variable. In table (4-13) above, the results of analyzing the independent variables present in test model of the second hypothesis have been represented.

TABLE (12): RESULTS RELATED TO THE INDEPENDENT VARIABLES IN THIRD HYPOTHESIS

Independent variable	Meaningfulness	Effect type
SUMNUM	meaningful	reverse
UBR	meaningless	-
OWN	meaningless	-
YTV	meaningless	-
MOFU	meaningless	-
BDS	meaningless	-
FBAU	meaningless	-
GOV	meaningless	-

RESEARCH LIMITATIONS

Lack of a complete access to the financial statements through different ways was one of the limitations in the present research although the information should be completely represented for the users. The biggest limitation was related to the collection of corporate governance information (4 elements) where commonly constitutional information was needed but there was not a suitable structure to present corporate governance information in notes along with financial statements of the companies enlisted in bourse and the companies do not present information precisely.

SOME SUGGESTIONS BASED ON THE PRESENT RESEARCH

The evidences resulted show that some elements of corporate governance are effective, regarding the type of financing. Thus, it can be suggested that firms should consider an element or some elements of corporate governance regarding the type and method of financing which has the most effect on the method mentioned or on financing (the number of members of board of directors and great auditing through internal and external financing perspectives through debt have always had a meaningful relationship). Now, it is suggested that firms should use a smaller number of the members of board of directors, carrying out auditing services by auditing organization and using not in charge board of directors in board of directors to be able to improve corporate governance.

SUGGESTIONS FOR FUTURE RESEARCHS

1- Using other corporate governance indexes such as E and G indexes.
2- Doing similar researches in different time ranges and studying industries in isolation can describe the relationships mentioned in this research better.

RESEARCH RESULTS

The results of the research hypotheses showed that corporate governance elements in internal financing are more effective than financing through long-term loans.

➢ The results of the first hypothesis showed that there is a meaningful relationship between great auditing variables and the number of board of directors' members (2 elements of corporate governance elements) and internal financing (regarding balance sheet perspective).

➢ The results of the second hypothesis showed that there is a meaningful relationship between the variables of managing director tenure years, external investors with higher than %5 and overall index of corporate governance (3 elements of corporate governance elements) and internal financing (regarding cash flow statement perspective).

➢ The results of the third hypothesis showed that there is a meaningful relationship between great auditing variable (an element from among corporate governance elements) and financing through long-term loans (regarding balance sheet perspective).

➢ The results of the fourth hypothesis showed that there is a meaningful relationship between board of directors' variable (an element from among corporate governance elements) and financing through long-term loans (regarding cash flow statement perspective).

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POVERTY: TROUBLESOME THE PROBLEM & OVERCOME
(AN INDIAN CONTEXT)

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ABSTRACT

Poverty is the unsolved question in the economy from last many decade. Every country try to solve this mysterious question. Why every country (mostly developing/poor country) doing lot of much effort to solve this problem. Have you ever thought? It not, then it is necessary that we must have a knowledge about it. Because, it cause bad impact not only on our economy, but also on our community. In other word we can say, it is multi problem creator/orientor.

KEYWORDS
poverty, problem,overcome**.**

INTRODUCTION

The impact of poverty is more on developing country, as compared to developed country. In it, situation of poverty is very troublesome. As per Asian Development Bank, the rate of poverty will rise more in next few year, there will be possible that number of poor people will rise by two crore ten lakh in next few year. Hence corrective step should be taken for escaping such dangerous problem.

Global economical problem will surely make the problem of poverty much more effective. Hence, it become vital that save from economical recession to the country and people from its impact and focus on program of development. Otherwise the target of 'Developed India' will remain as imagination, not true.

WHAT IS POVERTY?

It is the situation, in which one is unable to satisfy his own basic need in absence of sufficient mean.

The assessment of poverty and trend is complicated because of lack of consistent information and absence of officially recognized poverty lines. Partly due to absence of official poverty lines same studies have used their own lines. Thus lower line denote basic need based on specific assumption about eating foods, needs and requirement. Upper line indicate requirement and other need such as clothing, water and health care.

HOW TO IDENTIFY IT?

WHAT ARE THE VARIOUS CAUSES OF POVERTY?

1. It is a result of many & often mutually reinforcing factor including lack of productive resource to generate material wealth.
2. Illiteracy is also responsible for poverty, because in absence of knowledge one can't take away benefit of availed opportunities, facilities
3. Malnutrition is also the hidden reason behind poverty. Because in it, a person become physically disable and he is unable to do any work, then, how could such family overcome from the problem of poverty?
4. Natural calamities such as flood, drought are also the reason of poverty. Because all things which one has get lost in it. Government's budget get disbalanced and there is need to spend maximum amount of affected area.
5. Man-made calamities like war is also responsible. Because it restrain all economical as well as non-economical activities.
6. Feast contract with modern world mean unfamiliar with opportunities to earn.
7. Families which are in burden of lax
8. Underemployment and unemployment both are the cause of poverty.
9. In indirect way, tradition and norms which hinder the effective resource utilisation and participation in income generating activities.
10. Some landless farmer, remains unemployed because of non-availably of land.

11. Growing population is also play important role in rising poverty.
12. Disparities in distribution of income.
13. In indirect way, class-conflict is also responsible
14. Political environment is also somewhat responsible for the problem of poverty.
15. Government's unproductive activity like "MGNREGA" is useless. This statement is not cent-percent correct. But it is partial, correct. Because, As know successful plan is those plan in which both parties are in benefit, But in some plan, government failed because-

+ (Benefit to public as a step toward poverty eradication & for employment)

- (Loss/deficit in government fund, because of unproductive activity implemented by government and useless as per economical view)

Net result=   [Nil]   **Goal of 'Developed India' yet not achieved. [Vice versa situation may be occur]**

Generally, this step is not fruitful, because under MGNREGA task given is not productive in nature, It will productive for those who work under this plan. For making this plan, productive task must be given which are in benefit of both economy and public.

NUMBER OF POOR PEOPLE IN INDIA

The number of poor people in India, according to the country's Eleventh National Development Plan, amounts to more than 300 million. The country has been successful in reducing the proportion of poor people from about 55 per cent in 1973 to about 27 per cent in 2004. But almost one third of the country's population of more than 1.1 billion continues to live below the poverty line, and a large proportion of poor people live in rural areas. Poverty remains a chronic condition for almost 30 per cent of India's rural population. The incidence of rural poverty has declined somewhat over the past three decades as a result of rural to urban migration.Poverty is deepest among members of scheduled castes and tribes in the country's rural areas. In 2005 these groups accounted for 80 per cent of poor rural people, although their share in the total rural population is much smaller.On the map of poverty in India, the poorest areas are in parts of Rajasthan, Madhya Pradesh, Uttar Pradesh, Bihar, Jharkhand, Orissa, Chhattisgarh and West Bengal.Large numbers of India's poorest people live in the country's semi-arid tropical region. In this area shortages of water and recurrent droughts impede the transformation of agriculture that the Green Revolution has achieved elsewhere. There is also a high incidence of poverty in flood-prone areas such as those extending from eastern Uttar Pradesh to the Assam plains, and especially in northern Bihar.Poverty affects tribal people in forest areas, where loss of entitlement to resources has made them even poorer. In coastal fishing communities people's living conditions are deteriorating because of environmental degradation, stock depletion and vulnerability to natural disasters.

REQUIRED: A NEW POVERTY LINE THAT SHOWS 67% OF INDIA IS POOR

The Congress party after claiming that its social policies over the last nine years had helped bring down poverty in the country, now seems to have done a volte face. Data released by the Planning Commission on 22 July, 2013, suggested that poverty in India had declined from 37.2 percent in 2004-05 to 21.9 percent by 2011-12. Several spokespersons of the Congress party led United Progressive Alliance (UPA) were quick to claim credit, and attributed this to several social sector programmes that the party had launched during its tenure. A poverty line separates the poor section of the population from the non-poor section. Those below the poverty line are deemed to be poor and those who are above it are deemed to be not poor. And what exactly is a poverty line? As S Subramanian writes in The Poverty Line "A poverty line is identified in monetary units as the level of income or consumption expenditure required in order to avoid poverty." The consumption expenditure in order to avoid poverty is set at Rs 816 per person per month in the rural areas and Rs 1,000 per person per month in the urban areas. For a family of five people, this amounts to Rs 4,080 per month in rural areas and Rs 5000 per month in urban areas. These numbers were set by the report of the expert group to review methodology for estimation of poverty. The report was released in November 2009 (It is better known as the Tendulkar committee report). The committee arrived at that numbers taking into account the expenditure on food, clothing, footwear, durables, education and health. "Actual private expenditures reported by households near the new poverty lines on these items were found to be adequate at the all-India level in both the rural and the urban areas and for most of the states."

HOW TO OVERCOME FROM IT?

Because of, root of all problem, it is not easy to overcome from it. It needs collective effort o all. To overcome from this problem, harmony & feeling of patriotic must be in everyone. No one alone could solve this problem.

1. Education is the key toward poverty reduction. Education will create awareness among the people. It will make them familiar with opportunities to earn.
2. Government at their own-level, are trying to solve this problem, from last 25 years, But looking toward at current situation, government must substitute their unproductive economy by making a change in task authorized. C++ situation must be occurs, where, ++ refers to

[1] Successful implementation of productive plan and growth in rate of GDP

[2] As a people of country must be get benefit of this plan, +- will never be useful

3. Strengthen the base of infrastructure.
4. Agriculture is the main occupation of India. Hence, concentration on improvement the method of agriculture. Obsolete technology must be replaced by modern technology, solving grievance of farmer. In India, wastage of grains during harvesting is more. For example-

Total production of wheat in Australia   = Total wastage of wheat in India   [Because of obsolete methods]

Hence, corrective step must be taken for avoiding such wastage.

5. 'Rural-Development' is assumed as important step for poverty-reduction.
6. India is rapidly growing in case of population. Hence 'Population-control' is necessary by creating awareness of 'Small Family'
7. Number of people in age-group of 16-40 is more. By transforming this human resource into usable productive resource, by providing new opportunities to earn, motivating them for entrepreneurship.

Transforming the power of youth of nation,

Human resource → Productive resource   = step towards Development

8. Beyond a certain relation, every community must have a feeling towards problem faced by our motherland, likely passion for development. At their own level, they must be collect some amount for development. That collected fund must be utilised for public welfare and for donating in natural calamities affected areas. At our individual level, we can try by this way. It is tough & challenging task. But it is necessary for development of economy.
9. There must be absence of/removed of superstition. End of class-conflict is vital.
10. Political environment must be favourable for growth opportunities.
11. Corruption, Crime, Terrorism must be diminished, which is rival of growth.

It there is an implementation of given some measure of poverty reduction with a collective effort of public and government it will possible that poverty which is enemy of all problem, will be wholly diminish. And a goal of 'Development India' will surely achieve.

INDIA MUST BE-

Free from bias of

[Corruption + Poverty + Terrorism + Overpopulation + Illiteracy + Violence + Crime + Caste relate violence + Religious violence + Inflation + Poor infrastructure]

In some cases, How poverty take another form of terrorism is explained as below-

Budget & Economy gets imbalanced

Dare to kill innocent people, loss of public prosperity

As there is birth of Terrorism

Being habitual of it, try to generate violence

People try to do some illegal activity such as theft, murder, smuggling, black marketing
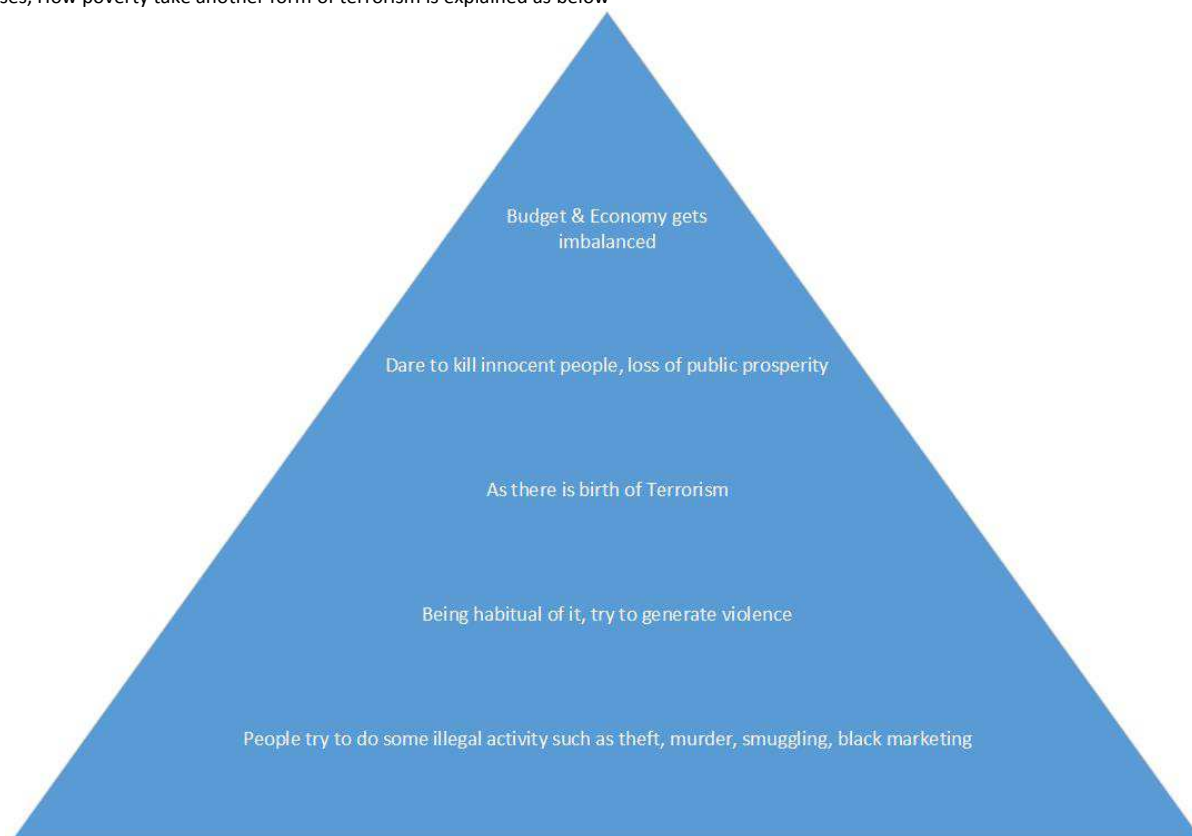
POVERTY IS A ROOT OF ALL PROBLEM AND ENEMY

CONCULSION

The impact of poverty is more on developing country, as compared to developed country. In it, situation of poverty is very troublesome. As per Asian Development Bank, the rate of poverty will rise more in next few year, there will be possible that number of poor people will rise by two crore ten lakh in next few year. Hence corrective step should be taken for escaping such dangerous problem.

Global economical problem will surely make the problem of poverty much more effective. Hence, it become vital that save from economical recession to the country and people from its impact and focus on program of development. Otherwise the target of 'Developed India' will remain as imagination, not true.

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ENFORCEMENT OF LAWS TOWARDS HAZARDOUS CHILD LABOR: A STUDY ON WELDING WORKSHOPS AT SYLHET CITY IN BANGLADESH

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ABSTRACT

Present study aims to explore the inefficiency to enforce the existing laws and rules relating to hazardous child labor. This study focuses on the current situation and condition of child labor in welding workshops in Sylhet city and find out the sustainable reasons behind it. This large number of child labor is deprived of education and other rights. Enforcement of law are very weak in case of employ them and to provide legal issues like safety and security. Therefore amendment of different acts and rules regarding child labor has been suggested for the overall improvement of children. It is also recommended to take measures to increase awareness of the common people to eliminate the worst forms of child labor.

KEYWORDS
Child labor Act, enforcement of laws, hazardous work, welding workshop.

INTRODUCTION

Every child has born with rights. Our future stands on the proper development of each and every child. That's why the different countries of the world and organizations enshrined the rights regarding children for their proper development as instance ILO. But it's a matter of regret that like all other countries Bangladesh faces many worst forms of child labor which are barrier for the children growth and development. Poverty , illiteracy , unconsciousness, huge number of population are main reasons to engage children often in hazardous and low wage jobs such as constructions, welding, brick carrying, waste picking.

In our study signifies the child labor in welding workshop in Sylhet city which is also hazardous for child. In Sylhet there are two types of welding workshop- Grill welding workshop and auto mobile workshop. Each workshop employs 2-6 children. Welding flame known as oxy acetylene flame is chemical toxic which is harmful for all type of men and women especially for children.

Recently emphasize has been given to reduce the proportion of child labor by UNICEF, UNDP, Save the Children of UK, Australia & Sweden and so many NGOs in Bangladesh like Prodipon and so on. World Vision is also working for the street children. In Bangladesh, total number of children aged 5-14 years is about 35.06 million among which working children is approximately 5.05 million (BBS, 2003).

Basically IPEC & ILO have worked vastly on the dangerous situation of the violations and terrible things of child labor. Recently, ILO estimates that 218 million children worldwide aged 5 to 17 are involved in work of which 126 million works in hazardous conditions. The highest numbers of working children, 122 million, are in the Asia pacific region (ILO website, 2006).

So it is the burning question that how we can save children from the worst and hazardous forms of child labor.

OBJECTIVES

The objectives of the research include:

- To describe the working and living conditions of children working in welding workshop.
- To identify the factors that affect the development of children, including education, health and safety of the children in welding workshop.
- To analyze reasons why employers hires children.
- To analyze reasons why parents allow their children to work in welding workshops.
- To provide recommendations about eliminating the worst forms of child labor in welding workshops.
- And to enforce the existing laws.

LITERATURE REVIEW

Child work is considered acceptable only when it is not hazardous to their health and psychological development (ILO, 1999) *. Frequently, many Children who work usually do not go to school. ILO Convention 182 states that child Labor that interferes with children's schooling is considered as the worst forms of child labor (ILO, 1999). ILO Convention 182 calls for the prohibition and elimination of the worst forms of child labor, child labor that violates rights to development of children.

According to ILO Convention 182, the worst forms of child labor comprise (a) all forms of slavery or practices similar to slavery, such as the sale and trafficking of children, debt bondage and serfdom and forced or compulsory labor, including forced or compulsory recruitment of children for use in armed conflict; (b) the use, procuring or offering of a child for prostitution, for the production of pornography or for pornographic performances; (c) the use, procuring or offering of a child for illicit activities, in particular for the production and trafficking of drugs as defined in the relevant international treaties; (d) work which, by its nature or the circumstances in which it is carried out, is likely to harm the health, safety or morals of children (ILO, 1999).

Afzal (2012), who observed the socio economic condition of children in Rajshahi City Corporation and also give suggestive recommendation to develop their physical condition.

Bunnak (August 2007), who studied worst form of child workers in Cambodia in his study he described the working and living conditions, factors affecting the development of children and recommended how to eliminate the worst form of child labor in brick factories.

Meerza and Biswajit(Feb 2011), They found the main reasons named poverty and illiteracy leading child labor.

Unicef (June 2010), explained the background, issues, impact of child labor in Bangladesh.

Brown, he builds a linkage between child labor and educational disadvantages. This study expressed that strategies for the eradication of child labor have to tackle the problem in an integrated fashion, combining more stringent enforcement of rules and incentives to combat poverty with improved education provision internationally.

METHODOLOGY

The study was based on a survey, developed to collect descriptive data on the background characteristics of child workers who work in welding workshops, reasons for engaging in work, types of jobs children perform, exposure to hazardous work conditions, and child workers' knowledge and awareness about hazardous jobs, their workplace, and work safety measures in their work place.

In this study, child workers refer to those who are under 18 years of age. A sampling technique was initially designed to use to select a number welding workshop from which 410 child respondents would be selected based on a systematic random selection.

The purposive technique allowed for a visit to every workshop and each workshop became included in the primary sampling unit if at least one child worker is found working in the workshop. This technique resulted in the collection of data from 150 workshop in the area of Kanishile, Nobab Road, Amberkhana, Sheikhghat, Zindabazar, Pathantula, Mirabazar, Modina market, Kodomtoli busstand and other places in Sylhet which covers the whole of Bangladesh.There are semi structured questionnaire are provided to the children.

FINDINGS

1. AGE OF CHILDREN

Most of the children are between in 8 to 16 years old. But interestingly it is found that only 8 years old child are also giving their labor frequently in some welding workshop.

TABLE 1: AGE OF THE CHILDREN

Age	Frequency = 410	Percentage
6-10 Years	80	19.51
11-15 Years	240	58.54
15 & above	90	21.95
Total	410	100

Source: Field survey, 2013.

2. LIVING ARRANGEMENT

Most of the child though living with their parent but it is also found that some of them live with other relative and workshop owner.

*ILO. 1999. Convention on the worst forms of child labour. Geneva: ILO.

TABLE 2: LIVING ARRANGEMENT OF THE CHILDREN

Living arrangement	Frequency = 410	Percentage=100
With parent	300	73.17
With workshop owner	50	12.20
With other relatives	60	14.63

Source: Field survey, 2013.

3. BIRTH ORDER AND NUMBER OF SIBLINGS

Most of the working children are first in birth order and their siblings are also large. Large number of siblings and first birth order influenced them to work.

TABLE 3: NUMBER OF SIBLINGS AND BIRTH ORDER OF CHILDREN IN THEIR FAMILY

Number of siblings	Frequency=410	Percentage=100
1-3	51	12.44
4-5	289	70.50
More than 5	70	17.07
Birth order		
Being the first child	299	73
Not first child	111	27

Source: Field survey, 2013.

4. SCHOOLING STATUS

Many child workers in welding workshop are not in school. Among them only 30 percent are going to school and 40 percent never attend school and 30 percent quitted school.

TABLE 4: SCHOOLING STATUS OF THE CHILDREN

Schooling status	Frequency=410	Percentage=100
Currently in school	123	30
Never attended school	164	40
Number of quitted school	123	30

Source: Field survey, 2013.

5. REASONS FOR WORKING WELDING

When asked why they worked in this hazardous work, child workers provided with a variety of family, school and personal reasons. Among the family reasons the family economy hardship is the primary reason among child workers (48 percent). 12% of all child said that their families were too poor to afford their schooling. Several child workers wanted to make money or wanted to stay away from parents due to frequent quarrels.

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TABLE 5: REASONS OF DOING WELDING WORKSHOP

Reasons	Frequency=410	Percentage=100
Family related		
Family not have money to buy food	198	48.3
Help the family to make money	89	21.6
Family forced to work	14	3.4
Family is in debt	10	2.5
School related		
No money for school	51	12.5
Teacher spanks	14	3.4
School is far	4	1.1
Personal reasons		
Want to make money	25	6
Quarrel with parents	4	1.2

Source: Field survey, 2013.

6. TASKS PERFORMED BY CHILD

Most common task under taken by children in welding workshop, namely carrying, cutting, coloring, welding to the iron sheet which are hazardous to them.

TABLE 6: TASKS PERFORMED BY CHILD

Tasks performed	Frequency = 410	Percentage=100
Cutting iron sheet	112	27.4
Coloring iron sheet	90	22
Carrying iron	101	24.6
Connecting electricity	50	12.3
Welding iron sheet	40	9.6
Linking jacks and screw	17	4

Source: Field survey, 2013.

7. WORKING HOURS

Their usual working hours range from minimum hours 4-10 hours. They have to work also in weekend and holidays.

TABLE 7: WORKING HOURS OF THE CHILDREN IN A DAY

Working hour	Frequency = 410	Percentage=100
Bellow 6	57	14
6-8	107	26
8-10	246	60

Source: Field survey, 2013.

8. EARNINGS

Though they worked hardly and hazardously but their earnings very low compared with their hard labor. Maximum children earn 50-60 taka in a day.

TABLE 8: MONTHLY EARNINGS OF THE CHILDREN

Earnings (monthly)	Frequency = 410	Percentage=100
Bellow 1200	74	18
1200-1800	164	40
Above 1800	172	42

Source: Field survey, 2013.

9. INJURY

As the welding is hazardous task so most often children faced minor or serious injury.

TABLE 9: INJURY OF THE CHILDREN

Injury (last one year)	Frequency = 410	Percentage=100
Minor cut	132	32.4
Serious cut	64	15.6
Broken bones	18	4.3
Sprain	14	3.5
Minor burn	117	28.2
Serious burn	51	12.5
Others	14	3.5

Source: Field survey, 2013.

10. SICKNESS

Welding Flame affected the child health and the environment of the is not suitable for them. Most of the children suffered in difficult breathing, eye watery, skin rashes etc.

TABLE 10: SICKNESS OF THE CHILDREN

Sickness	Frequency = 410	Percentage=100
Chest pain	37	9
Back aches	28	7
Body or muscle aches	33	8
Difficult breathing	121	29.5
Headache	12	3
Fever	35	8.5
Cough	41	10
Stomach ache	21	5
Skin rashes	37	9
Eye watery	45	11

Source: Field survey, 2013.

11. PROTECTION

Every workshop doesn't provide work safety to children. Maximum children wearing only protecting glass and other protecting measures are almost absent in workshop.

TABLE 11: PROTECTION OF THE CHILDREN:

Wearing	Frequency = 410	Percentage=100
Working gloves	41	10
Mask	41	10
Safety helmet	82	20
Working shoes	0	0
Protecting glass	246	60
Protecting uniform or dress	0	0

Source: Field survey, 2013.

LEGISLATION

Article 20 of the Constitution refers to work as a right and a duty and a matter of honor of every citizen who is capable of working. Article 28 of the Constitution empowers the State to make special provisions for the benefit of children.

The Government of Bangladesh through the Ministry of Labor and Employment has reviewed all fragmented laws related to child labor with a view to fixing a uniform age for admission to work and to prohibit their engagement in hazardous occupations. According to the Labor Act (2006) the minimum age for admission to work is 14 years and 18 years for hazardous work. Further, light work for children between the ages of 12 - 14 years is defined as non-hazardous work that does not impede education.

Other laws that define the rights and protections due to children are:

* The Children Act (1974) and the Children Rules (1976);
* The Bonded Labour Act, 2006;
* The Suppression of Violence against Women and Children Act (2000); and
* The Compulsory Primary Education Act, 1990.

ILO AND UN CONVENTIONS

Bangladesh has ratified:

* UN Convention on the Rights of the Child;
* ILO Convention on the Worst Forms of Child Labour (No. 182);
* ILO Night Work of Young Persons (Industry) Convention, (No. 6);
* ILO Night Work of Young Persons (Industry Revised) Convention (No. 90);
* ILO Minimum Age (Trimmers and Stockers) Convention (No. 15);
* ILO Minimum Age (Industry Revised) Convention (No. 59);
* ILO Forced Labour Convention (No. 29);
* ILO Abolition of Forced Labour Convention (No. 105);

ANALYSIS AND DISCUSSIONS

According to legislation, the welding workshop of Sylhet violates the rules regarding hazardous child labor consciously as well as unconsciously.

Bangladesh enacted the Labor Act in 2006, which includes a chapter on child labor. This new law prohibits employment of children less than 14 years of age, as well as prohibiting hazardous forms of child labor for persons under age 18. However, children who are aged 12 and above may be engaged in "light work" does not impose a risk to their mental and physical development and does not interfere with their education. The law does not provide a strong enforcement mechanism for the child labor provisions. Additionally, the vast majority of children (93 per cent) work in the informal sector6 which makes enforcement of the relevant legislation challenging. The Ministry of Labor and Employment has recently adopted a National Child Labor Elimination Policy 2010, which provides a framework to eradicate all forms of child labor by 2015. UNICEF was one of many stakeholders to provide feedback on this policy. Its aims include: withdrawing children from hazardous jobs; improving income generating opportunities for parents so they're not so reliant on child income; offering incentives for working children to attend school; enacting laws and improving law enforcement to eliminate child labor. A Child Labor Unit has been established as part of this policy, which will have responsibilities including collecting and disseminating data relating to child labor. According to this policy, the criteria for defining hazardous work for children includes: working more than five hours a day; work that creates undue pressure on physical and psychological wellbeing and development; work without pay; work where the child becomes the victim of torture or exploitation or has no opportunity for leisure.

RECOMMENDATIONS

Though the child labor Act exists in our country but we do not enforce these laws towards the children.
The followings are recommended to enforce the law:

* The law authority in appropriate form must have to take proper steps to implement existing laws regarding hazardous child labor. For example, if anybody violates rules relating to the hazardous child labor then the person must be taken under prosecutions system and also ensure the proper punishment and penalty to the offender.
* According to Article 28 of the constitution of Bangladesh, the State shall take special provisions and measures to eliminate hazardous child labor from the country.
* Steps should be taken by the government, the NGOs and other organizations to remove the reasons behind the child labor.
* Lots of national programs and projects should be taken to eradicate hazardous child labor.
* Above all to make awareness regarding the impact of hazardous child labor should be created in the general mind of all class of people as well as in the mind of parents and employers.
* Special programs should be providing to educate the children about their rights and privileges.
* Improving working conditions for children like as provide continued education, benefits leave when sick, need protection device, increase wages, reduce workloads.

CONCLUSION

It is important to note that welding workshops in Sylhet have several unique features that allow children to come to work. They include high demand of child labor, easy getting a job, no required skills or experience, no strict regulations, easy money. From the employers point of view, the availability of child labor force, their generosity, parents demand for hiring children, children are easy to be managed and children's capability to work (punctual, independent, hard working) are their reasons for hiring children.

From our discussion it is concluded that a huge number of children are engaging in hazardous work day by day. This study also found that most of them never attend to school and a few of them go to school but irregular in their attendance. At the same time children's mental and physical health breaks down steadily due to injury and sickness. This scenario creates a negative impact largely to health and education and also entire development.

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That's why Government should make necessary amendments for updating existing child labor laws and policies. In addition, the Government should make concrete laws for removing enforcing weakness regarding hazardous child labor in Bangladesh.

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MODEL OF INTEGRATION OF SPIRITUALITY TOWARDS THE WORK BEHAVIOUR AND EMOTIONAL INTELLIGENCE AS MEDIATING VARIABLE: AN APPROACH OF STRUCTURAL EQUATION MODELING (SEM)

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ABSTRACT

This study aims to investigate the relationship between spirituality, emotional intelligence, and work behaviour (job satisfaction, job performance and turnover intention). Conducted in one of the Islamic banks in Surakarta, Central Java, this study involved 120 employees as the respondents. For data analysis, Structural Equation Modelling (SEM) was used in this study. The results show the acceptance for three hypotheses showing a positive relationship between spirituality and emotional intelligence, spirituality and job satisfaction and spirituality and job performance. While, the fourth hypothesis cannot be accepted as a negative relationship was found in the relationship between spirituality and turnover intention, emotional intelligence and job performance, emotional intelligence and job satisfaction, emotional intelligence and turnover intention and job satisfaction and job performance.

KEYWORDS

Spirituality, emotional intelligence, job satisfaction, job performance, turnover intention.

INTRODUCTION

Spirituality is a process in an individual life concerning with meaning and objective influencing individuals and environment including organization (King, 2007). It is essential in decision-making, behavioural change, and comprehending individual relationship of individuals and emergence of sense of responsibilities in togetherness in organization (Koenig, 2000). Stark and Finke (2000) stated that spirituality can act in social relationship among employees and among other. It also can create an inner awareness for identifying the job roles internally and externally to achieve the organization effectiveness (Podaskoff *et al.*, 2000). The spirituality development in work environment reflects certain benefits brought by spirituality in organization for employees like integrity, honesty, spirit, idea and initiative, high motivation, wisdom and encouragement in making decision in working (Lynton and Thogersen, 2009; Fry, 2003).

The only financial matter-oriented organization usually tends to ignore the role of work behaviour of employees - soon becoming a serious problem for the organization. Spirituality has a tight relationship to work behaviour as a psychological state defining work as a systematic procedure framed as responses towards a specific motivation done with desired or undesired consequence (Oluoju, 2012). Work behaviour is framed as job satisfaction, attitude, work ethics, morality and management behaviour (Ali and Ellahi, 2012; Javanmard, 2012; Hutson, 2000).

The problem emerging in work behaviour in an organization commonly deals with human resources capability, as occurred in Syariah bank in Indonesia (Antonio, 2001). Haryoko (2005) mentions several efforts for management improvement and human resources in Syariah banking including (1) *physicality* - related to the academic and technical capacity to fulfil the task based on the rules related to the capacity in science and technology, (2) *emotionality* - dealing with the quality of the individual conception in taking an action based on the situation affecting the capacity in exploring self-potential, fast and accurate self-adaptation towards the change and good communication skill and (3) *spirituality* in work ethic and high spirit in handling any issue, diligence and loyalty.

Human resources limitation has caused a quiet high turnover among banks – indicating that only can the banks having competent human resources give much higher incentives or have the human resources development program independently (Bank Indonesia, 2011). The issue in turnover in the national banking sector averagely reaches 10 – 11 %/year, lower than the one in oil and gas industry reaching 12% but higher than the manufacturing sector reaching around 8% (Hidayat, 2012).

Spirituality will help someone to realize the significance of social relationship and the role aspect in organization to achieve job satisfaction that furthermore can bring a good or a bad effect to work performance related to the endeavour to create the organization effectiveness in a tight competition. The role of spirituality can give self-experience of someone who will have a better motivation to improve capability and emotional intelligence (Fry, 2003).

Madlin (1986) explained about the relationship between the spirituality level of someone in organization based on his or her religion, values and work behaviour. Job satisfaction and good work performance in an individual can minimize the level of turnover in organization (Chawda and Guda, 2010). Commonly, an increasing behaviour of employees will face some constraints particularly in human resources capability. To anticipate this, the improvement of spirituality level, capability and emotion of employees, fulfilment of work satisfaction, good work performance, and the decrease of turnover in organization is necessary. Here, spirituality will lead someone to realize the significance of social relationship and role aspect in organization to achieve job satisfaction.

In this research, the work behaviour as a dependent variable includes job satisfaction (Shore and Martin, 1989; Huiras, Uggen, and McMorris, 2000; Kulas, McInnerry, De Muth and Jadwinski, 2007 and Kumar and Singh, 2012), work performance, and *turnover intention* (Islam, Rahman Khan, Aamir and Ungku Ahmad, 2012; Mossholder, Bedeian, Norris, Gilles and Feild, 1988; Maqbool, Murtaza, and Rechman, 2012; Aydogdu and Asikgil, 2011 and Randhawa, 2007).

This research was conducted in one Syariah bank in Surakarta, Central Java, Indonesia. The choice of the research object is based on the capability of professional human resources, and the implementation of spirituality in an organization level. Moreover, this organization significantly grows and nationally has some branches. Hence, some work supports of all components such as spirituality, emotional intelligence towards the work performance of employees, work satisfaction, and *turnover intention* to the employees of the organization is deemed necessary.

Based on the background, one research problem is taken about how the model of integration between spirituality, mediated by emotional intelligence, and work behaviour including work satisfaction, and *turnover intention* occurred in an organization. Additionally, it is not found so far for the model of integration of spirituality and emotional intelligence towards the work behaviour of employees using *Structural Equation Model* approach with *second order analysis* for using dimensions in each research variable.

REVIEW OF LITERATURE

Spirituality is a personal search to understand about life, meaning and relationship to purity that will cause or emerge from the development of religious ritual and the formation of community (Azimi *et al.,* 2006). It is a way related to certain emotion and behaviour of individual (Tischler *et al.,* 2002). Ashmos and Duchon (2000) define spirituality in workplace as an introduction that employee has a deep life to maintain and to be maintained by a meaningful job and to have a place in a community.

Emotional intelligence, meanwhile, refers to a typical thought or feeling, biological and psychological state and a series of tendencies to act and add using capability to understand his or her feeling and other people feeling, to motivate himself or herself and to be capable of controlling emotion well both for himself or herself and relationship with other (Goleman, 2000). Patton (1998), furthermore, defines it as a capability to use emotion effectively in achieving a goal. Similarly, Cooper and Sawaf (1997) define emotional intelligence as a capability in sensing, understanding and implementing the strength and sharpness of emotion as the source of energy, information, connection and natural influence.

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Job satisfaction concerns with the affective reaction from the employees to work in to what extent someone desires to achieve a satisfying work that will be compared to the actual result (Cranny *et al.*, 1992). It is also related to what extent someone loves his or her job (Spector, 1999). This is tightly related to the emotional of someone with his or her job (Tett and Meyer, 1993).

Work performance is an essential part of the form between organization and management of human resource (Campbell, 1990; Jon Springer, 2011). It is a theoretical construct, an abstract idea commonly used as the criteria in job. Jamal (2007) explains that work performance is a function of a successful individual between framework and the capability he or she has. Furthermore, work performance can be considered as a function of capability and willingness. Thus, what makes work performance different is in capability, skill, motivation and the influence in workplace.

Turnover intention is essentially about the work in organization; meanwhile emotional intelligence refers to an essential point in minimizing the high rate of *turnover* in job (Jang and George, 2011). Robbins (2006) defines *turnover* as a permanent dismissal of employees from an organization either voluntarily done by the employees or by the organization itself. Werther and Keith (1993) said *turnover* as a willingness of employees to leave an organization to move to other one.

IMPORTANCE OF STUDY

This research contributes to the human resource management, particularly related to the use of quantitative models and empirical test on human behaviour for spirituality in emotional intelligence towards work satisfaction. Work performance and turnover in Syariah banking will contribute to the future research through the proposed theoretical construction with the limitation that have not been empirically tested yet and contribute to the thoughts for the managerial practices in an organization and provides the result of the research for a new discourse for the development of human resource management.

PROBLEM STATEMENT

1. Does spirituality have a direct relationship with emotional intelligence and work behaviour?
2. Does emotional intelligence have a direct relationship with work behaviour?
3. Does spirituality have indirect relationship with work behaviour mediated by emotional intelligence?
4. Does job satisfaction have a direct relationship with work performance?

OBJECTIVES OF STUDY

1. To test and analyze the direct relationship between spirituality and emotional intelligence and work behaviour.
2. To test and analyze a direct relationship between emotional intelligence and work behaviour.
3. To test and analyze an indirect relationship between spirituality towards behaviour mediated by emotional intelligence.
4. To test and analyze a direct relationship between job satisfaction and work performance.

HYPOTHESIS

SPIRITUALITY AND EMOTIONAL INTELLIGENCE

Spirituality is a universal phenomenon in experience and can give higher influence for constructing an experience of someone than the emotional intelligence. It is proved that the employee having spirituality has an intrinsic motivation (Fry, 2003). Spirituality essentially provides organization and employees a distinctive way from the understanding and work experience (Zohar and Marshall, 2000). Emotional intelligence and spirituality can give an inner awareness for identifying and reaching the role aspect and extra work in daily activity aggregately promoting the function of effective organization (Podaskoff *et al*, 2000).

H1: Spirituality has a positive relationship with emotional intelligence

SPIRITUALITY AND JOB SATISFACTION

Zohar and Marshall (2000) explain that high spirituality will give an intellectual capability and accurate behaviour. Contrastively, low spirituality tends to have a problematic behaviour. Individual with high spirituality will show job satisfaction and higher work performance. Spirituality will lead an individual to experience a deeper awareness enabling to increase an intuitive capability (Vaughan, 1989). Nur (2003) explains that the level of spirituality in self-capability in an organization can emerge the high level of work satisfaction. Yahyazadeh-Jeloudar and Lotfi-Goodarsi (2012) show a significant relationship between spiritual intelligence and work satisfaction.

H2: Spirituality has a positive relationship with job satisfaction.

SPIRITUALITY AND WORK PERFORMANCE

Neck and Milliman (1994) explain that spirituality in organization will influence the employees and organization performance. It can improve work performance (Ayranci, 2011) and, framed as praying and productivity, will improve the work performance and job satisfaction (Alexander *et al.,* 1993). The employees with positive spirituality show higher work performance (Isen and Baron, 1991; Shaw, 1999). Spirituality is important for the organization learning (Kunde, 2000; Bolman and Deal, 2001). As stated by Lynton and Thogersen (2009), spirituality can be characterized by working hard, love, energy, understanding and values, and a good awareness and respect to culture and good deed.

H3: Spirituality has a positive relationship with work performance

SPIRITUALITY AND TURNOVER INTENTION

Turnover intention is consternation to whether someone is considering leaving organization and alternative for work prospect (Martin, 1979; Mobley, 1982; Moore, 2000). It refers to an intention of someone to quit working, and the desire to leave organization (Thoresen et al., 2003). Turnover intention is as an antecedent or strong cognitive in an actual individual behaviour (Lee and Mowday, 1987; Tett and Meyer, 1993; Moore, 2000).

Research on the relationship between spirituality and turnover intention in workplace is still limited in number. Trott (1996) explains that spirituality covers to the sense of community positively related to the cooperation and negatively related to the rotation and absence. Milliman, Czaplewski and Ferguson (2003) state that togetherness and alignment to the organization values are significantly related to turnover intention negatively. Chawla and Guda (2010), meanwhile, indicate a strongly negative relationship between spirituality and turnover intention in workplace.

H4: Spirituality has a negative relationship to turnover intention.

EMOTIONAL INTELLIGENCE AND JOB SATISFACTION

Relationship between emotional intelligence and job satisfaction in workplace is significant towards work performance (Sy *et.al,* 2006; Wong and Law, 2002). The research proves that the employees with emotional intelligence will have satisfaction, influenced satisfaction and productivity - comprehensively causing management and organization development efficiency (Patra, 2004).

The research shows that the higher level of emotional intelligence deals with a more flexible manager to know the reasons of the work pressure and to have a way to avoid the effect of the unconstructiveness of using skill to promote a constructive interaction that is useful to improve the pride, community pride and to add the positive value towards job satisfaction (Shimazu, Shimazu and Odahara, 2004). Contrastively, someone with low emotional intelligence lacks of realizing emotion and cannot control emotion in a difficult situation, emerging the stressfulness to the employees and reducing work satisfaction. Afolabi (2010) explains a higher emotional intelligence can give more satisfaction and better action. The respondents with high emotional intelligence does the work better and is more satisfied with the work.

H5: Emotional Intelligence has a positive relationship with job satisfaction

EMOTIONAL INTELLIGENCE AND WORK PERFORMANCE

Work performance refers to a theoretical construct, an idea commonly more used as the criteria in work or the work result of an employee in certain period compared to any other possibilities such as standard, target and determined criteria (Robbin, 1996). All of relationship between emotional intelligence and work

performance is positive and significant (O'Boyle, 2006). Four components of emotional intelligence (self-awareness, self-management and relational management) significantly are correlated to work performance (Bradberry, 2006).

Ngah (2009) stated that negative correlation between emotion and work performance indicates that someone experiencing negative affective will feel guilty for not being able to do a better performance. To illustrate, emotion like anger and jealousy will eliminate logic and rationality. Myers and Tucker (2005) explain that emotional intelligence promote the capability of communication both between intrapersonal and interpersonal to understand the emotion role at workplace.

H6: Emotional intelligence has a positive relationship with work performance

EMOTIONAL INTELLIGENCE AND TURNOVER INTENTION

Employees with a higher intelligence emotion tend to be glad to be seen and concerns with the position with a perception at their workplace. The social awareness is needed in understanding the work environment with a perception of being capable of controlling emotion and loving a job. Fatima *et al.* (2010) said that this condition can minimize the number of employees trying to quit from their job. Carmelli (2003) indicates that the emotional intelligence has a negative effect on turnover intention.

H7: Emotional intelligence has a positive relationship with turnover intention.

WORK PERFORMANCE AND JOB SATISFACTION

According to Organ (1988), work performance and relationship of job satisfaction based on the theory of social exchange, and employee performance is to give back to the organization from which the employees obtain job satisfaction. The relationship between job satisfaction and job achievement for one-direction relationship will cause job satisfaction or vice versa (Law *et al.*, 2001). Jayan (2006) states that the correlation between work performance and job satisfaction will be complexly higher than that of a complex job in a larger autonomy. This then can create a freedom to act based on their satisfaction and thus the work behaviour and job satisfaction can emerge for a work performance prediction.

H8: Work performance has a positive relationship with job satisfaction

RESEARCH METHODOLOGY

POPULATION AND SAMPLES

This research is a survey conducted to 230 employees of Syariah Bank in Surakarta, Central Java. According to Guilford and Flruchter (1973) the number of sample allowed is 114 employees by referring to Ferdinand (2005) in which the size of 100-200 samples for the technique of maximum likelihood estimation, a technique of taking sample using the method of simple random sampling. Meanwhile, the data collection was done using observation and the distribution of questionnaires at Syariah Bank.

MEASUREMENTS AND TESTING RESEARCH VARIABLES

Spirituality is a capability of someone to implement and realize the spiritual sources, values and qualities through the ways of improving the daily functions and prosperity (Amran and Dryer, 2008). It can be measured using Integrated Spiritual Intelligence Scale (ISIS) consisting of 44 items of question with the Likert Scale 1 to 5 including awareness, truth, meaning, gift and transcendental.

Emotional intelligence is a capability to use emotion effectively in self-control and influences a relationship to other positively. It can be measured using the development of Emotional Intelligence Competence - Goleman (2000) consisting of 39 items of question using the Likert Scale 1 to 5 including 4 dimensions: self-awareness, self-management, social awareness and relational management.

Job satisfaction is about the degree to love job (Spector, 1999). A research using Job Satisfaction Scale was developed by Weiss, Dawis, England and Lofquist (1967) covering 18 items of question using Likert Scale 1 to 5, consisting of 2 dimensions: Intrinsic job satisfaction and extrinsic job satisfaction.

Work performance is to measure an achievement in a job. This consists of 2 dimensions: task performance developed by Wayne et al. (1997) and Hochwarter et al. (2006) and contextual performance developed by Witt and Carlson (2006), Van Scotter and Motowidlo (1996) using LIkert Scale 1 to 5. Turnover Intentions meanwhile is an intention to quit from an organization using Turnover Intentions Scale developed by Mobley, Horner and Hollingsworth (1978) using Likert Scale 1 to 5.

ANALYSIS TECHNIQUE

The technique on the research analysis used Structural Equation Modelling (SEM), a statistical technique of multivariate by testing a series of causality relationship between variables simultaneously (Ferdinand, 2005). It also included the explanation of dimensions in each research variable based on the examined theoretical basis.

RESULTS AND DISCUSSION

RESULT

The distribution result of the respondents based on the demography included male (37, 5%) and female (62, 5%). Based on the age, the respondents were between 21-30 years old (50%), 31-40 years old (37, 5%) and above 40 years old (12, 5%). Based on the marital status, it includes the married ones (75%) and unmarried ones (25%). Based on work experience, it included those below 5 years (12, 5%), between 6-10 years (50%) and above 10 years (37, 5%). For the educational level, it was dominated by the undergraduates (38 %), Senior High School (25%), postgraduates (24%), and diploma (13%). For the employment status, 75% of them were permanent employees and 25% were the contract ones. Corrected Item-Total Correlation was used to test the construct validity in which each variable was with scores above 0, 3. The result of data management, correlation score in each item of questions was higher than 0, 3 that shows the validity of the research instruments. The reliability test in this research was measured using the Cronbach's Alpha technique.

TABLE 1. RELIABILITY TEST

No.	Variables	Dimension	Cronbach's Alpha	Remarks
1.	Spirituality	Awareness	0.698	Reliable
		Truth	0.801	Reliable
		Meaning	0.687	Reliable
		Gift	0.750	Reliable
		Transcendental	0.881	Reliable
2.	Emotional Intelligence	Self-Awareness	0.750	Reliable
		Self-Management	0.844	Reliable
		Social Awareness	0.854	Reliable
		Management Relation	0.789	Reliable
3.	Job satisfaction	Intrinsic	0.737	Reliable
		Extrinsic	0.815	Reliable
4.	Work Performance	Task Performance	0.678	Reliable
		Contextual Performance	0.743	Reliable
5.	Turnover Intention	Turnover Intention	0.652	Reliable

(Source: Managed Data, 2012)

The measurement result for the mean value of spirituality was 3.912. The highest mean value at the dimension of gift of love (joy) at 4.60 indicates the happiness and freedom of employees in organization in each activity. In contrast, the lowest value was the truth dimension framed as heart integrity (3,20),

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showing that the employees in accepting themselves was related to all problems and limitations and found it difficult to integrate time in their life. Hence, it needs to be optimized.

The measurement result for the mean value of emotional intelligence was at 3, 83. Self-control here had the highest mean value for the self-management dimension (4,30), indicating that the capability of employees in self-introspection and capability to be calm in positive thinking and stable in facing all situations was quite good. The lowest mean value was social awareness dimension in service orientation (3.30), showing that the employees in Syariah Bank realized about the objective of work competition and tried to be quite in togetherness of the teamwork when facing competition. The measurement result for the mean value of job satisfaction was at 3.99 with extrinsic satisfaction higher than the intrinsic one. The highest mean value was the extrinsic satisfaction dimension, e.g. organization policy (4.30), showing that the organization policies had been agreed with the regulation particularly in basis of Syariah organization. The lowest mean value was the extrinsic satisfaction dimension salary at 3, 70 reflecting that the acceptance of the employees to the salary was not in line with the number of finished works and needed a concern from the organization.

The measurement result for the mean value in work performance was 4,065 with the highest mean value at contextual performance dimension supporting the organization procedure at 4, 20. This indicates the capability of the employees in taking initiative in work problems based on the procedure of organization and in handling the task enthusiastically. Contrastively, the lowest mean value at the task performance dimension at task capability and communication was 4,00, showing a need for employees to improve and optimize the performance based on their desire, capability in coordination and sense of belonging in work quality. The measurement result for the mean value of turnover intention was 1, 87, showing a relatively low level of desire to quit from the organization related to the consideration of the employees to quit and possibility to find a new job and leave the organization.

The result of the outlier data evaluation showed no single observed data showing that the value of Mahalonobis d-squared was not more than the value of chi-square table (α=0.001; df=96) at 312,153. This comparison showed no any multivariate outlier indication in the collected research data. It means that the observed data was concentrated at the centroid points. Furthermore, the result of computerized AMOS program showed that the value of multivariate CR was at 1,174 from -2, 58 to 2, 58 based on the standards. This indicates a normal distribution of the data observed through the research indicators of multivariate data.

FIGURE 2: RESEARCH MODEL
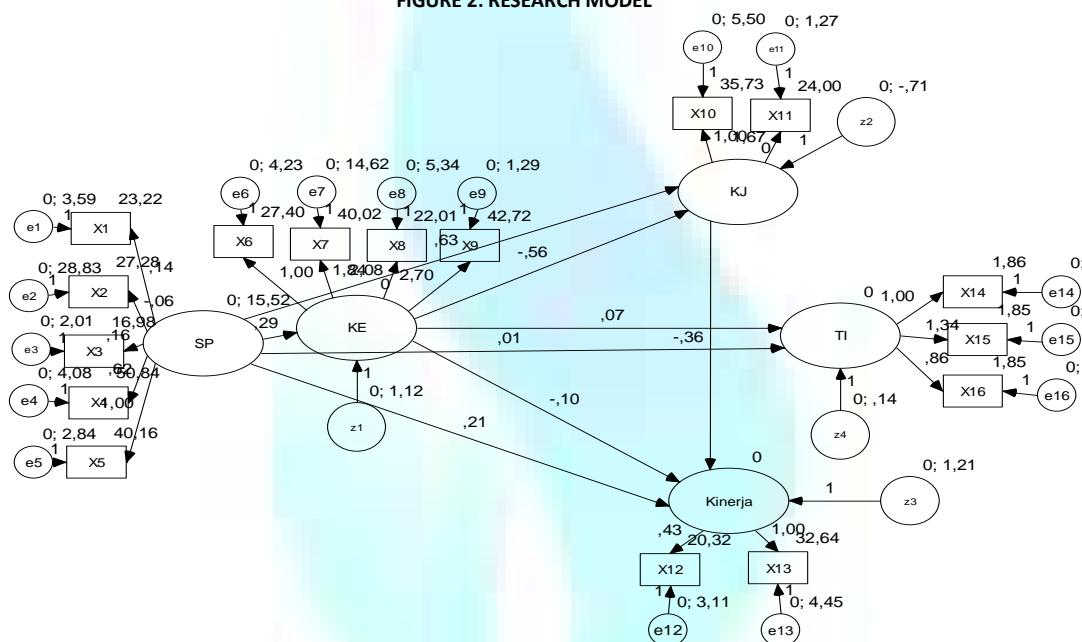
SEM Model resulted in the goodness of fit. Subsequently, the index values were compared to the cut-off values recommended for each index. A good model had the index of *Goodness of Fit* suitable with the recommended cut-off.

TABLE 2: THE TESTING RESULT OF *GOODNESS OF FIT* OF SEM MODEL

No.	*Goodness of Fit Index*	Testing Result	*Cut-off Value*	Remarks
1.	Chi-square	312,153	Expected to be lower	-
2.	Probability	0,05	≥ 0,05	Good
3.	GFI	0,942	≥ 0,90	Good
4.	AGFI	0,971	≥ 0,90	Good
5.	TLI	0,959	≥ 0,95	Good
6.	CFI	0,971	≥ 0,95	Good
7.	RMSEA	0,149	≤ 0,08	-

(Sources: Managed Data, 2012)

The model of suitability test, NCP (Non-Centrality Parameter) was used to measure the deviation level between the matrix covariance and fitted matrix covariance sample. The estimation model was 216,153 between the values of 136,160–250,463, thus still fulfilling the requirement though the value of NCP was considered higher. ECVI (Expected Cross Validation Index) was at 4,200, while ECVI saturated model was at 3,010 and ECVI independence model was at 75,593. The value of ECVI was lower than ECVI independence, thus the model is suitable to be replicated for the further research. The value of AIC was at 424,153 lower than the value of independence AIC at 7634,942. Hence, the model is fit. NFI (Normal Fit Index), a model, if considered fit, was when the value of NFI was higher than 0, 90, meanwhile, the result of the research was at 0,959. Hence, the model is fit. The model resulted in the value of IFI at 0,971 higher than the limit of cut-off at 0, 90 (Byrne, 1998), thus the model has a quite good level of fit. The value of RFI standardized between 0 – 1 with the value close to 1 indicates a fit model, while the result of testing the value RFI is at 0,942, thus the model has a good level of fit.

Hypothesis 1: Spirituality has a positive relationship with emotional intelligence, as shown from p-value lower than α-value (0,000< 0.05). Thus the hypothesis is accepted.

Hypothesis 2: Spirituality has a positive relationship with job satisfaction, as shown from p-value lower than α-value (0,001< 0.05). Hypothesis is accepted.

Hypothesis 3: Spirituality has a positive relationship with work performance, as shown from p-value lower than α value (0,000<0.05). Thus, the hypothesis can be accepted.

Hypothesis 4: Spirituality has a negative relationship with turnover intention. The finding shows that spirituality has a positive relationship with turnover intention, as shown from p-value higher than α-value (0,220 > 0.05). The hypothesis can be accepted.

Hypothesis 5: Emotional intelligence has a positive relationship with work performance. The finding indicates that emotional intelligence has a negative relationship with work performance as shown from p value higher than α value (0,714>0.05). The hypothesis cannot be accepted.

Hypothesis 6: Emotional intelligence has a positive relationship with job satisfaction. The finding shows that the emotional intelligence has a negative relationship with job satisfaction as shown from p value higher than α value (0,102> 0.05). The hypothesis cannot be accepted.

Hypothesis 7: Emotional intelligence has a negative relationship with turnover intention, as shown from p-value higher than α-value (0,114>0.05). Thus, the hypothesis can be accepted.

Hypothesis 8: Job satisfaction has a positive relationship with work performance. The finding shows that the job satisfaction has a negative relationship with the work performance as shown from p-value higher than α-value (0,713>0.05). The hypothesis cannot be accepted.

The causality relationship between research variables either in the relation of exogenous variable, endogenous variable or in the relationship of mediation variable had a direct or indirect impact and overall impact. The relationship result shows that spirituality was correlated to the job satisfaction directly, indirectly or totally, reflecting the incapability of emotional intelligence to directly mediate spirituality to job satisfaction well. Here, spirituality was significantly correlated to the work performance but indirectly through the emotional intelligence – indicating the incapability of emotional intelligence to mediate the direct impact of spirituality to the work performance well.

The relationship of spirituality and turnover intention occurred directly and indirectly but the emotional intelligence could not mediate well the influence of spirituality to turnover intention. Emotional intelligence was correlated to the work performance and job satisfaction was able to directly mediate between emotional intelligence and work performance.

DISCUSSION

First, spirituality has a positive and significant correlation to emotional intelligence from t-value calculator = 5,654 higher than critical t = 1,961 with probability 0,000. Meanwhile, the estimation value for the correlation between spirituality and emotional intelligence is at 0,294 (0,000). Spirituality is a belief significantly influences, guides in decision making and someone behaviour; thus it is expected that as a universal phenomenon in personality it can cause employees emotional intelligence framed as inner awareness to reach the aspect of role and work, activity and effectiveness (Podaskoff et al., 2000). Tendency to the highest spirituality is gift, meaning of life, transcendence, awareness and truth. Those dimensions can influence and shape emotional intelligence of employees to be able to adjust themselves in their competence and social competence. Additionally, they can be helpful for the capability to show dedication in facing challenge, harmony between words and action to encourage other, support the chosen direction comprising personal commitment for solution of difficult life and business issues. The most dominant dimension here is transcendence (1,000) framed as high awareness, strong insight, integration, spiritual practices, giving guidance for other, compassion, and experience and life harmony. The research result is supported by Anderson (2006), Ayranci (2011), Podaskoff et al (2000) and Tee Suan Chin et al. (2011).

Secondly, spirituality has a positive and significant correlation to job satisfaction from the t-value calculator = 6,557 higher than the critical t = 1,961 with probability of 0,001, and the estimation value of correlation between spirituality and job satisfaction is 0,633 (0,001). The dominant dimension is extrinsic job satisfaction (0,779) framed as supervision, organization policy, salary, and interpersonal relationship between co-workers and superior. This result is supported by East (2005) mentioning a strong correlation between spirituality and job satisfaction. Yahyazadeh-Jeloudar and Lotfi-Goodarzi (2012) state that spirituality significantly will influence the job satisfaction that covers the work itself, attitude to supervisor, relationship with co-workers, work environment condition but not significant when being correlated to salary. Spirituality acts in controlling a clear achievement, brings an effect on and makes a short-term and long-term goal with the capability of achieving the goal, even in a very difficult condition, particularly in job satisfaction. One of the dimensions is framed as the meaning with its indicators: goal and organization service.

Thirdly, spirituality has a positive and significant correlation to work performance from the t-value calculator = 1,430 higher than critical t = 1,961 with the probability of 0,000. The estimation value for the correlation between spirituality and work performance is 0,210 (0,000). The dominant dimension is contextual performance (0,015) framed as regulation and organization procedure, extra work, and volunteerism in task activity, cooperation and support for organization procedure. Spirituality will impact the performance through the value of awareness, life essence, gift of love in the employees' life and transcendence in helping other in handling any work matters in workplace. This perspective is supported by Lynton and Thogersen (2009) that spirituality in praying and productivity can improve performance and job satisfaction (Alexander et al., 1993).

Fourthly, spirituality has a positive but insignificant correlation to turnover intention from t-value calculator = 0,454 lower than critical t = 1,961 with the probability of 0,220, and the estimation value for the relationship between spirituality and work performance is 0,007 (0,220). The dominant dimension is the probability in finding a new job (0,035) as the employees attempt to find a new job from the current work at Syariah bank. This finding is contrast to what has been said by Chawla and Guda (2010) saying a strongly negative correlation between spirituality and turnover intention. The correlation between spirituality of employees and intention to move is still limited. Trott (1996) said that spirituality covering the community sense will positively be correlated to the cooperation and negatively correlated to rotation and absence.

Fifthly, emotional intelligence has a negative correlation to job satisfaction from t-value calculator = -3,697 lower than critical t = 1,961 with the probability of 0,716, and the estimation value for the relationship between emotional intelligence to job satisfaction is -0,564 (0,716). This finding, however, is not supported by Afolabi et al (2010), Fatima et al (2010), Carmeli (2003), Kafetosis and Tampektakis (2008). Most of researchers find a positive and significant influence of emotional intelligence to performance. It is only Bradberry (2006) supporting it. The dominant dimension is extrinsic satisfaction (-0,564) compared to the intrinsic satisfaction. In fact, the employees having emotional intelligence will find satisfaction and can influence the employee satisfaction and productivity entirely creating management efficiency and organization development (Patra, 2004).

Sixthly, emotional intelligence has a negative correlation to job satisfaction from t-value calculator (-0,455) lower than critical t (1,961) with the probability of 0,102, and the estimation value for the correlation between emotional intelligence and job satisfaction is -0,094 (0,102). The dominant dimension is contextual performance (0,105) compared to the task performance, showing that the capability to the aspect outside role is quite dominant in this organization. This finding is not supported by Ngah (2009), Chaudry and Usman (2011), O'Boyle et al (2010), Cote and Minners (2006), Afolabi et al (2010), Lopez (2006), Jayan (2006) and Carmeli (2003) finding the positive and significant influence of emotional intelligence to job satisfaction caused by emotional intelligence to performance creating a correlation between emotional intelligence and work achievement.

Seventhly, emotional intelligence has a positive correlation to turnover intention, from t-value calculator (1,494) lower value than critical t (1,961) with the probability of 0,114 and the estimation value between emotional intelligence to turnover intention is 0,066 (0,114). The dominant dimension is the probability to find a new job (0,088) as the employees attempt to find a new job from the current job. This finding is not in line with the ones by Trivellas et al. (2010), Jang and George (2011) and Fatima et al. (2010) and Carmeli (2003) finding a positive influence of emotional intelligence to turnover intention.

Eighthly, job satisfaction has a negative correlation to work performance from t value calculator (-1,242) that has a lower value compared to critical t (1,961) with the probability of 0,713. The estimation value for the correlation between job satisfaction and work performance is -0,357 (0,713). The dominant dimension to task performance is -0,154, showing that job satisfaction will be helpful for capability, efficiency and communication of employees in their organization. These findings are supported by Brown and Reterson (1993) saying that in the intrinsic value of work, job satisfaction is not consistent and has a weak correlation. However, this finding is not in line with the findings of Christen et al (2006) saying that the correlation between the job satisfaction and work achievement is for one-direction correlation causing job satisfaction to work achievement or vice versa (Law et al., 2001). Mutual relationship is that when satisfaction is extrinsic, it will address to work performance, but when job satisfaction is intrinsic, the performance will lead to the relationship to job satisfaction.

FINDINGS

The finding results of this research include: (1) a positive correlation between spirituality and emotional intelligence, as shown from the p value lower than α value (0,000<0.05). Thus, it can be accepted with transcendence as the dominant dimension, (2) a positive correlation between spirituality and job satisfaction,

as shown from p-value lower than α-value (0,001<0.05). Hence, it can be accepted and dominant dimension to the extrinsic job satisfaction, (3) spirituality has a positive correlation of spirituality and work performance as shown from p-value lower than α-value (0,000<0.05), thus it can be accepted with contextual performance as the dominant dimension, (4) a positive correlation between spirituality and turnover intention, as shown from p-value higher than α-value (0,220>0.05), thus it cannot be accepted and dominant dimension is probability to find a new job.

On the other side, (5) emotional intelligence has a negative correlation with work performance, as shown from p-value higher than α-value (0,714>0.05). Thus, it cannot be accepted and dominant dimension is contextual performance. (6) Emotional intelligence has a negative correlation with job satisfaction as shown from p-value higher than α-value (0,102>0.05), thus, it cannot be accepted and dominant dimension is extrinsic satisfaction and (7) a negative correlation between emotional intelligence and turnover intention, as shown from p-value higher than α-value (0,114>0.05), thus it cannot be accepted and dominant dimension is the probability of finding a new job and (8) a negative correlation between job satisfaction and work performance as shown from p-value higher than α value (0,713>0.05), thus it cannot be accepted and dominant dimension is task of capability, efficiency and communication of employees in their organization.

RECOMMENDATION

For the research appropriateness to the standard of statistics, it is essential to ensure the question indicators completeness in the questionnaires to avoid the respondents' hesitation. Additionally, the number of the analyzed samples must be sufficient based on the requirements of the statistical analysis. For the practical implementation, it is necessary to give understanding for the employees about the spirituality role to improve the relationship to emotional intelligence, work satisfaction, and work performance for the capability of spirituality in controlling and managing work behaviour in organization.

CONCLUSIONS

The research results show the acceptance of three hypotheses, including (1) the positive relationship between spirituality and emotional intelligence with the dimension dominance of transcendence framed as high awareness, strong and integrated insight, spiritual practices, referrals for others, compassion, experience and grace and life harmony, (2) the positive relationship between spirituality and job satisfaction with the dominant dimension towards the extrinsic job satisfaction framed as supervision, organization policy, salary, interpersonal relationship between co-workers and employer and (3) the positive relationship between spirituality and work performance with the dominant dimension of contextual performance framed as regulation and procedure of organization, extra effort of employees, volunteerism in task, cooperation, and support for organizational procedures.

In contrast, 4 hypotheses are unaccepted including (1) a negative relationship between spirituality and turnover intention with the dominant dimension of the possibility to find a new job as the effort of the employees to find a new job from the current work in Syariah Bank, (2) negative relationship between emotional intelligence and work performance with the dominant dimension of comparison between contextual performance and task performance - indicating a capability to the aspect outside the quite dominant role in the organization, (3) negative relationship between emotional intelligence and job satisfaction with the dominant dimension in the comparison between extrinsic satisfaction and intrinsic one, (4) negative relationship between emotional intelligence and turnover intention with the dominant dimension of the possibility to find a new job as the employees attempt to find a new job from the current job in organization and (8) negative relationship between job satisfaction and work performance with the dominant dimension of task performance framed as task of capability, efficiency, and communication of employees in their organization.

SCOPE OF THE FUTURE STUDY

The scopes of this research are as follows: (1) it involves the research respondents that had many activities and limitation in bank. This, as a consequence, brought an effect on data gathering and data management process, (2) this research was conducted in Syariah bank in which, if it is conducted in conventional bank, it will create a different result and (3) to result in a relationship between independent variables and dependent ones in further research, a moderation variable as the one increasing the relationship of both is necessary.

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APPENDIX

MODEL OF CONSEPTUAL RESEARCH

Model of Conseptual Research
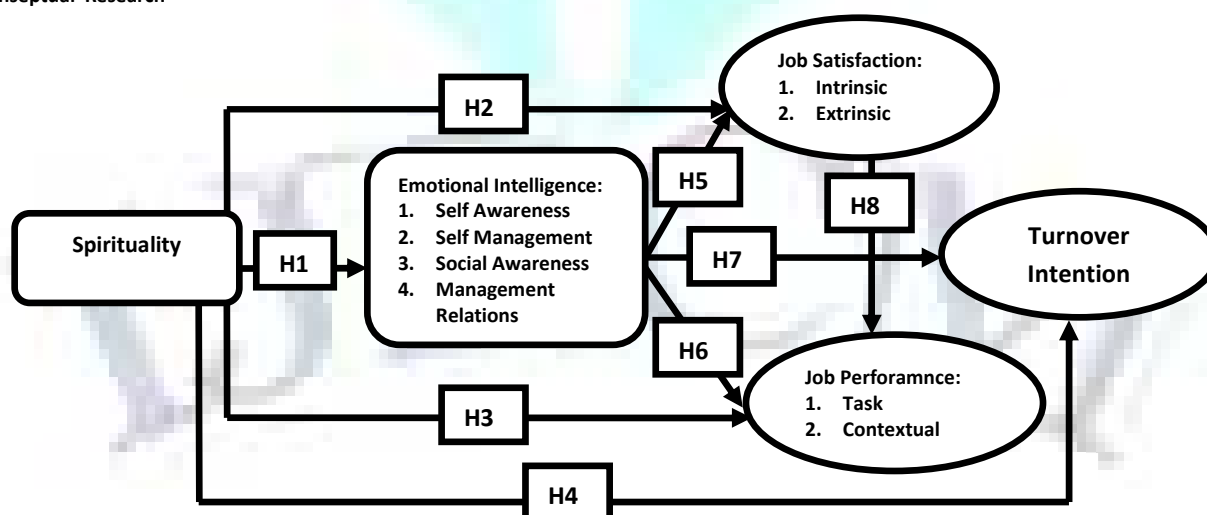
THE TESTING RESULT OF HYPOTHESIS

No.	Variable Correlation	Estimate(t)	Standard of Estimate (SE)	Critical Ratio (CR)	t Critic	Probability (p)	Remark
1.	Spirituality ➡ Emotional Intelligence	0,294	0,052	5,654	1,961	0,000	Significant
2.	Spirituality ➡ Job Satisfaction	0,633	0,097	6,557	1,961	0,001	Significant
3.	Spirituality ➡ Job Performance	0,210	0,147	1,430	1,961	0,000	Significant
4.	Spirituality ➡ Turnover Intention	0,007	0,015	0,454	1,961	0,220	Insignificant
5.	Emotional Intelligence ➡ Job Satisfaction	-0,564	0,152	-3,697	1,961	0,714	Insignificant
6.	Emotional Intelligence ➡ Job Performance	-0,096	0,212	-0,455	1,961	0.102	Insignificant
7.	Emotional Intelligence ➡ Turnover Intention	0,066	0,044	1,494	1,961	0,114	Insignificant
8.	Job Satisfaction ➡ Job Performance	-0,357	0,287	-1,242	1,961	0,713	Insignificant

DIRECT AND INDIRECT RELATIONSHIP

No.	Exogen Variable	Mediate Variable	Endogen Variable	Direct Coefficient	Indirect Coefficient	Total Coefficient	Remark
1.	Spirituality	Emotional Intelligence	Job Satisfaction	0,633	0,294 x (-0,564) = (-0,166)	0,467	Emotional Intelligence is not able to mediate
2.	Spirituality	Emotional Intelligence	Job Performance	0,210	0,294 x (-0,096)= (-0,028)	0,015	Emotional Intelligence is not able to mediate
3.	Spiritualitas	Emotional Intelligence	Turnover Intention	0,007	0,294 x 0,066= 0,019	0,026	Emotional Intelligence is not able to mediate
4.	Emotional Intelligence	Job Satisfaction	Job Performance	-0,096	-0,564 x (-0,357)= 0,201	0,105	Job satisfaction is able to mediate

(Source: Processed Data, 2012)

MACROECONOMIC VARIABLES AND STOCK PRICES: A STUDY OF COLOMBO STOCK EXCHANGE (CSE) IN SRI LANKA

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TRINCOMALEE

ABSTRACT

One of the most enduring debates in economics is whether financial development causes economic growth or whether it is a consequence of increased economic activity. Financial markets play an important role in the process of economic growth and development by facilitating savings and channelizing funds from surplus unit to deficit unit. Stock market plays an significant role in the economic development of a country. A number of studies have been investigated on the causal relationship between economic indicators and stock exchange prices. Many studies have been made from time to time; however, after post war to find out the causal relationship between the economic variables and stock prices is vital to the policy makers. There are many factors which influence the stock market and ASPI. This study is focused on that how macro economic variables influence the stock prices of CSE in Sri Lanka. For the reason four macro independent variables i,e Interest Rate (IR), Exchange Rate (ER), Balance of Payment(BOP) and Gross Domestic Product (GDP) were taken under consideration to measure influences of these factor on dependent variable of All Share Price Iindex(ASPI). For analysis, secondary data was taken for 20 years from 1993 up to 2012.Yearly data was used considering all of the variables. Excel sheet was used to arrange the Data and SPSS was used to analyze the data .The findings revealed that GDP is significantly strong positive correlation with ASPI. Further there is a significant positive correlation between ER and ASPI whenever negatively correlated with IR. Finally multi regression analysis indicates that macroeconomic variables significantly impact on stock prices.

KEYWORDS
Economic Growth, Economic Indicators, Stock Market.

INTRODUCTION

A common problem plaguing the low and slow growth of small developing economies is the shallow financial sector. Financial markets play an important role in the process of economic growth and development by facilitating savings and channelizing funds from savers to investors. While there have been numerous attempts to develop the financial sector, small island economies are also facing the problem of high volatility in numerous fronts including volatility of its financial sector. The relationships of stock returns and the macroeconomic factors have been the main focus of academia and investors. It is frequently quarreled that some fundamental macroeconomic variables such as IR, GDP, BOP and ER play vital role in determining the stock prices. The evidences of subjective from the financial press also shows that all the investors usually consider the monetary policies and macroeconomic variables and the influential elements of stock prices. This proves that a macroeconomic variable can influence the investment decisions of a rational investor and can also motivate a researcher to examine the relationship of stock return and a macroeconomic variable.

The level of economic activity has an impact on investment in many ways. If the economy grows rapidly, the industry can also be expected to show rapid growth and vice versa. The analysis of the macroeconomic environment is essential to understand the behavior of the stock prices. The commonly analysed macroeconomic factors are: GDP, saving and investment, Inflation, IR, budget, the tax structure, BOP, infrastructure facilities and demographic factors. Much of economic and financial theory is based on the notion that individuals act rationally and consider all available information in the decision making process.

It is frequently stated that some fundamental macroeconomic variables such as inflation rates, GDP, interest rates and exchange rates play vital role in determining the stock prices. Many studies have tried to observe the variations in share prices due to the variations in macroeconomic variables. There are many articles written on the relationship between stock return and macro-economic factors in highly developed states like Europe, Japan and United States. The study will be examining the relation between the ASPI and a set of some of the macroeconomic factors (like IR, GDP, BOP and ER) from 1994 to 2010 on yearly basis.

OBJECTIVES OF THE STUDY

The aim of this study is to identify and measure the impact of four major economic factors i.e. IR, ER GDP and BOP on ASPI.
Research is focused to find the impact of macro indicators on stock prices.

- To identify the relationship between macroeconomic variables and stock prices.
- To analysis the impact of macroeconomic factors in stock prices.

BEHAVIOUR OF STOCK PRICES AND ECONOMIC GROWTH

The literature of the effects of macroeconomic variables on stock prices dates back to the late1970s. Studies were focused on developed, emerging, and both developed and emerging capital markets context and the extant literature reveals strong relationships between different macroeconomic variables and stock prices. Numbers of studies have been conducted to examine the effects of macroeconomic variables on stock market of developed economies. Chen, Roll & Ross (1986) test the multifactor model in the USA by employing seven macro economic variables. They find that consumption, oil prices, and the market index are not priced by the financial market. However, industrial production, changes in risk premium, and twist in the yield curve are found to be significant in explaining stock returns. Chen (1991) performed the second study covering the USA. Findings suggest that future market stock returns could be forecasted by interpreting some macroeconomic variables such as default spread, term spread, one month t-bill, industrial production growth rate, and the dividend-price ratio. Clare and Thomas (1994) investigate the effect of 18 macroeconomic factors on stock returns in the UK. They find oil prices, retail price index, bank lending and corporate default risk to be important risk factor for the UK stock.

Shahzad, Niamat & Zeb (2012) confirmed that they analysis of Karachi Stock exchange is the largest stock exchange of Pakistan. There are many factors which influence the stock market and 100 Index. The research is focused on that how macro variables influence the Karachi stock Exchange 100 index For the reason four macro independent variables i,e Interest Rate, Rates of inflation, GDP and Rates of Exchange were taken under consideration to measure influences of

these factor on dependent variable KSE 100 index. For analysis part of the study, Secondary data was taken for 17 years from 1994 up to 2010 (Using SBP official site for Interest, Inflation, GDP and Exchange rates, whereas used "brecoder.com" website for KSE100 index data). Yearly data was used considering all of the variables. Excel sheet was used to arrange the Data and SPSS was used to regress the data. Finding of the study shows that KSE 100 index has a significant relationship with GDP and exchange rate and has insignificant relationship with inflation and Interest rate.

The focus in now being extended towards the analysis of stock markets of developing economies, due to their enormous profit potentials. An illustrative list of studies for developed economies includes Fama (1990), Chen (1991), Kaneko & Lee (1995), Cheung (1998). These studies identify such factors as industrial production, risk premiums, slope of the yield curve, inflation, interest rate, money supply and so forth as being important in explaining stock prices.

The few notable studies for developing economies include Mookerjee & Yu (1997) and Maysami & Koh (2000) for Singapore, Kwon & Shin (1999) for South Korea, and Habibullah & Baharumshah (1996) and Ibrahim (1999) for Malaysia. Using bivariate co-integration and causality tests, Mookerjee and Yu (1997) note significant interactions between M2 money supply and foreign exchange reserves and stock prices for the case of Singapore. However, Maysami & Koh (2000) document significant contribution of interest rate and exchange rate in the long-run relationship between Singapore's stock prices and various macroeconomic variables.

A lot of discussion and debates have been done over the affiliations between macroeconomic factors and stock return. Such workings were based on tests which stated that the stock prices can be used as anticipated discounted cash flows. That's why RRR (required rate of return) or expected cash flow can be expressed as the determinant of stock prices. Elton & Gruber, (1991). Economic factors and variables which can influence the expected cash flows and RRR can therefore be anticipated to impact stock prices.

A rise in interests will raise the RRR and the stock price will fall due to the rise in the interest rates. The rise in interest rates will increase the opportunity cost of holding money, so therefore a trades off to holding other interest bearing securities would cause a reduction in stock prices. Alen & Jagtianti (1997) pointed out that interest rates sensitivity to stocks' return has declined severely since 80's and early 90's due to the development of interest rates derivative contracts that were mostly being used in hedging purpose. In addition, Bolmash & Trevoli (1991) found stated that the United States shares' prices are positively with prior months' share prices, supply of money, latest governmental debts, latest tax exempted governmental debts, long term un-employment and the extensive supply of money and government rates. Though a negative relation was found between the share price and treasury bills' rates.

When the currency of a country decreases against the currency of some other countries, the prices of the goods and services that are going to be export will decrease and as a result the quantity of export will rise, considering that the demand related to these product is elastic. Mukerji & Nakka (1995), Ajay & Mogoue (1996) confirmed the negative effect of rise in the share prices with domestic currency in short run but in long run the effect was found positive whereas a short run and long run negative relation was also reported between currency depreciation and stock's market.

From the previous decade, studies are extending their scope of investigation between macroeconomic factors and stock returns to more countries and states other than just the United States e.g. Kwon & Shen (1999) studied the market of Korea and came up with the results that such markets have cointegration and have positive relationship with production-index, trade balances, rate of exchange and supply of money. The authors were not able to justify the share prices indices to be the leading indicator for macro-economic factors. Leigh (1997) examined the stock market of Singapore in Singapore Stock exchange and came up with the results showing a positive relation with stock indices and money demands, but no relation between stock index and macro-economic fundamentals. Similarly in Taiwan Fung & Lie (1990) also agreed in results with Leigh (1997).

Achsaani & Strohi's (2002) investigation resulted in a negative relation between inflation rates and share prices. Though, it was found that the share prices are positively correlated with GDP, rates of exchange and with supply of money. Besides they were unable to notice any significant relation between interest rates and share prices.

Ali (2011) investigates the impact of changes in selected microeconomic and macroeconomic variables on stock returns at Dhaka Stock Exchange. A Multivariate Regression Model computed on Standard OLS Formula has been used to estimate the relationship. Regression coefficient reveals that inflation and foreign remittance have negative influence and industrial production index; market P/Es and monthly percent average growth in market capitalization have positive influence on stock returns. All the independent variables can jointly explain 44.48 percent variation in DSE all share price index. No unidirectional Granger Causality is found between stock prices and all the predictor variables except one unidirectional causal relation from stock price and market P/Es. Finally, lack of Granger causality between stock price and selected micro and macro variables ultimately reveals the evidence of informational inefficient market.

Menike (2006) investigates that the effects of macroeconomic variables on stock prices in emerging Sri Lankan stock market using monthly data for the period from September 1991 to December 2002. The multivariate regression was run using eight macroeconomic variables for each individual stock. The null hypothesis which states that money supply, exchange rate, inflation rate and interest rate variables collectively do not accord any impact on equity prices is rejected at 0.05 level of significance. The results indicate that most of the companies report a higher R_2 which justifies higher explanatory power of macroeconomic variables in explaining stock prices. Consistent with similar results of the developed as well as emerging market studies, inflation rate and exchange rate react mainly negatively to stock prices in the CSE. The negative effect of Treasury bill rate implies that whenever the interest rate on Treasury securities rise, investors tend to switch out of stocks causing stock prices to fall. However, lagged money supply variables do not appear to have a strong prediction of movements of stock prices while stocks do not provide effective hedge against inflation especially in manufacturing, trading and diversified sectors in the CSE

OBJECTIVES ORIENTED HYPOTHESIS

H_1 Micro economic variables and ASPI have a significant relationship with each other
H_{1a}.The GDP and ASPI have a significant relationship with each other
H_{1b}.The BOP and ASPI have a significant relationship with each other
H_{1c}.The IR and ASPI have a significant relationship with each other.
H_{1d}. The ER and ASPI have a significant relationship with each other.
H_2 Macro economic variables significantly impact on ASPI

METHODOLOGY
RESEARCH DESIGN
This study fundamentally falls under business and management research. The current research is aimed to examine interaction of stock market with macroeconomic variables. The quantitative method has been followed in order to find better results and outcomes.
DATA SOURCES
The study was used secondary data. This data were collected from annual reports of Central Bank of Sri Lanka and data CD published by CSE. In addition secondary data was collected from research studies, books, journals and newspapers.
RELIABILITY AND VALIDITY
Secondary data for the study were drawn from Central Bank reports and CSE as fairly accurate and reliable. Therefore, these data may be considered reliable for the study. Necessary checking and cross checking were done while scanning information and data from the secondary sources. All these efforts were made in order to generate validity data for the present study. Hence, researcher satisfied content validity.
ESTIMATION TECHNIQUE (REGRESSION ANALYSIS)
Regression model is used to predict one variable (dependent variable) from one or more other variables (independent variables).
$$ASPI = b_0 + b_1 *IR + b_2 *ER + b_3 *BOP + b_4 *GDP + uit$$
Where b_0 denotes the intercept of the regression equation, and b_1, b_2, b_3 and b_4 the regression coefficients of IR, ER, BOP and GDP.

In the above general equation the ASPI is the dependent variable and it is influenced by the independent variables i.e. IR, ER, BOP and GDP. Further, researcher analyzed the collected data by descriptive statistics (i.e., means and standard deviation) and inferential statistics (correlation and linear regression). SPSS 16 used in order to analyze the data.

RESULTS & DISCUSSION

CORRELATION ANALYSIS

TABLE 1: CORRELATION BETWEEN ASPI AND MACROECONOMIC VARIABLE

Independent variables	Dependent variables	R - Value	P - Value
GDP	ASPI	0.854**	0.000
BOP	ASPI	0.158	0.507
IR	ASPI	-0.441*	0.039
ER	ASPI	0.666**	0.001

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

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

The table 1 indicates that GDP is positively associated with ASPI. Pearson correlation for GDP and ASPI is 0.854. This means there is a strong positive relationship between GDP and ASPI and highly significant at 1% level. Further result revealed that IR is negatively associated with ASPI. Pearson correlation for IR and ASPI is -0.441. This means there is a moderate negative relationship between IR and ASPI at 5% significant level. In addition results point out that ER is positively associated with ASPI. Pearson correlation for ER and ASPI is 0.666. This means there is a moderate positive relationship between ER and ASPI and significant at 1% level.

H_1 Micro economic variables and ASPI have a significant relationship with each other

The multiple correlation results revealed that the correlation between the macro economic variables and ASPI are strong positive correlation which point out that the macroeconomic variable can positively affected the ASPI. As per the 'Significant' test results, it is clear that the correlation is significant at the 0.01 level. Therefore, hypothesis H_1 is accepted. Hence, microeconomic variable and ASPI have a significant relationship with each other

H_{1a}: The GDP and ASPI have a significant relationship with each other.

The results revealed that the correlation between the GDP and ASPI is strong positive correlation which point out that the GDP can positively affected the ASPI. As per the 'Significant' test results, it is clear that the correlation is significant at the 0.01 level. Therefore, hypothesis H_{1a} is accepted. Hence, the GDP and ASPI have a significant relationship with each other.

H_{1b}.The BOP and ASPI have a significant relationship with each other

The results revealed that the correlation between the BOP and ASPI is weak positive correlation which point out that the BOP can positively affected the ASPI. As per the 'Significant' test results, it is clear that the correlation is insignificant at the 0.05 level. Therefore, hypothesis H_{1b} is rejected. Hence, the BOP and ASPI have an insignificant relationship with each other.

H_{1c}.The IR and ASPI have a significant relationship with each other.

The results exposed that the correlation between the IR and ASPI is moderate negative correlation which point out that the IR can negatively affected the ASPI. As per the 'Significant' test results, it is clear that the correlation is significant at the 0.05 level. Therefore, hypothesis H_{1c} is accepted. Hence, the IR and ASPI have a significant relationship with each other.

H_{1d}. The ER and ASPI have significant relationship with each other

The results revealed that the correlation between the ER and ASPI is moderate positive correlation which point out that the ER can positively affected the ASPI. As per the 'Significant' test results, it is clear that the correlation is significant at the 0.01 level. Therefore, hypothesis H_{1d} is accepted. Hence, the ER and ASPI have significant relationship with each other.

REGRESSION ANALYSIS

TABLE 2: MODEL SUMMARY OF REGRESSION ANALYSIS

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.875[a]	.766	.704	981.81410
a.	Predictors: (Constant), RE, BOP, IR, GDP			

Source: survey data

The R-square in the table highlights that the dependent variable ASPI is influenced by 76.6% by independent variable i.e. GDP, BOP, IR and ER. It explains that GDP, BOP, IR and ER are liable for change in ASPI. The above mentioned model has also significant, examined with the aid of ANOVA. The results are shown in the following table.

TABLE 3. ANALYSIS OF VARIANCE

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	4.742E7	4	1.186E7	12.299	.000[a]
	Residual	1.446E7	15	963958.930		
	Total	6.188E7	19			
a. Predictors: (Constant), ROE, BOP, IR, GDP						
b. Dependent Variable: ASPI						

Source: survey data

TABLE 4. COEFFICIENTS[A] OF VARIABLE

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2197.950	2349.426		.936	.364
	GDP	.001	.000	1.043	4.279	.001
	BOP	.285	.286	.128	.997	.335
	IR	-58.639	112.784	-.075	-.520	.611
	RE	-19.038	16.984	-.270	-1.121	.280
a. Dependent Variable: ASPI						

Source: Survey data

In this table, the standardized co-efficient explain that the factors are influencing the ASPI. Since the independent variables are different nature and have different units of measure so Standardized Coefficients is considered. The beta value (-0.075) with sig value =0.611 shows that there is insignificant relationship between interest rates and ASPI because the P-value 0.611 > 0.05. Though, it was found that the ASPI are positively correlated with GDP. The beta value (-0.270) with sig value =0.28 shows that there is insignificant relationship between ER and ASPI because the P-value 0.28 > 0.05.

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H$_2$: Macro economic variables significantly impact on ASPI

To test the hypothesis this stipulates that macro economic variables have significant effects on ASPI. The ANOVA results indicate that the effect of macroeconomic variables on ASPI. Macroeconomic variables were found to be F = 12.299, P = 0.000 < 0.05, indicating statistical significance. Therefore, H$_2$ is accepted. This result shows that macroeconomic variables significant impact on ASPI.

CONCLUSION

This study investigated the effects of macroeconomic variables on stock prices in Sri Lanka using yearly data for the period from 1994 to 2010. A multiple regression model was used to find out relationships and for examining the impact of macroeconomic variables on stock prices. The results indicate that higher explanatory power of more than 76% in the stock prices for the period 1994 to 2010, the period which provides the strongest evidence of predictability of macroeconomic variables on stock prices.

Stock exchange is considered as the backbone of economy. The negative and positive effects of macroeconomic variables on stock prices found in this study have several practical implications. Findings of the study shows that there is a significant relationship exist between ER, IR and GDP with ASPI. While there is an insignificant relationship exist between ASPI and BOP. Study suggest that IR should be control as it has negative relationship with ASPI so controlling interest rate, Exchange rate and GDP will lead positive and negative change in ASPI. So these three factors are important to be controlled, if their positive impact is needed in an economy. The evidence provides that stock prices appear to react mainly negatively to rising interest rates. One reason suggested for this relation is the expected returns on stocks on which the higher interest rate has a direct bearing. Thus, the higher interest rates would directly affect the returns on stocks causing prices to fall consistent with the theory. Whenever the interest rate on treasury securities increases, the investors tend to switch out of stocks causing fall of stock prices.

Policy makers should be aware of these macroeconomic effects on stock market and make their decisions in a more effective and accurate way. The results of this study are based on the data sets, which are of high quality. Future researchers can investigate the effect of macroeconomic variables on stock prices using alternative methodologies and using sector share price indices. Further, they can use data of various frequencies such as weekly and monthly and examine whether the results are sensitive to the frequency of data. Other aspects on which future researchers can concentrate on are the longer time periods, larger sample sizes with greater numbers of sectors using other macroeconomic and non-macroeconomic variables.

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