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A STUDY ON CUSTOMER'S APPREHENSION TOWARDS MOBILE BANKING TECHNOLOGY

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ABSTRACT

Unlike traditional form of banking, mobile banking has emerged as more convenient and user friendly form of banking. Technology plays an important role in banking sector. Mobile phone is the common technology that becomes part of every individual in this information era. As India is the second largest telecom market in the world and have high potential for expanding banking services using mobile. Mobile banking focuses on customer requirement of anytime, anywhere banking concept into reality. Yet there are number of issues and threats in mobile banking system and the major problem is the non-adoption by the customers. For the research both primary and secondary data were used. The data was collected from 180 respondents from Coimbatore city in the month of November and December 2014. RBI guidelines for mobile banking in India, advantages of adopting this new technology both for the banking sector as well as the consumer and issues which needs to be addressed relating to this new form of banking. The paper also looks at various factors which explain why consumers are not using mobile banking and other technologies in banking. It would also try to how to overcome this problem and increase the acceptance levels. This paper examines consumer adoption of a new electronic payment service as mobile banking and the factors influencing the adoption of mobile banking in India.

KEYWORDS

Mobile Banking, Mobile Payments.

INTRODUCTION TO MOBILE BANKING

Mobile Banking can be described as a mechanism which allows customer of a financial institution to carry out various financial transactions with the help of their mobile phones. With the increasing use of smartphone Mobile Banking is catching up with the common customer. Mobile connectivity is vast and this makes Mobile Banking very successful.

Mobile Banking Service includes:- Mini statement, Monitoring of Term deposits., Ordering Cheque books, Balance checking in the account., Change of Pin., Blocking the lost ATM card., Fund Transfer, Mobile, DTH recharging, Purchasing ticket for a movie or travelling etc.

ADVANTAGES OF MOBILE BANKING

- ✓ Mobile Banking uses the network of service provider and it doesn't need internet connection. In a developing countries like India where there is no internet connection in the interiors, there is the presence of mobile connectivity.
- ✓ Mobile Banking is available round the clock 24/7/365 and is easy and convenient mode for many mobile users in the rural areas.
- ✓ Mobile Banking is said to be more secured and risk free than online/internet Banking.
- ✓ With the help of Mobile Banking you can pay your bills, transfer funds, check account balance, review your recent transaction, block your ATM card etc.
- ✓ Mobile Banking is cost effective and Banks offer this service at very low cost to the customers.

DISADVANTAGES OF MOBILE BANKING

- Though the security threat is less than Internet Banking, One of the great threat to Mobile Banking is "Smishing" which is similar to "phishing". In "Smishing" users receives fake message asking for their Bank details. Many users have fallen into this trap.
- Mobile Banking is not available on all mobile phones. Some time it requires you to install apps on your phone to use the Mobile Banking feature which is available on high end smartphone. If you don't have a smartphone than the use of Mobile Banking becomes limited. Transaction like transfer of funds is only available on high end phones.
- Regular use of Mobile Banking may lead to extra charges levied by the bank for providing the services.
- Mobile phones are limited in processing speeds, screen size and battery life. This acts as a barrier in mobile Banking.

INTRODUCTION TO THE STUDY

This study plans to plug the gap of research in the acceptance of mobile banking among the consumers. The primary objective of this study is to focus on the adoption of mobile banking services by consumers, identify factors influencing the adoption and usage of mobile banking in India.

The personal characteristics of mobile banking users were found to be important determinants of their adoption decisions. This finding provides the financial services industry with a better understanding of customer perceptions of mobile banking services and helps them plan their marketing strategies and promotion approaches for mobile banking services in the future.

OBJECTIVES OF THE STUDY

- ✓ To study the pattern of how customers utilize the mobile banking services.
- ✓ To analyze whether mobile banking is even more secure than online/internet banking.
- ✓ To find out how mobile banking users are overcoming the risk of receiving fake SMS/ messages and scams or even loss of a person's mobile.

LIMITATIONS OF THE STUDY

- The study was restricted to private banks only.
- As the study was restricted to Coimbatore District, generalization cannot be made.
- This study pertains only to the time period of study.

SCOPE OF THE STUDY

The study is much relevant to today's context. The study will be much useful for the researcher in gaining practical knowhow about the scenario that is prevalent among bankers and resources they offer. It also helps the researcher to understand the rudiments of a project of this nature and familiarize with a real time atmosphere.

RESEARCH METHODOLOGY

Research is the investigation of the underlying process operative in the lives of persons who are in association. The process used to collect information and data for the purpose of making business decisions is said to be Research Methodology.

RESEARCH DESIGN

In this research, the researcher has chosen the research design to be descriptive in nature. Descriptive research is a study designed to depict the participants in an accurate way. Descriptive research is all about describing people who take part in the study.

SAMPLING TECHNIQUE

The sampling methodology used in this research is Simple Random sampling which is one of the Probability sampling methods. A subset of a statistical population in which each member of the subset has an equal probability of being chosen. A simple random sample is meant to be an unbiased representation of a group.

SAMPLE SIZE

There are 18 private sector banks in Coimbatore and the researcher has chosen 30% of 18 private sector banks i.e. 6 banks. Out of the 6 banks, 30 samples from each bank were surveyed, considering 30 as a large sample size. Hence, the sample size is 180 i.e (6 banks * 30samples = 180 sample size).

DATA COLLECTION METHOD

Data collection is a systematic approach to gather information from a variety of sources to get a complete and accurate picture of an area of interest. There are two types of data- Primary data and Secondary data. In this study, the researcher has used both types of data.

PRIMARY DATA

Primary data is the data collected by the investigator himself / herself for a specific purpose. It is the first hand information. In this research, the researcher framed a structured questionnaire to collect the data from the respondents.

SECONDARY DATA

Secondary data is the data collected by someone else for some other purpose. The researcher collected secondary data from various websites, journals, magazines and reports.

DATA ANALYSIS AND INTERPRETATION

TABLE NO. 1: AGE OF RESPONDENTS

AGE GROUP (in years)	No. of Respondents	Percentage (%)
26-33	84	47
34-41	86	48
42-49	10	5
TOTAL	180	100

Inference

It is observed from the above table that, 48% of the respondents falls under the age group 34-41yrs, 47% of the respondents are in the age group 26-33yrs and the remaining 5% comes under 42-49 years as their age group.

Most of the mobile banking services are utilized by young and middle aged customers. This is because of their urge in using technology. It's no surprise that the younger generations are keen users of mobile banking, considering the benefits it offers and the prevalence of smartphones among the age group.

TABLE NO. 2: OCCUPATION OF THE RESPONDENTS

OCCUPATION	No. of Respondents	Percentage(%)
EMPLOYED	83	46
PROFESSIONAL	90	50
BUSINESS	7	4
TOTAL	180	100

Inference

It is evident from the above data that 50% of the respondents are qualified professionals, followed by 46% are employed and rest 4% are having their occupation as business.

This means that usage of mobile is unavoidable irrespective of their occupation. When it comes to mobile banking, the range of services it offers is important. Customers are using their banking applications for a variety of tasks- from applying for loans, viewing their balance to making domestic transfers and paying bills. So, the usage is widespread in all occupations.

TABLE NO. 3: EDUCATIONAL BACKGROUND OF THE RESPONDENTS

EDUCATIONAL BACKGROUND	No. of Respondents	Percentage(%)
GRADUATE	145	81
POST GRADUATION	35	19
TOTAL	180	100

Inference

It is understandable from the above data that 81% of respondents are graduates and 19% are well educated as they are post graduates.

There appears to be a number of issues which prevent low-income, low-literate populations from meaningfully adopting and using existing m-banking services. Digital natives are most aware of how to protect themselves, but the high percentage of young people that would happily use mobile banking services over unprotected public Wi-Fi shows that might not be the case. Education and awareness around these issues will help protect them and keep them loyal

TABLE NO. 4: PATTERN OF CUSTOMERS' UTILIZATION OF MOBILE BANKING SERVICES

Age group (in years)	No of respondents	Mean	F- value	p- value
26-33	84	60	7.708647	0.000258 *
34-41	86			
42-49	10			
Total	180			
*p- value – 0.05 indicates level of significance				

H₀- There is no significance difference between age group of the respondents and their pattern of using mobile banking services.
 H₁- There is significance difference between age group of the respondents and their pattern of using mobile banking services.

ANOVA: SINGLE FACTOR ANALYSIS						
SUMMARY						
Groups	Count	Sum	Average	Variance		
Age group	3	473	157.666667	184.3333333		
Pattern of usage	3	67	22.3333333	184.3333333		
ANOVA						
Source of Variation	SS	df	MS	F	p-value	F crit
Between Groups	27472.67	1	27472.6667	149.0379747	0.000258	7.708647
Within Groups	737.3333	4	184.333333			
Total	28210	5				

Inference

From the above analysis, we could infer that p-value (0.0002) is less than 0.05, which means that null hypothesis can be rejected at 5% level of significance. And it is concluded that there is significant difference in the age group of the respondents using the mobile banking services.

We found that people who use mobile banking tend to be younger, earn more and be more on top of their financial matters than non-mobile bankers. Our mobile bankers are more likely to read money blogs but also more prone to regularly buy something on impulse.

People who have been using mobile banking for longer are more likely than newer users to say the technology improved the way they manage money. It seems the positive change from mobile banking is better and better the longer it is used. As people use their mobiles, they have started using mobile banking services as well.

TABLE NO. 5: SECURITY ASPECT IN MOBILE BANKING SERVICES

Income (in Rs)	No of respondents	Mean	F- value	p- value
>Rs10000	6	36	5.31765507	0.002017*
10001-20000	3			
20001-30000	144			
30001-40000	24			
> Rs40000	3			
Total	180			

*p- value – 0.05 indicates level of significance

H₀- There is no significance difference between income of the respondents and their attitude towards the security in using mobile banking services.
 H₁- There is significance difference between income of the respondents and their attitude towards the security in using mobile banking services.

ANOVA: SINGLE FACTOR ANALYSIS						
SUMMARY						
Groups	Count	Sum	Average	Variance		
Income level	5	645	129	751		
Security aspect	5	252	50.4	778.3		
ANOVA						
Source of Variation	SS	df	MS	F	P-value	F crit
Between Groups	15444.9	1	15444.9	20.198653	0.002017	5.31765507
Within Groups	6117.2	8	764.65			
Total	21562.1	9				

Inference

From the above analysis, we could infer that p-value (0.002) is less than 0.05, which means that null hypothesis can be rejected at 5% level of significance. And it is concluded that there is significant difference between income of the respondents and their attitude towards the security in using the mobile banking services. Security and cost of service have positive impact on the attitude. They are taking mobile banking service as they make secured financial transaction with low cost. Social influence also has influence on attitude towards usage. At often consumers get started to take mobile banking service because there family members or friends are using mobile banking service. Demographic factors age and socioeconomic class group of populations are found significantly different according to the attitude.

TABLE NO. 6: RISK ASPECT IN MOBILE BANKING SERVICES

Education	No of respondents	Mean	F- value	p- value
HIGH SCHOOL	1	36	7.7086474	0.00023064*
UNDERGRADUATE	6			
GRADUATE	145			
POST GRADUATION	28			
ABOVE POST GRADUATION	0			
Total	180			

*p- value – 0.05 indicates level of significance

H₀- There is no significance difference between educational background of the respondents and their ability in overcoming risks towards using mobile banking services.
 H₁- There is significance difference between educational background of the respondents and their ability in overcoming risks towards using mobile banking services.

ANOVA: SINGLE FACTOR ANALYSIS						
SUMMARY						
Groups	Count	Sum	Average	Variance		
Column 1	3	381	127	52		
Column 2	3	159	53	52		
ANOVA						
Source of Variation	SS	df	MS	F	p-value	F crit
Between Groups	8214	1	8214	157.9615385	0.00023064	7.7086474
Within Groups	208	4	52			
Total	8422	5				

Inference

From the above analysis, we could infer that p-value (0.0002) is less than 0.05, which means that null hypothesis can be rejected at 5% level of significance. And it is concluded that there is significance difference between educational background of the respondents and their ability in overcoming risks towards using mobile banking services.

The concerns about reliability and security of mobile banking are considered to be the important issues. Banks need to produce advertisements and promotional materials that inform the users of the accuracy and reliability of mobile banking as a means to minimize the perceived risks.

Various factors which contribute to the customers' perception such as convenience, flexible virtual banking system, reliability, time factor, real time access to information, saving transaction cost, on-line bill payments, digital signature for security, faster transfer, easy to use, user friendly, low transaction fees, anytime and anywhere banking facility are taken for this study.

FINDINGS

- From the data, it is clear that 56% of the males are using mobile banking services to a large extent when compared to females which is only 44%. Financial Services are generally complex and need a lot of trust for the consumer to use technology. Banks have changed from paper-based banking solutions provider to the latest of the technologies like online-banking, mobile-banking, etc.
- From the data it is very clear that 80% of the respondents using mobile banking are in income level between Rs20001 - Rs.30000 and rest 20% are having their income as between Rs.30001- Rs40000. As the Internet banking is still in its growing stage, mobile banking has emerged as the next advance way of doing banking.
- 96% of the Savings bank customers are using Mobile Banking services, because of the long queues in branches, customers have started using various alternate channels. Since the pace of technology advancement is not matching with the adoption rate, problems will arise if this widened gap is not going to be filled up with suitable measures.
- Technology-based electronic delivery medium does not constitute service offering and creates value alone, but service content has to function properly and the way of usage has to be known. 85% of the respondents are not updating anti-virus software in their mobile, when using mobile banking.
- From the data, we find that the percentage of respondents who change password are very less. The fact is that the risk and security are the most considerable significant factors for banking service adoption, and particularly in relation to 'new' electronic environment.
- The majority of consumers who had a mobile phone but didn't use mobile banking said they had no need for such services or expressed security concerns. Nonusers also were more likely to say that they believed mobile banking wasn't secure or they didn't know how secure the technology was.
- The findings of our study identified the factors having significant contribution on the attitude towards user's usage of mobile banking. Availability of service points has the greatest influence on usage of mobile banking. Nowadays consumers often prefer next-door mobile banking service points as traditional banks remain far away from their location.
- A mobile banking app needs to be more than just checking a balance. Young people increasingly don't want to visit branches in person, so banks need to offer them the same services via their smartphone or tablet.

SUGGESTIONS TO IMPROVE MOBILE BANKING

- ✓ Mobile banking services must be made simple so that download and authentication of mobile banking apps is easy to increase more usability.
- ✓ Demo link for using mobile banking can be uploaded in the bank's website, so that customers can have a look and try on the same.
- ✓ Self-service counters such as e-lobby can be installed in branch premises and customers can try using the various alternate channels.
- ✓ Social media such as facebook can be used to drive awareness and adoption of mobile banking services.
- ✓ Emails as well as mobile alerts can be sent as reminders to customers regarding various offers/discounts, new product/ service launch in the bank.
- ✓ In the Branch & ATM - on their flat screen TVs and posters inside local branches, the mobile banking services can be shown to create awareness. Branch staff can also offer to show customers how to use mobile services on a phone or a tablet.

CONCLUSION

The study identified significant factors such as availability of service points, cost of service, social influence and security of service having positive influence on attitude toward the usage of mobile banking. Demographic factors viz age and socioeconomic class of user's are also found to impact significantly on attitude. Though middle, rich socioeconomic class and educated peoples are getting involved nowadays. More studies in developing countries may provide us knowledge how different factors influencing user's attitude towards the usage of mobile banking service.

The banking industry today is in the industry of its revolution. Information technology has basically been used under two different avenues in banking. One is communication and connectivity and other is business process. Banks have welcomed wireless and mobile technology into their boardroom to offer their customers the freedom to pay bills, planning payments while stuck in traffic jams, to receive updates on the various marketing efforts while present at a party to provide more personal and intimate relationships.

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TURNOVER ANALYSIS: A CASE STUDY OF AUTOMOBILE INDUSTRY IN INDIA**DR. M. VENKATA RAO****PRINCIPAL****RAJIV GANDHI INSTITUTE OF MANAGEMENT AND SCIENCE
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TADEPALLIGUDEM****ABSTRACT**

The main objective of this paper is to test whether there is any significant difference from one automobile firm to another automobile firm regarding the various turnover ratios and offer a suitable suggestions to strengthen performance of automobile industry in India. The data obtained from the annual reports of the automobile firms from the year 2002-03 to 2011-12. The paired samples statistics applied to derive the required results. The study found that there was no significant difference from inventory ratio of TVS Motor Company to the inventory ratio of Tata Motors and also came to know that there was no significant difference from realizing of cash from debtors from the Maruthi Suzuki to the Tata Motors Company. This study also identified from Mahindra & Mahindra to Maruthi Suzuki and from TVS Motor to Mahindra & Mahindra. And also total assets turnover ratio was not remarked significant difference from Ashok Layland to Tata Motors and from Ashok Layland to Maruthi Suzuki.

KEYWORDS

Inventory Turnover Ratio, Debtors Turnover Ratio, Fixed Assets, Turnover Ratio and Total Assets Turnover.

INTRODUCTION

Planning, Organizing and control of issues of inventory is called as the inventory management. Inventory consists of raw material, work-in-process and finished goods. The basic inputs are the raw materials, semi manufactured products are the work-in-process and completely manufactured products equivalent to the finished goods. The basic motives of holding inventories are transaction motive, precautionary motive and speculative motive. Transaction motive implies the smooth production and sales operation. The precautionary motive refers to the safeguard against the risk of unforeseen changes in demand and supply forces. The speculative motive indicates to take benefit of price fluctuations. The main objective of inventory management is to maintain the optimum level of inventory. The management of inventory helps in forecasting quantity of inventory is required, enables to offer the right product at the right time which leads to customer satisfaction, increases the employees efficiency by impart a knowledge on them with the help of inventory management software and other tools. It also useful to place an optimum order through this estimating, controlling and management of inventory reduces the costs and increases the productivity and sales resulting in greater profitability. The techniques of inventory management is VED Analysis (Very Essential and Dormant), E.O.Q (Economic Order Quantity), ABC Analysis (Always Better Control), JIT (Just in Time) and FSN (Fast moving, Slow moving and Non moving). In addition to the above ratios the following inventory control techniques were available, i.e., Activity – Based costing (ABC) is the process of costing system which focuses on activities performed to produce the product. In activity based costing classifies various inventory items into three different categories basing on the relationship with the different stages or parts of the production process. The most important items are classified as class A, intermediate classified as class B and remaining items classified as C. It measures the cost and performance of activities, resources and cost of objects which help to generate accurate information for management reporting and decision making. The economic order quantity helps in how much to order and when to place an order. The quantity for which order is placed when the stock reaches to the re-order level. It is called as economic order quantity when it is the quantity which is considered as the most economical to order. At which the total of ordering costs and carrying costs minimum, it is considered as an economic order quantity. At EOQ the ordering costs are equal to carrying costs the main objective of economic order quantity is to decide the "Order Size" which is considered most economical to order. The EOQ provides the information regarding how much inventory must be ordered at a specific point of time. The economic order quantity refers to determine the order size that will minimize the total of an order and carrying costs for an item of inventory. The re-order level is the level of inventory at which the new order for an item must be placed to acquire new supply. The lead time, usage rate of an item influence the reorder level. Safety stock is the minimum level of inventory which must be maintained by a firm to protect the firm from stock outs due to unexpected demand and lead time for the item. JIT is a modern approach and a firm keeps only enough inventories on hand to meet immediate production requirements. It reduces inventory carrying costs by acquiring that raw material that is to be used just in time to be placed in to production. Inventory management involves trade-off between risk and return. The risk means if the level of inventory is too low, there is a possibility of interrupted production process and various functions don't operate independently. As the size of inventory rises, the costs of storage, carrying costs and other costs also increase, but the risk of running out of inventory decreases. The financial manager must evaluate inventory in terms of money value and the number of physical units.

HISTORY OF AUTOMOBILE IN THE WORLD

The automobile industry began in 1890's and finally came of age with Henry Ford in 1914 for bulk production of cars. Initially it was dominated by the US automobile markets up to the second world war, because of it produced about 75 percent of world's auto production. In 1980 the US was overtaken by Japan and became world's leader again in 1994 and held this rank until 2009, when China took the top spot with 13.8 million units with 19.3 million units manufactured in 2012. The china occupied the first place, followed by the USA and Japan. Initially Indian auto industry concentrated on servicing, dealership, financing and maintenance of vehicles later only after a decade from independence manufacturing started in India. It contributes 22 percent of the country's manufacturing gross domestic product and it is one of the biggest job creators and world's third largest exporter of two wheelers.

The industry started grow from the year 1970 and the Government of India started the Delhi Auto Expo in 1986 to promote the auto industry. After the new industrial resolution policy 1991, foreign investors were invited in 12 large automotive companies, Maruti Udyog Ltd., General Motors India, Ford India Ltd., Eicher Motors, Bajaj Auto, Daewoo Motors India, Hero Motors, Hindustan Motors, Hyundai Motors India Ltd., Royal Enfield Motors, Telco, TVS Motors, Tata Motors, DCD Designs, Swaraj Mazda Ltd. The first automobile was launched in India in the year 1897 in Bombay. The industry is expected to grow to US \$40 billion by 2015, and it contribute 10 percent of the nations GDP by 2016 and expected to top in the world in car segment with approximately 611 million vehicles on the nations road by 2050.

HERO MOTO CORP

Hero cycles were founded in Ludhiana in the year 1956 and it became the largest bicycle manufacturer in India by 1975. It introduced motorcycles in 1980 with a slogan of "Fill it, shut it and forget it". In the year 2012-13 the company captured 46 percent market share in two wheeler category with a revenue of 241.66 Rupees (US \$3.9 billion). In August 2011, the company was renamed Hero Moto Corp with a new corporate identity. It made a rich contribution in the fields of sport and education as sense of corporate social responsibility.

TVS MOTORS

Launch a seven new bikes in a single day and third largest two wheeler manufacturer in India was established by T.V. Sundaram Iyengar, collaborated with Layton Dewande Holdings, United Kingdom in 1962 and received the Deming prize for Total Quality Management, as a first company in the world. The TVS Apache, TVS Victor, TVS Scooty, TVS Centra and TVS Fiero are the popular brand of bikes in the Indian Market. It started SST (Srinivasan Services Trust) in 1996 meant for the economic development, education, infrastructure, environment and healthcare of villagers and helps to make villages self reliant.

ASHOK LEYLAND

Leader in the Indian bus market, prominent manufactures, suppliers and exporters of wide collection of diesel generator sets started in the year 1948 in Madras (Chennai). It is the second largest manufacturer of commercial vehicles in India, 4th Largest manufacturer of buses in the world and 16th largest manufacturers of trucks globally and it received National Energy Conservation Awards (2012). LCV Cargo Carrier of the year award for Dorset (2012), Excellence in Technology Award for the Optare Versa EV", and improve a quality of life of their employees through the medication, blood donation camps, broadly it focus on livelihood enhancement, health, education and environment.

TATA MOTORS

World's 17th largest motor vehicle manufacturing company, the world first corporate sustainability label by C11 and best publicity traded companies in Asia – Pacific, founded by Jahangir Ratanji Dadabhai Tata in 1945 as a leading Indian multinational automotive manufacturing company in Mumbai, Maharashtra. It accredited with sustainable plus marque (Gold category), Star Performer award by EEPC (Indian Engineering Export Promotion Council).

MAHINDRA AND MAHINDRA

Enjoys a strong corporate brand image, customer centricity started on 2nd October 1945 consists of segments of automotive, farm equipment, infrastructure, information technology, hospitality and financial services. It adopted the supply chain management to reducing carbon foot prints and focused on education, health, sports and culture.

MARUTI SUZUKI

It is not only one of the oldest but also as one of the biggest game players in the automotive industry. It was backs to 1981 and known as Maruti Udyog Limited (MUL) and 18.28 percent of its shares were under the ownership of the Indian Government, and its headquarters located in New Delhi. It started production in the year 1983 by producing of iconic Maruti 800 considered as the people's car of India. It consists of Maruti Omni, Maruti Alto 800, Maruti Suzuki Eeco, Maruti Alto k10, Maruti Suzuki Wagon R. It bagged the best business standard company of the year 2010-11 and best value for money car of the year at auto car India Awards 2013, sustainability award by the CII, IITC. As a part of its corporate social responsibility initiatives Maruti Suzuki has taken significant steps in the area of road safety, skill development, community development and employee engagement programs through to being pioneers in the Indian automobile industry.

REVIEW OF LITERATURE

Niresh (2012) disclosed that, there was a negative relationship between Cash Conversion Cycle and performance measures and the current assets to total assets ratio shows a weak positive relationship with the performance measures of return on assets and return on equity. The researchers mentioned that manufacturing firms adopted conservative working capital management policy in Sri Lanka. **Darabi & Toomari, (2012)** examined that there was a significant positive relationship between cash conversion cycle and the competitiveness of the company; which means that a decrease in the cash conversion cycle results in a reduction in competitiveness due to decrease in number of days of accounting receivables, decrease of inventories days and increasing in number of days of accounts payables. **Afza & Nazir, (2011)** used utilization index, performance index and total efficiency index to measure efficiency of working capital management. They also tested the speed of achieving the target level of efficiency by an individual firm by using industry norms as the target level of efficiency. **Charitou et al, (2010)** was also revealed there were significant relationship between the cash conversion cycle and days in inventory, days sales outstanding and creditor payment period with the firm's profitability. **Bellouma (2009)** concluded that a negative relationship identified between gross operating profitability and the days of sales outstanding, the days of payable outstanding, the days of inventory outstanding and the cash conversion cycle. **Mian Sajid Nazir & Talat Afza (2009)**. Their result indicated that there is a negative relationship between the profitability measures of firms and degree of aggressiveness of working capital investment and financing policies, but they found investors giving more value to those firms that are more aggressive in managing their current liabilities. **Ganesan (2007)** found that the working capital management efficiency was negatively related to the liquidity and profitability. He suggested that the manager can improve working capital efficiency by reducing days of working capital. In addition, he said that the management of days sales outstanding showed no significant effect on the return on assets and profit margin because of the heavy fixed asset requirements in telecommunication industry. It also had poor management of accounts payable and accounts receivable. **N.K. Agrawal (1983)** concluded that although the working capital per rupee of sales showed a declining trend over the years, but still a sufficient scope for reduction in investment appeared in almost all the segments of working capital. **Misra (1975)** showed that the overstocking of inventory in regard to it's each component, more cash as operational requirements and very low receivables turnover. The result indicated that there is mismanagement of working capital in public sector in India. **Swamy & V.G. Rao (1974)** concluded that inventory and fixed investment were found to be sensitive to variations in the availability of external funds. **Borty (1973)** highlighted the utility of Operating Cycle concept in the determination of future cash requirements on the basis of estimated sales and costs of internal staff of the firm.

OBJECTIVES OF THE STUDY

The study carried with the following objectives:

1. To test whether there is any significant difference from one automobile firm to another automobile firm regarding inventory turnover ratio, debtors turnover ratio, fixed assets turnover ratio and total assets turnover ratio.
2. To offer a suitable suggestions to strengthen the financial performance of automobile industry in India.

METHODOLOGY OF THE STUDY

The data collected from the secondary sources through the annual reports of various automobile firms from the 2002-03 to 2011-12. The paired samples statistics applied to derive the required results. The only six firms were selected for this study. These are Hero Motor Corporation, TVS Motors, Ashok Leyland, Tata Motors, Mahindra & Mahindra and Maruti Suzuki.

INPUT TABLE 1: INVENTORY TURN OVER RATIO OF DIFFERENT FIRMS OF AUTO-MOBILE INDUSTRY FROM THE YEAR 2002-03 TO 2011-12

Year	Hero MotoCorp	TVS Motor	Ashok Leyland	Tata Motors	Mahindra & Mahindra	Maruti Suzuki
2002-03	25.51	12.73	6.85	10.20	8.39	15.52
2003-04	31.30	13.22	6.92	14.91	10.14	21.94
2004-05	36.57	12.69	7.59	14.06	8.92	16.90
2005-06	38.74	11.06	5.99	12.63	9.48	14.15
2006-07	36.25	11.86	6.93	13.26	11.75	21.27
2007-08	42.82	9.61	7.90	14.44	12.49	22.93
2008-09	47.53	13.31	5.36	13.47	14.56	30.46
2009-10	42.80	17.12	5.11	13.50	17.91	30.47
2010-11	43.88	13.27	5.86	13.86	15.64	33.33
2011-12	40.84	13.19	6.63	13.37	14.99	22.80

Source: Compiled from the Annual Reports

Input Table-1 : This table narrates the inventory turnover ratio of different firms of Automobile Industry. The higher ratio (47.53) represented from the year 2008-09 and lowest ratio (25.51) witnessed during 2002-03 regarding Hero Motor Corporation, Highest (17.12) and lowest (9.61) with reference to TVS Motor, lowest (5.11) and highest (7.90) regarding Ashok Layland, Highest (14.91) and lowest (10.20) from Tata Motors, highest (33.33) and lowest (15.52) from Maruthi Suzuki.

OUT PUT TABLE 1: PAIRED SAMPLES STATISTICS OF VARIOUS FIRMS OF AUTO MOBILE INDUSTRY

		Mean	N	Std. Deviation	Std. Error Mean
Pair 1	Hero Motor Corp	38.6240	10	6.51822	2.06124
	Tvs Motor(Inventory Turnover Ratio)	12.8060	10	1.93149	.61079
Pair 2	Ashok Leyland	6.5140	10	.91580	.28960
	Tata Motors	13.3700	10	1.28531	.40645
Pair 3	Mahindra & Mahindra	12.4270	10	3.24001	1.02458
	Maruti Suzuki	22.9770	10	6.61480	2.09178
Pair 4	Mahindra & Mahindra	12.4270	10	3.24001	1.02458
	Hero Motor Corp	38.6240	10	6.51822	2.06124
Pair 5	Hero Motor Corp	38.6240	10	6.51822	2.06124
	Maruti Suzuki	22.9770	10	6.61480	2.09178
Pair 6	Tvs Motor(Inventory Turnover Ratio)	12.8060	10	1.93149	.61079
	Tata Motors	13.3700	10	1.28531	.40645
Pair 7	Mahindra & Mahindra	12.4270	10	3.24001	1.02458
	Ashok Leyland	6.5140	10	.91580	.28960
Pair 8	Maruti Suzuki	22.9770	10	6.61480	2.09178
	Hero Motor Corp	38.6240	10	6.51822	2.06124

Source: SPSS

Output Table-1 : The above table furnishes the information regarding paired samples statistics of different firms of automobile industry. The higher value of mean implies the higher inventory turnover ratio, the lower value of mean implies the lower inventory turnover ratio. The Hero Motor Corp turnover ratio was higher than TVS Motor, Tata Motors exceeds Ashok Layland, Maruthi Suzuki exceeds the Mahindra & Mahindra, Hero Motor Corp exceeds the Mahindra & Mahindra as well as Maruthi Suzuki, and Mahindra & Mahindra exceeds Ashok Layland. Finally it can be concluded that the higher inventory ratio was holding by the Hero Motor Corporation, followed by the Maruthi Suzuki and least ratio represented from Ashok Layland.

OUT PUT TABLE 2: PAIRED SAMPLES TEST OF VARIOUS FIRMS OF AUTO MOBILE INDUSTRY

		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1	Hero Motor Corp - Tvs Motor(Inventory Turnover Ratio)	2.58180E1	6.58873	2.08354	21.10471	30.53129	12.391	9	.000
Pair 2	Ashok Leyland - Tata Motors	-6.85600	1.46811	.46426	-7.90622	-5.80578	-14.768	9	.000
Pair 3	Mahindra & Mahindra - Maruti Suzuki	-1.05500E1	4.03679	1.27654	-13.43774	-7.66226	-8.264	9	.000
Pair 4	Mahindra & Mahindra - Hero Motor Corp	-2.61970E1	4.60789	1.45714	-29.49329	-22.90071	-17.978	9	.000
Pair 5	Hero Motor Corp - Maruti Suzuki	1.56470E1	5.06481	1.60163	12.02385	19.27015	9.769	9	.000
Pair 6	Tvs Motor(Inventory Turnover Ratio) - Tata Motors	-.56400	2.33850	.73950	-2.23686	1.10886	-.763	9	.465
Pair 7	Mahindra & Mahindra - Ashok Leyland	5.91300	3.87831	1.22643	3.13862	8.68738	4.821	9	.001
Pair 8	Maruti Suzuki - Hero Motor Corp	-1.56470E1	5.06481	1.60163	-19.27015	-12.02385	-9.769	9	.000

Source: SPSS

Output Table-2 : This table shows the paired samples test of different firms of Automobile Industry regarding turnover ratio.

Null Hypothesis (H₀) : There is no significant difference from inventory ratio of Hero Motor Corporation to inventory ratio of Hero Motor Corporation to inventory ratio of TVS Motor.

Alternative Hypothesis (H_{a1}) : There is a significant difference from inventory ratio of Hero Motor Corporation to inventory ratio of TVS Motor.

Analysis : The calculated value of t was 12.391 at df was 9 significant value was 0.000, hence it affirmed that the proposed null hypothesis was rejected and alternative hypothesis was accepted and decided that there was a significant difference from inventory ratio of Hero Motor Corporation to inventory ratio of TVS Motor.

Null Hypothesis (H0₂) : There is no significant difference from inventory ratio of Ashok Layland to inventory ratio of Tata Motors.

Alternative Hypothesis (Ha₂) : There is a significant difference from inventory ratio of Ashok Layland to inventory ratio of Tata Motors.

Analysis : The value of mean was -6.856 and value of t was -14.768 at df was 9, significant value was 0.000, hence it can be concluded that proposed null hypothesis was rejected and alternative hypothesis was accepted and confirmed that there was a significant difference between inventory ratio of Ashok Layland to Tata Motors.

Null Hypothesis (H0₃) : There is no significant difference from inventory ratio of Mahindra & Mahindra to inventory ratio of Maruthi Suzuki.

Alternative Hypothesis (Ha₃) : There is a significant difference from inventory ratio of Mahindra & Mahindra to inventory ratio of Maruthi Suzuki.

Analysis : The value of mean was -1.055 at t value was -8.264 at df was 9 significant value was 0.000, hence it was witnessed that proposed null hypothesis was not accepted and inferred that there was a significant difference between inventory ratio of Mahindra & Mahindra and inventory ratio of Maruthi Suzuki.

Null Hypothesis (H0₄) : There is no significant difference between inventory ratio of Mahindra & Mahindra to Hero Motor Corporation.

Alternative Hypothesis (Ha₄) : There is a significant difference between inventory ratio of Mahindra & Mahindra to Hero Motor Corporation.

Analysis : The value of t was -17.978 at df was 9, P value was 0.000, hence it was observed that proposed null hypothesis was rejected and alternative hypothesis was accepted and confirmed that there was a significant difference from the inventory ratio of Mahindra & Mahindra to the inventory ratio of Hero Motor Corporation.

Null Hypothesis (H0₅) : There is no significant difference between inventory turnover ratio of Hero Motor Corporation to inventory turnover ratio of Marthi Suzuki.

Alternative Hypothesis (Ha₅) : There is a significant difference between inventory turnover ratio of Hero Motor Corporation to inventory turnover ratio of Marthi Suzuki.

Analysis: The value of mean was 1.564 and value of t was 9.769 at df was 9, P value was 0.000, hence it confirmed that the proposed null hypothesis was rejected and alternative hypothesis was accepted and concluded that there was a significant difference from the inventory ratio of Hero Motor Corporation to inventory ratio of Maruthi Suzuki.

Null Hypothesis (H0₆) : There is no significant difference from inventory ratio of TVS Motor to the inventory turnover ratio of Tata Motors.

Alternative Hypothesis (Ha₆) : There is a significant difference from inventory ratio of TVS Motor to the inventory ratio of Tata Motors.

Analysis : The value of mean was -0.564 and with t value was -0.763 at df was 9, P value was 0.465, hence it can be concluded that the proposed null hypothesis was accepted and came to know that there was no significant difference from inventory ratio of TVS Motor Company to the inventory ratio of Tata Motors Company.

Null Hypothesis (H0₇) : There is no significant difference from the inventory ratio of Mahindra & Mahindra to the inventory ratio of Ashok Layland.

Alternative Hypothesis (Ha₇) : There is a significant difference from the inventory ratio of Mahindra & Mahindra to the inventory ratio of Ashok Layland.

Analysis : The value of mean was 5.91 and t value was 4.821 at df was 9, P value was 0.001, and confirmed that the proposed null hypothesis was rejected and alternative hypothesis was accepted and came to know that there was a significant difference from the inventory ratio of Mahindra & Mahindra to the inventory ratio of Ashok Layland.

Null Hypothesis (H0₈) : There is no significant difference from the inventory ratio of Maruthi Suzuki to the inventory ratio of Hero Motor Corporation.

Alternative Hypothesis (Ha₈) : There is a significant difference from inventory ratio of Maruthi Suzuki to the inventory ratio of Hero Motor Corporation.

Analysis : The value of mean was -1.564 and t value was -9.769 at df was 9 with a significant value was 0.000, hence it was confirmed that the proposed null hypothesis was rejected and alternative hypothesis was accepted and concluded that there was a significant difference from the inventory ratio of Maruthi Suzuki to the inventory ratio of Hero Motor Corporation.

INPUT TABLE 2: DEBTORS TURN OVER RATIO OF DIFFERENT FIRMS OF AUTO-MOBILE INDUSTRY FROM THE YEAR 2002-03 TO 2011-12

Year	Hero MotoCorp	TVS Motor	Ashok Leyland	Tata Motors	Mahindra & Mahindra	Maruti Suzuki
2002-03	42.32	38.99	5.47	10.23	6.38	9.79
2003-04	63.02	54.18	7.49	16.69	10.75	13.89
2004-05	111.41	66.53	9.88	24.12	14.46	17.14
2005-06	70.26	69.76	12.14	26.31	14.16	19.45
2006-07	40.11	45.46	15.54	35.60	14.82	21.12
2007-08	32.70	32.31	17.74	30.08	13.26	25.76
2008-09	55.10	27.25	9.25	19.11	12.77	26.33
2009-10	122.63	21.71	7.51	17.92	16.09	33.92
2010-11	162.08	25.17	10.34	19.20	17.97	42.93
2011-12	117.09	28.24	11.02	20.42	19.05	38.84

Source: Compiled from the Annual Reports

Input Table-2 : This table reflects the information of debtors turnover ratio of various firms of automobile industry. The highest ratio (162.08) witnessed during the year 2010-11 followed by the 2009-10 and least ratio (32.70) was identified during the year 2007-08 regarding Hero Motor Corporation. Regarding TVS Motor highest ratio (69.76) during the year 2005-06 followed by the 2004-05 and the least ratio was identified during 2009-10 (21.71). The highest ratio (35.60), lowest ratio (10.23) regarding Tata Motors, highest ratio (19.05) and least ratio (6.38) witnessed from the Mahindra & Mahindra and highest ratio (42.93) and least ratio (9.79) represented from the Maruthi Suzuki.

OUT PUT TABLE 3: PAIRED SAMPLES STATISTICS OF VARIOUS FIRMS OF AUTO MOBILE INDUSTRY

		Mean	N	Std. Deviation	Std. Error Mean
Pair 1	Hero Motor Corp	81.6720	10	43.64023	13.80025
	Tvs Motor(Inventory Turnover Ratio)	40.9600	10	17.40573	5.50418
Pair 2	Ashok Leyland	10.6380	10	3.73961	1.18257
	Tata Motors	21.9680	10	7.26766	2.29824
Pair 3	Mahindra & Mahindra	13.9710	10	3.60894	1.14125
	Maruti Suzuki	24.9170	10	10.83865	3.42748
Pair 4	Ashok Leyland	10.6380	10	3.73961	1.18257
	Hero Motor Corp	81.6720	10	43.64023	13.80025
Pair 5	Mahindra & Mahindra	13.9710	10	3.60894	1.14125
	Tvs Motor(Inventory Turnover Ratio)	40.9600	10	17.40573	5.50418
Pair 6	Maruti Suzuki	24.9170	10	10.83865	3.42748
	Ashok Leyland	10.6380	10	3.73961	1.18257
Pair 7	Maruti Suzuki	24.9170	10	10.83865	3.42748
	Tata Motors	21.9680	10	7.26766	2.29824

Source: SPSS

Output Table-3 : This table reflects the paired samples statistics of various firms of automobile industry regarding debtors turnover ratio. The more number of days required to recover the cash from debtors of the Hero Motor Corporation than the TVS Motor as well as Ashok Layland. Ashok layland realized cash earlier than the Tata Motors, Mahindra & Mahindra than Maruthi Suzuki, Ashok Layland than Hero Motor Corporation, Mahindra & Mahindra than TVS Motor, Ashok Layland than Maruthi Suzuki, Tata Motors than Maruthi Suzuki. Finally it can be concluded the least number of days required to recover the cash from debtors regarding Ashok Layland followed by TVS Motor, Tata Motors, Maruthi Suzuki and Hero Motor Corporation.

OUT PUT TABLE 4: PAIRED SAMPLES TEST OF VARIOUS FIRMS OF AUTO MOBILE INDUSTRY

		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1	Hero Motor Corp - Tvs Motor(Inventory Turnover Ratio)	4.07120E1	50.72469	16.04055	4.42575	76.99825	2.538	9	.032
Pair 2	Ashok Leyland - Tata Motors	-1.13300E1	4.14061	1.30937	-14.29201	-8.36799	-8.653	9	.000
Pair 3	Mahindra & Mahindra - Maruti Suzuki	-1.09460E1	7.96432	2.51854	-16.64333	-5.24867	-4.346	9	.002
Pair 4	Ashok Leyland - Hero Motor Corp	-7.10340E1	44.87969	14.19221	-103.13900	-38.92900	-5.005	9	.001
Pair 5	Mahindra & Mahindra - Tvs Motor(Inventory Turnover Ratio)	-2.69890E1	18.70063	5.91366	-40.36663	-13.61137	-4.564	9	.001
Pair 6	Maruti Suzuki - Ashok Leyland	1.42790E1	10.78888	3.41174	6.56110	21.99690	4.185	9	.002
Pair 7	Maruti Suzuki - Tata Motors	2.94900	12.71796	4.02177	-6.14888	12.04688	.733	9	.482

Source: SPSS

Output Table-4 : This table reveals that paired samples test of various firms of automobile industry regarding debtors turnover ratio. This table reflects that there was significant difference from one firm to another firm regarding the debtors turnover ratio except the firms Maruthi Suzuki and Tata Motors regarding these firms there was no significant difference between each other with reference to the debtors turnover ratio.

INPUT TABLE 3: FIXED ASSETS TURN OVER RATIO OF DIFFERENT (FIRMS OF AUTO-MOBILE INDUSTRY FROM THE YEAR 2002-03 TO 2011-12)

Year	Hero MotoCorp	TVS Motor	Ashok Leyland	Tata Motors	Mahindra & Mahindra	Maruti Suzuki
2002-03	10.41	5.57	2.94	1.53	2.50	3.10
2003-04	11.23	4.58	3.93	2.18	3.49	4.53
2004-05	12.32	3.91	4.80	2.62	4.66	5.78
2005-06	11.41	2.35	5.40	2.55	5.44	6.59
2006-07	9.54	2.60	5.43	3.08	5.88	6.32
2007-08	5.89	1.80	2.77	2.69	3.22	2.48
2008-09	5.34	1.97	1.26	1.88	2.84	2.38
2009-10	6.29	2.29	1.25	1.95	3.85	2.82
2010-11	3.70	3.13	1.73	2.22	4.08	3.13
2011-12	4.05	3.34	1.98	2.65	4.32	2.46

Source: Compiled from the Annual Reports

Input Table-3 : This table reflects the fixed assets turnover ratio of different firms of Automobile Industry. The higher fixed assets turnover ratio (12.32) occurred during the year 2004-05 followed by 2005-06 (11.41) and 2003-04 (11.23) and the least (3.70) was happened during the year 2010-11 regarding during Hero Motor Corporation. The ratio of 5.57 happened during the year 2002-03, followed by the 2011-12 and the least (1.80) happened during the year 2007-08 with reference to the TVS Motor Company except Mahindra & Mahindra to Maruthi Suzuki and from Mahindra & Mahindra to TVS Motor.

OUT PUT TABLE -5: PAIRED SAMPLES STATISTICS OF VARIOUS FIRMS OF AUTO MOBILE INDUSTRY

		Mean	N	Std. Deviation	Std. Error Mean
Pair 1	Hero Motor Corp(Fixed Assets Turnover)	8.0180	10	3.29046	1.04053
	Tvs Motor	3.1540	10	1.22076	.38604
Pair 2	Ashok Leyland	3.1490	10	1.64478	.52012
	Tata Motors	2.3350	10	.46527	.14713
Pair 3	Mahindra & Mahindra	4.0280	10	1.08685	.34369
	Maruti Suzuki	3.9590	10	1.69275	.53530
Pair 4	Maruti Suzuki	3.9590	10	1.69275	.53530
	Hero Motor Corp(Fixed Assets Turnover)	8.0180	10	3.29046	1.04053
Pair 5	Mahindra & Mahindra	4.0280	10	1.08685	.34369
	Tvs Motor	3.1540	10	1.22076	.38604
Pair 6	Tata Motors	2.3350	10	.46527	.14713
	Maruti Suzuki	3.9590	10	1.69275	.53530
Pair 7	Mahindra & Mahindra	4.0280	10	1.08685	.34369
	Hero Motor Corp(Fixed Assets Turnover)	8.0180	10	3.29046	1.04053

Source: SPSS

Output Table-5 : This table reveals that the information of paired samples statistics of various firms of automobile industry regarding fixed assets turnover ratio. The best performance had taken place by the Hero Motor than TVS Motor, Tata Motor than Ashok Layland, Maruthi Suzuki than Mahindra & Mahindra, Hero Motor than Maruthi Suzuki, Mahindra & Mahindra than TVS Motor, Maruthi Suzuki than Tata Motors, and Hero Motor Corporation than Mahindra & Mahindra. Finally it was evident that, the best utilization of fixed assets hold by the Hero Motor Corporation followed by Mahindra & Mahindra, Maruthi Suzuki and TVS Motor.

OUT PUT TABLE 6: PAIRED SAMPLES TEST OF VARIOUS FIRMS OF AUTO MOBILE INDUSTRY

		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1	Hero Motor Corp(Fixed Assets Turnover) - Tvs Motor	4.86400	2.92408	.92468	2.77224	6.95576	5.260	9	.001
Pair 2	Ashok Leyland - Tata Motors	.81400	1.42952	.45206	-.20862	1.83662	1.801	9	.105
Pair 3	Mahindra & Mahindra - Maruti Suzuki	.06900	1.07221	.33906	-.69801	.83601	.204	9	.843
Pair 4	Maruti Suzuki - Hero Motor Corp(Fixed Assets Turnover)	-4.05900	2.24171	.70889	-5.66262	-2.45538	-5.726	9	.000
Pair 5	Mahindra & Mahindra - Tvs Motor	.87400	1.85332	.58607	-.45178	2.19978	1.491	9	.170
Pair 6	Tata Motors - Maruti Suzuki	-1.62400	1.50309	.47532	-2.69925	-.54875	-3.417	9	.008
Pair 7	Mahindra & Mahindra - Hero Motor Corp(Fixed Assets Turnover)	-3.99000	3.17169	1.00298	-6.25889	-1.72111	-3.978	9	.003

Source: SPSS

Output Table-6 : This table reveals that whether there is any significant difference of fixed assets turnover ratio from one firm to another firm of automobile industry. This table evident that there was a significant difference from one firm to another firm regarding fixed assets turn over ratio.

INPUT TABLE 4: TOTAL ASSETS TURNOVER RATIO OF DIFFERENT FIRMS OF AUTO-MOBILE INDUSTRY FROM THE YEAR 2002-03 TO 2011-12

Year	Hero MotoCorp	TVS Motor	Ashok Leyland	Tata Motors	Mahindra & Mahindra	Maruti Suzuki
2002-03	5.21	4.96	1.69	2.21	1.38	2.08
2003-04	4.58	4.09	2.31	2.68	1.98	2.42
2004-05	4.54	3.32	2.15	2.63	2.17	2.36
2005-06	4.20	2.81	2.64	2.40	2.16	2.21
2006-07	3.99	2.67	2.99	2.49	1.92	1.98
2007-08	3.52	2.16	2.70	2.06	1.64	1.94
2008-09	3.36	2.14	1.54	1.02	1.42	2.06
2009-10	4.80	2.33	1.65	1.14	1.74	2.32
2010-11	4.68	3.46	2.19	1.35	1.86	2.59
2011-12	4.91	3.79	2.75	2.29	2.19	2.22

Source: Compiled from the Annual Reports

Input Table-4 : This table reflects the total assets turnover ratio of different firms of automobile industry. The higher ratio (5.21) witnessed during the year 2002-03 followed by the 2011-12 (4.91) and the least (3.36) during the year 2008-09 regarding the Hero Motor Corporation. The higher ratio (4.96) witnessed during the year 2002-03 followed by the 2011-12 (4.91) and the least (3.36) during the year 2008-09 regarding the Hero Motor Corporation. The higher ratio (4.96) witnessed during the year 2002-03 followed by the 2003-04 and the least (2.14) happened regarding the TVS Motor company. Regarding Ashok Layland the higher ratio represented from the 2006-07 followed by the 2011-12 and the least witnessed during the year 2008-09. With reference to Tata Motors the higher ratio represented from the 2003-04 followed by 2011-12, 2002-03 and the least (1.02) by 2008-09. The followed by 2004-05 and the least (1.42) during 2008-09 with reference to Mahindra & Mahindra. The higher ratio (2.59) followed by the 2.42 (2003-04) and the least value (1.94) was from 2007-08 represented from the Maruthi Suzuki. The higher ratio (5.43 – 2006-07) – Ashok Layland. 3.08-2006-07 – Tata Motors, 5.88-2006-07 – Mahindra & Mahindra, 6.59 – 2005-06 – Maruthi Suzuki and the least ratio 1.53 – 2002-03 – Tata Motors, 2.50 - 2002-03 – Mahindra & Mahindra, 2.46 – 2011-12 – Maruti Suzuki regarding the fixed assets turnover ratio.

OUT PUT TABLE 7: PAIRED SAMPLES STATISTICS OF VARIOUS FIRMS OF AUTO MOBILE INDUSTRY.

		Mean	N	Std. Deviation	Std. Error Mean
Pair 1	Hero Motor Corp(Fixed Assets Turnover)	4.3790	10	.60243	.19050
	Tvs Motor	3.1730	10	.92542	.29264
Pair 2	Ashok Leyland	2.2610	10	.51054	.16145
	Tata Motors	2.0270	10	.62418	.19738
Pair 3	Mahindra & Mahindra	1.8460	10	.29774	.09415
	Maruti Suzuki	2.2180	10	.20757	.06564
Pair 4	Maruti Suzuki	2.2180	10	.20757	.06564
	Tvs Motor	3.1730	10	.92542	.29264
Pair 5	Ashok Leyland	2.2610	10	.51054	.16145
	Mahindra & Mahindra	1.8460	10	.29774	.09415
Pair 6	Ashok Leyland	2.2610	10	.51054	.16145
	Maruti Suzuki	2.2180	10	.20757	.06564
Pair 7	Hero Motor Corp(Fixed Assets Turnover)	4.3790	10	.60243	.19050
	Maruti Suzuki	2.2180	10	.20757	.06564

Source: SPSS

Output Table-7 : This table narrates the information of paired samples statistics of total assets turnover ratio of different firms of automobile industry. The Hero Motor Corporation was better than TVS Motor, Ashok Layland slightly more than Tata Motors, Maruthi Suzuki was higher than Mahindra & Mahindra, TVS Motor than Marthi Suzuki, Ashok Layland than Mahindra & Mahindra as well as the Maruthi Suzuki. Finally it was witnessed that the higher total assets turnover ratio represented from the Hero Motor Corporation followed by the TVS Motor, Ashok Layland, Maruthi Suzuki and Mahindra & Mahindra.

OUT PUT TABLE 8: PAIRED SAMPLES TEST OF VARIOUS FIRMS OF AUTO MOBILE INDUSTRY

		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1	Hero Motor Corp(Fixed Assets Turnover) - Tvs Motor	1.20600	.58716	.18568	.78597	1.62603	6.495	9	.000
Pair 2	Ashok Leyland - Tata Motors	.23400	.50056	.15829	-.12408	.59208	1.478	9	.173
Pair 3	Mahindra & Mahindra - Maruti Suzuki	-.37200	.28122	.08893	-.57317	-.17083	-4.183	9	.002
Pair 4	Maruti Suzuki - Tvs Motor	-.95500	.88176	.27884	-1.58577	-.32423	-3.425	9	.008
Pair 5	Ashok Leyland - Mahindra & Mahindra	.41500	.39820	.12592	.13015	.69985	3.296	9	.009
Pair 6	Ashok Leyland - Maruti Suzuki	.04300	.58997	.18657	-.37904	.46504	.230	9	.823
Pair 7	Hero Motor Corp(Fixed Assets Turnover) - Maruti Suzuki	2.16100	.52248	.16522	1.78724	2.53476	13.079	9	.000

Source: SPSS

Output Table-8 : This table discloses the information whether there is any significant difference from one firm to another firm regarding the automobile industry. There was a significant difference from one automobile firm regarding total assets turnover ratio except Ashok Layland to Maruthi Suzuki and from Ashok Layland to Tata Motors.

FINDINGS OF THE STUDY

The study found the following findings.

1. The study found that the higher inventory ratio was holding by the Hero Motor Corporation, followed by the Maruthi Suzuki and the least ratio represented form Ashok Layland.
2. The Study observed that there was no significant difference from inventory ratio of TVS Motor Company to the inventory ratio of Tata Motors and the remaining pairs (Hero Motor Crop – TVS Motor, Ashok Layland – Tata Motors, Mahindra & Mahindra – Hero Motor Corp, Hero Motor Corp – Maruthi Suzuki, Mahindra & Mahindra to Ashok Layland and from Maruthi Suzuki to Hero Motor Corporation) witnessed a significant difference with each other regarding inventory turnover ratio.
3. The study also observed that the higher number of days required to recover the cash from debtors of Hero Motor Corporation followed by the TVS Motor, Maruthi Suzuki and Tata Motors.
4. The study came to knew that there was no significant difference from realizing of cash from debtors from Maruthi Suzuki to the Tata Motors Company but there was a significant difference between the other firms.
5. The study observed that the higher fixed assets turnover ratio hailed from the Hero Motor Corporation followed by the Mahindra & Mahindra, Marthi Suzuki and TVS Motor.
6. The study identified that there was no significant difference from Mahindra & Mahindra to Maruthi Suzuki and from TVS Motor to Mahindra & Mahindra regarding the fixed assets turnover ratio.
7. The study exhibited that total assets turnover ratio of Hero Motor Corporation was better than TVS Motor, Ashok Layland, Maruthi Suzuki and Mahindra & Mahindra.
8. There was no significant difference regarding Total assets turnover ratio of Ashok Layland to Tata Motors and from Ashok Layland to Maruthi Suzuki.

CONCLUSION AND SUGGESTIONS

The Study observed that there was no significant difference from inventory ratio of TVS Motor Company to the inventory ratio of Tata Motors and the remaining pairs (Hero Motor Crop – TVS Motor, Ashok Layland – Tata Motors, Mahindra & Mahindra – Hero Motor Corp, Hero Motor Corp – Maruthi Suzuki, Mahindra & Mahindra to Ashok Layland and from Maruthi Suzuki to Hero Motor Corporation) witnessed a significant difference with each other regarding inventory turnover ratio. Hence it is suggested that every organization should take necessary steps to have low debtors turnover period to reduce the holding of working capital requirements.

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UNDERSTANDING ORGANISATIONAL CULTURE THROUGH OCTAPACE PROFILE: AN EMPIRICAL STUDY OF THE UNIVERSITY

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ABSTRACT

The study was aimed at understanding the extent of OCTAPACE culture prevailing in the university. The study also emphasize on the comparative analysis of the perception of the academic and administrative staff working in the university towards its OCTAPACE culture. The 40-item instrument used in this study is OCTAPACE profile proposed by Udai Pareek, which gives the profile of organization's ethos in eight values. These values are Openness, Confrontation, Trust, Authenticity, Proaction, Autonomy, Collaboration and Experimentation. A total of 60 university employees were selected for the study by the random sampling method. The study revealed that different dimensions of the OCTAPACE culture exist at varying levels in the university under study. So also the academic and administrative staff working in the university perceives the OCTAPACE culture differently.

KEYWORDS

OCTAPACE, Culture, University, academic and administrative staff.

ORGANIZATIONAL CULTURE

The organizational culture is considered as an important aspect to enhance the organizational performance. According to Schein (1992) organizational culture is about the norms, values and beliefs that employees share in the organisation. In cognitive terms, organizational culture is often broadly defined as the shared values, beliefs, ideologies, and norms held by the organizational members that influence their behavior.

Any culture as well as organizational culture cannot be attained overnight. It is the manifestation of the values, traditions and beliefs which has been nurtured by the organisation throughout the years. Henry Mintzberg has rightly said that "Culture is the soul of the organisation --- the beliefs and values and how they are manifested. I think of the structure as the skeleton, and as the flesh and blood. And culture is the soul that holds the things together and gives it life force."

Organizations' are widely recognised in the public by the culture it has propagated. Every organisation is unique and therefore it has its own culture imbedded at the core of the organisation. It helps as a guide for the existing and newly joined employees to understand the way and style of the working in the organisation. It hypothesized to play a decisive role in the development of unique identity for any organisation and separates one organisation from the others.

Organizational culture is the values, traditions and beliefs of the organisation, which bestows the uniqueness to the organisation. Therefore it is identified by the Kreitner and Kinicki (2008) that "it is shared values and beliefs that underline a company's identity". Strong organizational culture builds up inherent strength in the organisation.

OCTAPACE CULTURE

OCTAPACE gives us an eight dimensional look towards organizational culture. It measures the organization's values and beliefs in the following eight values. In the University setting this culture has multiple dimensions.

1. Openness- Openness is there when employees feel free to discuss their ideas, activities and feelings with each other. Openness is in both directions, receiving and giving. Both these may relate to ideas (including suggestions), feedback (including criticism), and feelings. The outcome is receiving without reservation, and taking steps to encourage more feedback and suggestions from students, colleagues and others.
2. Confrontation- It is bringing out problems and issues in to the open with a view to solving them rather than hiding them for fear of hurting or getting hurt. The outcome will be better role clarity, improved problem solving, and willingness to deal with problems, willingness of teams to discuss and resolve sensitive issues.
3. Trust- Trust is taking people at their face value and believing what they say. It is reflected in maintaining the confidentiality of information shared by others, and in not misusing it. The outcome of trust includes higher empathy, timely support, reduced stress, and reduction and simplification of forms and procedures.
4. Authenticity-It is resemblance between what one says and does. It depicts the genuineness and truthfulness of the employees. The outcome is the faith amongst each other and reduced distortion in communication between the members of the organisation
5. Proaction- It means taking the initiative, proper planning and thinking of alternative options and preventive measures before taking action. The outcome is it gives initiative to a person to start a new process, give a new thought or set a new pattern of behaviour.
6. Autonomy-It is giving freedom to plan and act in one's own sphere. The outcome is the mutual respect, individual initiative, willingness to take responsibility.
7. Collaboration-It is to seek help and also giving help to others to solve problems. It means working together. The outcome is the productive meetings, more joint decisions, more involvement of employees, and highest team spirit in the organisation.
8. Experimentation-It means using and encouraging to use new and innovative approaches to solve problems. The outcome is adopting innovative approach to the work, development of new ways, methods and procedure for improvement.

THE NEED OF UNDERSTANDING ORGANIZATIONAL CULTURE AT THE UNIVERSITY LEVEL

India is having the third largest university system in the world playing important role in the development of India as a dominant nation. Over the years, considerable progress has been made in higher education in the country. India has moved from an "elite" system of higher education to a "mass" education system. From 26 universities and 695 colleges at the time of independence, we have risen to 574 universities and 35539 colleges today. This is a 20-fold and 46-fold increase in the number of universities and colleges.

Unfortunately, the quality of higher education in India has not been aligned with the quantitative developments taken place during last 60 years. Hence no any university (with third largest university system in the world) in India has acquired place in the top 200 universities of the world. Therefore the quality of higher

education has become a major concern today. The quality of higher education depends firstly on the quality of its academic, administrative staff and students and secondly on the infrastructure and other things. As such all the organizational policies, procedures should be clearly directed towards attaining highest performance of all the relevant facets.

The organizational performance depends largely upon understanding by the employees the true spirit of the organization which has its roots in the culture it has cherished. It is truly observed that (John E., Karlewski, Terence D. Wingert, Michel H. Barbouche, 1996) culture serves as one of the most effective managerial control mechanism in the organisation because performance standards are enforced by the employees rather than top-down bureaucratic rules and regulations.

REVIEW OF LITERATURE

Krishna and Rao, (1997) carried out a comprehensive empirical study in BHEL, Hyderabad and found that openness in the organization is encouraging factor for middle and senior level managers. Venkateswaran, K.P. Sai (1997) in his study based of a large sector heavy engineering organisation located in Karnataka, found that, to a large extent, a favorable OCTAPACE culture was prevalent in a public sector undertaking in India. Alphonsa (2000), in his survey of private hospitals found that the perception of the supervisors about the OCTAPACE culture is satisfactory. Mufeed & Gurkoo (2006) attempted to study whole range of HRD climate in universities for which the University of Kashmir, Srinagar was selected as the main focal point of study. It is found that employees in general perceived moderate OCTAPACE culture. Mufeed SA, (2006) in his study found the existence of poor OCTAPACE culture in the hospitals. Srimannarayana M. (2007) conducted a study in local bank of Dubai and found that a good OCTAPACE culture was prevalent in the organization. Saxena and Tiwari (2009), in their study concluded that the OCTAPACE culture in Public sector banks is average and the perception of employees do not differs significantly on the basis of gender, qualification and designation but it differs significantly on the basis of age. Dr. S. Sarswati (2010), in her study established that OCTAPACE culture in software organizations is better than those in manufacturing organizations. Benjamin Akinyemi (2011) in his study of HRD Climate found higher level of OCTAPACE culture in the telecommunication company than that of insurance company.

The review of literature above highlights the important role played by OCTAPACE culture in the successful performance of organizations and is positively linked with organizational and employee performance. However, very few researches have been undertaken to study OCTAPACE culture in universities and higher educational institutions.

OBJECTIVES

The study has been undertaken with the following objectives:

1. To study the OCTAPACE culture in general at the university under study.
2. To study the difference in perceptions of academic and administrative staff within the University towards the OCTAPACE culture.
3. To provide meaningful suggestions for the development of organizational culture.

RESEARCH METHODOLOGY

HYPOTHESES OF THE STUDY

On the basis of above objectives, the following hypotheses were formulated:

Hypotheses 1. There is having Excellent OCTAPACE culture for the academic and administrative staff in the university under study.

Hypotheses 2. There is no significant difference in the perception of the academic and administrative staff working in the university towards its OCTAPACE culture.

Hypotheses 2(a). There is no significant difference in the perception of the academic and administrative staff working in the university towards its Openness culture.

Hypotheses 2(b). There is no significant difference in the perception of the academic and administrative staff working in the university towards its Confrontation culture.

Hypotheses 2(c). There is no significant difference in the perception of the academic and administrative staff working in the university towards its Trust culture.

Hypotheses 2(d). There is no significant difference in the perception of the academic and administrative staff working in the university towards its Authenticity culture.

Hypotheses 2(e). There is no significant difference in the perception of the academic and administrative staff working in the university towards its Proactivity culture.

Hypotheses 2(f). There is no significant difference in the perception of the academic and administrative staff working in the university towards its Autonomy culture.

Hypotheses 2(g). There is no significant difference in the perception of the academic and administrative staff working in the university towards its Collaboration culture.

Hypotheses 2(h). There is no significant difference in the perception of the academic and administrative staff working in the university towards its Experimentation culture.

TOOL FOR MEASUREMENT

To identify the organizational culture at the University, the OCTAPACE instrument was used to collect data. This is a 40-item instrument, developed by Uday Pareek and is the proper instrument to study the organizational culture. As the first 24 questions measure the individual perspective of how much a particular item is valued in an organisation and the remaining 16 questions relate to beliefs that are widely shared in the organisation. As many as 8 dimensions were considered to study the organizational culture of the university.

SAMPLING AND DATA COLLECTION

The OCTAPACE instrument was administered on a sample of 60 employees (30 academic staff and 30 to administrative staff). Their responses were collected in their language of preference (Marathi or English). The questionnaires were personally distributed to the respondents by the researcher. The precise instructions were given on the questionnaire to facilitate easy, timely and correct responses.

VARIABLES

Organizational culture as dependent variable was measured by eight OCTAPACE items and the eight independent variables of OCTAPACE were measured by the total 40 statements comprising 5 statements for each variable. The eight variables as defined by Pareek (2003) are: Openness, Confrontation, Trust, Authenticity, Proaction, Autonomy, Collaboration and Experimentation. Respondents rate their organisation on eight aspects, using a four-point scale. The score ranges from 4 to 20 on each aspect.

DATA ANALYSIS AND RESULTS

RELIABILITY AND VALIDITY MEASURES

The Chronbach's Alfa test was used to measure the internal consistency and reliability of the instrument used for the study and the alpha value found is .825. This indicates a good internal consistency, based on inter-item correlation.

TABLE 1: RELIABILITY STATISTICS

Chronbach's Alfa	No. of Items
.825	60

**OCTAPACE CULTURE PERCEIVED BY THE STAFF (ACADEMIC AND ADMINISTRATIVE) IN THE UNIVERSITY UNDER STUDY
TENTATIVE NORMS APPLIED TO THE OCTAPACE PROFILE**

These norms are used by the various researchers to quantify the OCTAPACE profile in different organizations under study. Score below 'low value' shown in the norms table of that particular dimension are rated as 'Requires improvement'. Score above 'high value' are rated as 'Excellent'. And scores between low and high value i.e. scores close to low value are rated as 'Good', and scores close to high value are rated as 'Very good'.

TABLE 2: TENTATIVE NORMS APPLIED TO THE OCTAPACE PROFILE

No.	Variables	Low	High
1	Openness	13	17
2	Confrontation	10	16
3	Trust	10	14
4	Authenticity	10	14
5	Proaction	12	18
6	Autonomy	11	16
7	Collaboration	13	17
8	Experimentation	11	16

Source : Primary Data

TABLE 3: MEAN OF THE EXTENT OF EIGHT ASPECTS OF THE OCTAPACE CULTURE PERCEIVED BY THE STAFF IN THE UNIVERSITY UNDER STUDY

No.	Variables	Mean score	Rating
1	Openness	14.41	Very Good
2	Confrontation	12.26	Very Good
3	Trust	11.78	Very Good
4	Authenticity	10.33	Good
5	Proaction	12.91	Good
6	Autonomy	11.83	Good
7	Collaboration	12.48	Requires improvement
8	Experimentation	13.00	Very Good

Source : Primary Data

It is evident from the mean score of the eight aspects the score of Openness at 14.41, Confrontation score at 12.26, Trust score at 11.78 and the score of Experimentation at 13.00 lies between low and high value of the norms table and also are better close to the high value of that particular dimension in the norms table and hence are rated as 'very good' in the university.

Authenticity score at 10.33, Proaction score at 12.91 and Autonomy score at 11.83 lies between low and high value of the norms table and are close to the low value of that particular dimension in the norms table and hence are rated as 'good' in the university.

Collaboration score at 12.48 lies below the low value of the norms table, and hence it is rated as it requires immediate improvement. It implies that the Collaboration is perceived to be at the lowest in the university under study.

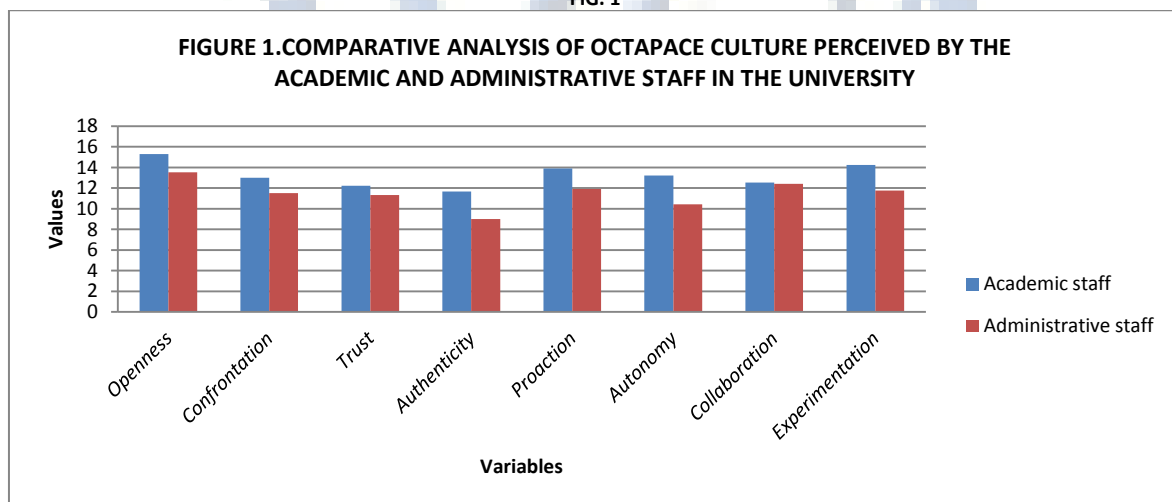
COMPARATIVE ANALYSIS OF OCTAPACE CULTURE PERCEIVED BY THE ACADEMIC AND ADMINISTRATIVE STAFF IN THE UNIVERSITY

TABLE 4: MEAN OF THE EXTENT OF EIGHT ASPECTS OF THE OCTAPACE CULTURE PERCEIVED BY THE ACADEMIC AND ADMINISTRATIVE STAFF IN THE UNIVERSITY UNDER STUDY

No.	Variables	Academic staff	Administrative staff
1	Openness	15.30 (Very Good)	13.53 (Good)
2	Confrontation	13.00 (Very Good)	11.53 (Very Good)
3	Trust	12.23 (Very Good)	11.33 (Very Good)
4	Authenticity	11.67 (Very Good)	9.00 Requires improvement
5	Proaction	13.90 (Very Good)	11.93 Requires improvement
6	Autonomy	13.23 (Very Good)	10.43 Requires improvement
7	Collaboration	12.53 Requires improvement	12.43 Requires improvement
8	Experimentation	14.23 (Very Good)	11.77 Good

Source : Primary Data

FIG. 1



OPENNESS AND EXPERIMENTATION

Academic staff score for the aspect of Openness at 15.30, is very close to the high value in the norms table and rated it as 'very good'. Contrarily, administrative staff score for the Openness is at 13.53 and is very close to the low value and rated it as 'good'. It implies that academic staff is more comfortable and feel free to share their ideas, activities, and feelings with each other without defensiveness than the administrative staff in the university. The academic staff score for the Experimentation at 14.23, is very close to the high value in the norms table and rated it as 'very good'. Contrarily, administrative staff score at 11.77 is very close to the low value and rated it as 'good'. It means the culture of using and encouraging to use new and innovative approaches to solve problems is perceived as 'very good' by the academic staff and the same is perceived by the administrative staff as 'good' in the University.

CONFRONTATION AND TRUST

Academic staff score for the Confrontation aspect at 13.00 and of administrative staff at 11.53, also the academic staff score for the Trust at 12.23 and of administrative staff at 11.33 lies between the high and low value of the norms table and hence rated by both as 'very good' in the university.

AUTHENTICITY, PROACTION AND AUTONOMY

As per the Table 4 above academic staff score for the Authenticity is at 11.67 and of the administrative staff is at 9.00, Proaction Score for the academic staff is at 13.90 and of the administrative staff is at 11.93 and academic staff score for the Autonomy is at 13.23 and of the administrative staff is at 10.43. It implies that the Authenticity, Proaction and Autonomy score of academic staff lies between the high and low value of the norms table and hence rated by them as 'Very good'. However the administrative staff score for the above three aspects lies below the low value of the norms table and hence rated by them as 'it requires improvement'.

COLLABORATION

The academic staff score for the Collaboration at 12.53, and of the administrative staff at 12.43 is below the low value of the norms table. It implies that the Collaboration is perceived to be at the lowest by both the academic and administrative staff in the university and requires 'immediate improvement'.

HYPOTHESIS TESTING

HYPOTHESIS-1. There is having excellent OCTAPACE culture for the academic and administrative staff in the university under study.

As has already been discussed through Table 3, OCTAPACE culture in the university under study was found to be 'Very good' for four aspects, "Good" for three aspects and "Requires improvement" for the one aspect namely collaboration. Therefore the hypothesis that, there is having Excellent OCTAPACE culture for the academic and administrative staff in the university under study is rejected for all the dimensions.

HYPOTHESIS-2. There is no significant difference in the perception of the academic and administrative staff working in the university towards its OCTAPACE culture.

To test the hypothesis 2 and its 8 sub-hypothesis t-test is used to check the significance in the means of the samples from academic and administrative staff.

Since P-value corresponding to Openness (0.005<0.05), Confrontation (0.019<0.05), Authenticity (0.0050<0.05), Proaction (0.026<0.05), Autonomy (0.000<0.05), Experimentation (0.000<0.05), is less than 0.05 so at 5% level of significance we can say that Openness, Confrontation, Authenticity, Proaction, Autonomy, Experimentation differs significantly in academic and administrative staff. Therefore Hypothesis 2 that there is no significant difference in the perception of the academic and administrative staff working in the University towards its OCTAPACE culture is rejected for 6 dimensions of the OCTAPACE culture.

Since P-value corresponding to Trust (0.173>0.05) and Collaboration (0.811>0.05), is not less than 0.05 so at 5% level of significance we can say that Trust and Collaboration doesn't differ significantly in academic and administrative staff.

RECOMMENDATIONS AND SUGGESTIONS

1. From the analysis it is observed and inferred that Openness aspect which implies that staff in the university should be more comfortable and feel free to share their ideas, activities, and feelings with each other without defensiveness was rated at high both by the academic and administrative staff of the university. It can be suggested that this aspect should be maintained and also improve to lead to the excellent level. As Openness at work place acts as the strength for the development of other OCTAPACE culture values in the higher educational institutions.
2. Confrontation and Trust are perceived as very good by both the academic and administrative staff in the university. It can be suggested that the university should take steps to preserve and build up these cultural values among the staff to an excellent level.
3. The cultural ethos in the form of Authenticity, Proaction and Autonomy are perceived as very good by the academic staff in the university, however the administrative staff feel that these aspects of OCTAPACE culture requires improvement. A different perception amongst the staff about the similar elements puts the challenge before the authorities to remove the discrepancies. Especially for the administrative staff, the authorities should exhibit high level of Authenticity implying that what it says it means and what it means, it says. The culture of pro-activity resolving issues should also be encouraged and also to ensure that the administrative staff is given freedom to plan and act in their own sphere.
4. The aspect of Collaboration which implies to seek help and also giving help to others to solve problems and working together is perceived as very low both by the academic and administrative staff in the university. This aspect requires major revival steps.

CONCLUSION

The present study attempts to discover the OCTAPACE culture of the university- highest seat of higher education. The analysis shows that the Openness is valued most in and Collaboration is valued at low level in the university under study. Openness and Trust are perceived as very good by both the academic and administrative staff in the university and for cultural ethos in the form of Authenticity, Proaction and Autonomy the perception of the academic and administrative staff differ. Overall, the OCTAPACE culture perceived by the staff is good. However the management should work for developing the organizational culture to an excellent level that requires the culture of Openness, Confrontation, Trust, Proaction, Autonomy, Authenticity, Confrontation and Experimentation.

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APPENDIX

APPENDIX I : SUMMARY OF THE RESULTS

Variables	Group	Mean	SD	SE Mean	T value	P value
Openness	Academic	15.3	2.78	0.51	2.9	0.005
	Administrative	13.53	1.83	0.33		
Confrontation	Academic	13.00	2.46	0.45	2.42	0.019
	Administrative	11.53	2.22	0.41		
Trust	Academic	12.23	2.9	0.53	1.38	0.173
	Administrative	11.33	2.09	0.38		
Authenticity	Academic	11.67	2.84	0.52	4.78	0.000
	Administrative	09.00	1.11	0.2		
Proaction	Teaching	13.90	3.42	0.62	2.28	0.026
	Administrative	11.93	3.27	0.6		
Autonomy	Academic	13.23	1.99	0.36	6.18	0.000
	Administrative	10.43	1.48	0.27		
Collaboration	Academic	12.53	1.83	0.33	0.24	0.811
	Administrative	12.43	1.36	0.25		
Experimentation	Academic	14.23	3.15	0.57	3.83	0.000
	Administrative	11.77	1.59	0.29		

A COMPARATIVE STUDY OF SOCIAL ACCOUNTING, AUDITING AND DISCLOSURE PRACTICES APPLIED BY INDIAN CORPORATE SECTOR

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ABSTRACT

The Corporate Social Responsibility (CSR) approach engages companies to contribute towards upliftment of society. The concept of social accounting and auditing are still in the process of development as it is practice by only handful of companies. Stakeholders demand for accountability and transparency towards social performance of company. There is need for companies to manage CSR in professional way so as to deliver positive impact of its social performance on stakeholders. The disclosure practices of companies social responsibility is inadequate in nature as there is no uniform practice applied by corporate sector. The maximum number of Indian companies with certain criteria has to spend at least 2 % of their average net profit of immediately three preceding years on CSR as per new amended Companies Act, 2013 which also ensures that all this funds demands greater accountability, transparency and proper social framework for recording such CSR practices. Researcher has analyzed CSR practices of Indian companies.

KEYWORDS

Auditing, Corporate Sector, CSR, Disclosure, Social accounting.

INTRODUCTION

Social framework for CSR practices which consist of social accounting, auditing and disclosure have been gaining importance in corporate sector especially after the legal provision of CSR in Companies Act, 2013. There is a need for standardization in recording companies social transactions, maintaining social books of accounts and procedure for social audit. Some of the pioneer companies like Tata Iron and Steel, Bharat Heavy Electricals Ltd., Steel Authority of India, Cement Corporation of India, etc. had taken initiatives for reporting social responsibility in form of social income statement and social balance sheet. Later on some of the above quoted companies have changed the practice of reporting in the form of income statement and balance sheet in annual financial statements. Some of the companies are applying and using their own method of keeping the social books of account and method of social auditing.

The demand from stakeholders towards the CSR practices applied by companies has results in emergence of CSR reporting. The Companies Act 2013 has introduced one such provision on spending of CSR, Section 135 of Act states that company having net worth of Rs 500 crore or more, or turnover of Rs 1000 crore or more, or net profit of Rs 5 crore or more to spend at least 2 % of their average net profit of immediately three preceding years on CSR activities.

The CSR activities undertaken by companies must include any of the activities declared in Schedule VII of the Act. The social framework for CSR is necessary as it will provide clear picture about the social investment of company and will also be helpful for stakeholders for better understanding of CSR activities of company.

THEORETICAL APPROACH

Ralph Estes states Social accounting as the "measurement reporting, internal or external of information concerning the impact of an entity and its activities on society". It is generally concerned as accounting for social activities performed by business units for the welfare of society. The objectives of social accounting are to identify and measure the periodic net contribution of an individual firm consisting of costs and benefits internalized to the firm and externalities affecting social system, to help define whether individual firms plans and practices which directly affect the relative source and power status of individuals, social sections, generations consistent with widely shared social priorities one hand and individual goals on other, to measure and evaluate the social costs within a firm in order to determine the business results in a more relevant and exhaustive fashion and benefits offered to the employees and to the society, etc.

National Institute of Rural Development (NIRD) states Social audit is "a way of measuring, understanding, reporting and ultimately improving an organization's social and ethical performance". Social audit is a tool to determine a company's social impact in the community. It is important as it inculcates transparency in the organization, department or activity and increases accountability and improves allocation of resources. It helps to benefit disadvantaged groups, evaluates the fulfillment of social responsibility. One of the difficulties arise in conducting social audit is absence of appropriate social accounting and reporting systems. The basic purpose of social audit is to evaluate the social performance of the company and to know the contribution of individual firms towards the society. The objectives of social auditing are to strengthen accountability and transparency in local bodies, to satisfy the obligation of corporate undertakings to prepare and present the social accounting to the regulatory agencies as per their requirements, etc.

The disclosure practice applied by maximum number of companies is based largely on qualitative terms and voluntary in nature. Disclosure of CSR practices is mostly done by companies in Director's report, Chairman's speech, Annual reports, etc.

OBJECTIVES OF STUDY

1. To study the methods of social accounting implemented by corporate sector.
2. To know the base and focus for deciding CSR area by corporate sector.
3. To evaluate the methods of conducting social audit.

RESEARCH METHODOLOGY

a) HYPOTHESIS

- There is no standardized method to record social transactions.
- There is no specific method available for auditing CSR practices of organization.

b) DATA COLLECTION

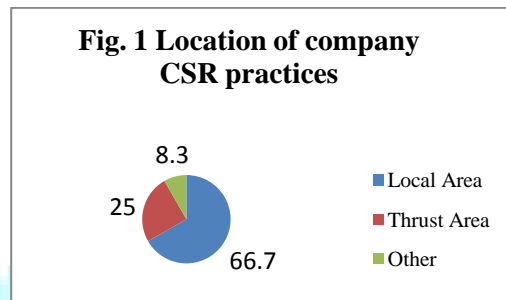
The research work is based on primarily data collected from 48 companies. The structured questionnaire was used for data collection. Secondary data has collected from companies annual reports, journals, reference books, etc.

c) DATA ANALYSIS

The analysis of responses is done by various statistical tools as on when applied. The analysis of question with the help of charts is as follows,

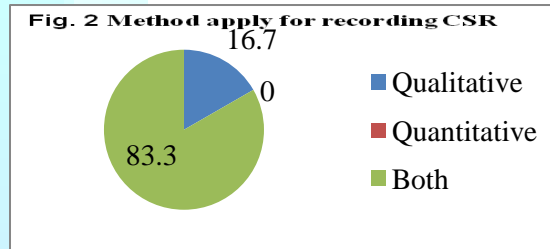
1) What is the location of your company CSR practices?

Location of company CSR practices		
Response	Frequency	Percent
Local Area	32	66.7
Thrust Area	12	25
Other	4	8.3
Total	48	100



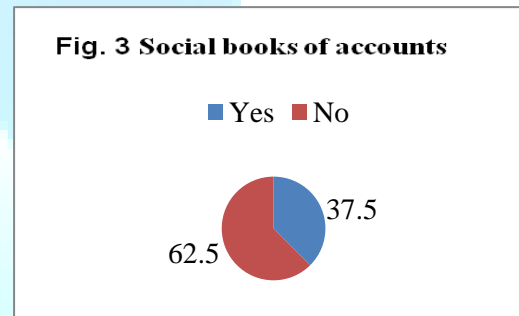
2) Which method company applies for recording CSR?

Method apply for recording CSR		
Response	Frequency	Percent
Qualitative	08	16.7
Quantitative	00	00
Both	40	83.3
Total	48	100



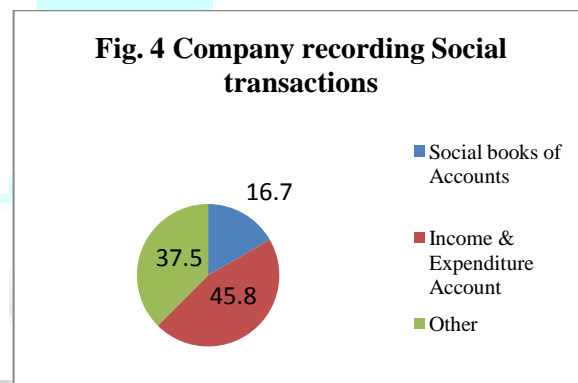
3) Does company maintain Social books of accounts?

Social books of accounts		
Response	Frequency	Percent
Yes	18	37.5
No	30	62.5
Total	48	100



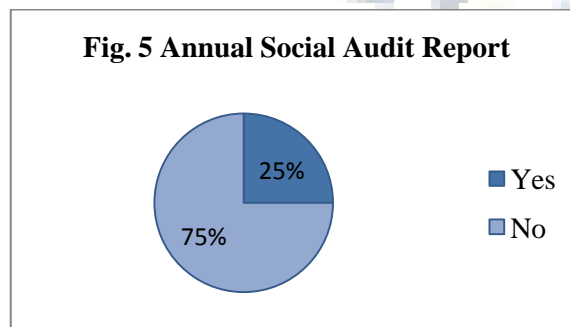
4) Where does company record their Social Transactions?

Company recording Social transactions		
Response	Frequency	Percent
Social books of Accounts	08	16.7
Income & Expenditure Account	22	45.8
Other	18	37.5
Total	48	100



5) Does company draft Annual Social audit report?

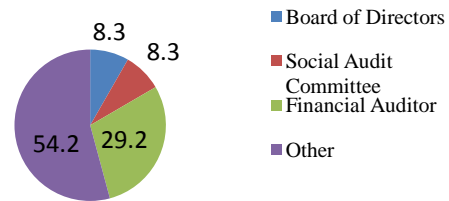
Annual Social Audit Report		
Response	Frequency	Percent
Yes	12	25
No	36	75
Total	48	100



6) Who does Social Audit of Company?

Social Audit of Company		
Response	Frequency	Percent
Board of Directors	04	8.3
Social Audit Committee	04	8.3
Financial Auditor	14	29.2
Other	26	54.2
Total	48	100

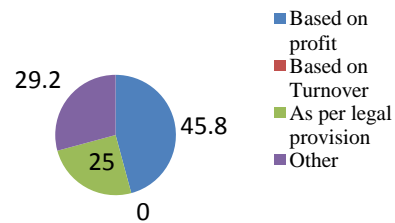
Fig. 6 Social Audit of Company



7) Which criteria have been applied by company for funds allocation to CSR practices?

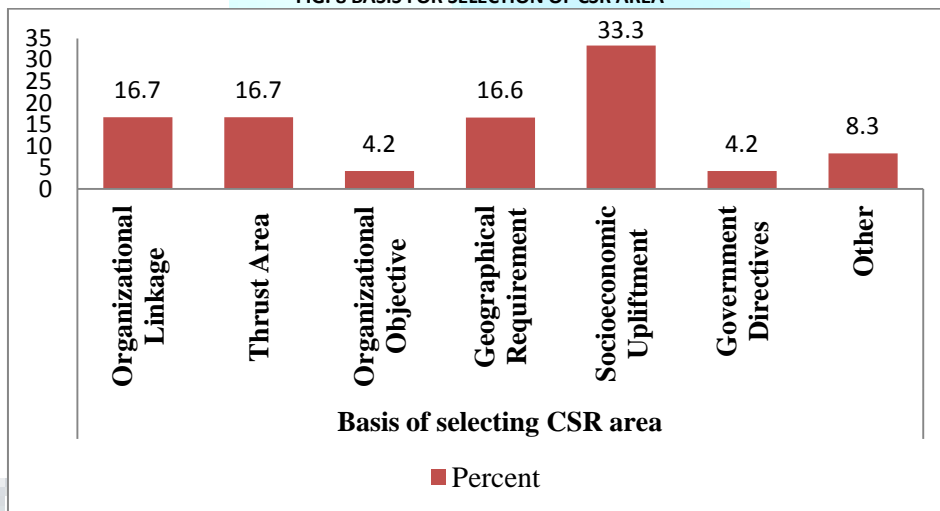
Criteria for funds allocation to CSR practices		
Response	Frequency	Percent
Based on profit	22	45.8
Based on Turnover	00	00
As per legal provision	12	25
Other	14	29.2
Total	48	100

Fig. 7 Criteria for funds allocation to CSR practices



8) On which basis CSR area is selected by company?

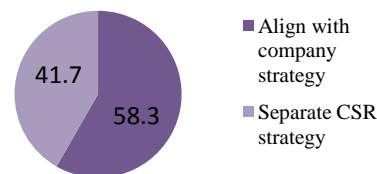
FIG. 8 BASIS FOR SELECTION OF CSR AREA



9) How company builds CSR strategy?

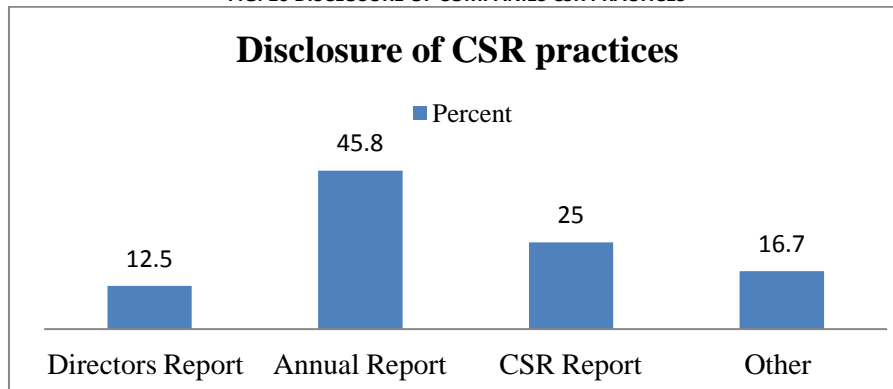
CSR Strategy		
Response	Frequency	Percent
Align with company strategy	28	58.3
Separate CSR strategy	20	41.7
Total	48	100

Fig. 9 CSR Strategy



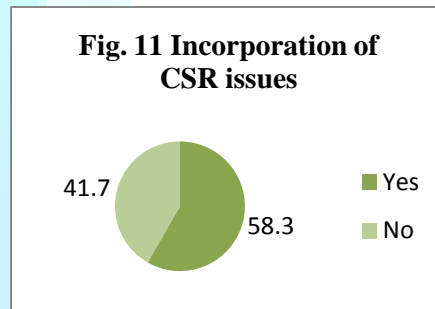
10) Where does CSR Practices is being disclosed by company?

FIG. 10 DISCLOSURE OF COMPANIES CSR PRACTICES



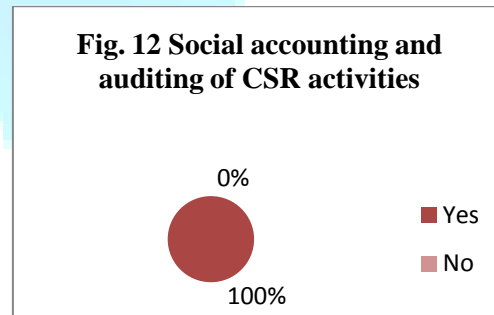
11) Does company incorporates CSR issues in its policy, strategy and organizational objective?

Incorporation of CSR issues		
Response	Frequency	Percent
Yes	28	58.3
No	20	41.7
Total	48	100



12) Do you think social accounting & auditing of CSR activities is required for Accountability & Transparency towards social and noble cause?

Social accounting and auditing of CSR activities		
Response	Frequency	Percent
Yes	48	100
No	00	00
Total	48	100



HYPOTHESIS TESTING

HYPOTHESIS 1

○ There is no standardized method to record social transactions.

For the above hypothesis we would like to test method used by companies to record social transactions.

$H_0: \mu = 0$, There is no standardized method to record social transactions.

$H_a: \mu \neq 0$, There is standardized method to record social transactions.

we have to consider responses from companies with respect to following factors:

- Method apply for recording CSR (Q.2)
- Social books of accounts (Q.3)
- Company recording Social transactions (Q.4)

From the charts (fig. 2) it clearly shows that maximum number of companies are using both methods for recording CSR, 16.7% of companies are using qualitative method which ensures these companies are not disclosing its CSR practices in quantitative method. 62.5% of companies (fig. 3) are not maintaining social books of accounts which further states in (fig.4) that companies are using different statement or account for the purpose of recording such as Income and Expenditure account, sustainability report, etc. which indicates that companies have no standardized method to record social transactions. Hence by considering all the above facts and figures the null hypothesis is accepted that there is there is no standardized method to record social transactions.

- Inference: There is no standardized method to record social transactions.
- Conclusion: From inferences of hypothesis testing it has conclude that there is no standardized method to record social transactions.

HYPOTHESIS 2

○ There is no specific method available for auditing CSR practices of organization.

For the above hypothesis we would like to test auditing method available for CSR practices.

$H_0: \mu = 0$, There is no specific method available for auditing CSR practices of organization.

$H_a: \mu \neq 0$, There is specific method available for auditing CSR practices of organization.

we have to consider responses from companies with respect to following factors:

- Annual Social Audit Report (Q.5)
- Social Audit of Company (Q.6)
- Social accounting and auditing of CSR activities for accountability and transparency towards social and noble cause (Q.12)

From the above pie charts it clearly shows that (fig. 5) 75% of companies does not draft Social audit report, 54.2% of companies (fig.6) does social audit from other parties which clearly ensures that companies are internally forming report on their CSR practices and get it audited by others which includes CSR Manager and community advisory panel, Committee members, etc and only 8.3% of companies get social audit done by social audit committee which indicates that no specific method is used by companies to account and audit social transactions. 100% of companies (fig. 12) states that there must be social accounting and auditing of companies for accountability and transparency in organization. Hence by considering all the above facts and figures the null hypothesis is accepted that there is no specific method available for auditing CSR practices of organization.

- Inference: There is no specific method available for auditing CSR practices of organization under CSR area.
- Conclusion: From inferences of hypothesis testing it has conclude that there is no specific method available for auditing CSR practices of organization.

FINDINGS

- Evaluation of firm CSR practices can be made if proper recording of the same is done by the companies but it is observed that more than 50% of companies do not maintain social books of accounts where stakeholders can assess the companies contribution towards CSR activities.
- Social audit provides authentication of corporate reports on companies social performance study has found that 75% of companies do not draft social audit report.
- It has found that more than 50% of companies are aligning their CSR strategy with company strategy. Maximum number of companies are incorporating CSR issues while framing company policy, strategy and drafting of organizational objectives which shows that company has clear understanding of its role in society.
- 45.8% of companies apply the criteria of fund allocation based on profit for CSR practices which ensures that such funds require proper accountability to answer the companies stakeholders.
- More than 50 % of companies prefer local area for CSR practices and maximum number of companies selects CSR area on the basis of Socio economic upliftment then comes equally on the basis of organization linkage, geographical requirement and thrust area.
- Only 25% of companies CSR practices is disclosed in CSR report whereas more than 40 % of companies discloses its CSR practices in Annual report.
- Study reveals very positive aspect for society that all companies think that social accounting and auditing of CSR activities is needed to ensure accountability and transparency towards stakeholders of company in particular and society in general.

RECOMMENDATIONS

- Transparency and accountability are major issues which affect the performance of companies. There is need to execute a proper social framework for recording CSR practices of companies.
- Companies must develop a system for need and impact assessment for undertaking CSR activities in a particular area.
- Company should focus on providing quantitative data as it gives accountability of funds allocation towards CSR whereas only qualitative data ensures the quality content of CSR by company.

CONCLUSION

The social accounting, auditing and disclosure of CSR are the emerging fields of knowledge and they need to be integrate in a proper structure to develop exploitation free society. The efficient implementation of CSR practices in organization is possible when company takes it as core responsibility and manages it professionally by taking care of its accountability and transparency towards its stakeholders.

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ABSTRACT

The present paper is a research on the practices of customer engagement and Experiential Branding in Flipkart.com, the leading online retail firm in India with the Gallup's customer engagement metric of three levels of rational satisfaction and four levels (in pairs) of emotional engagement. Regular customers of the e-commerce firm in different parts of the country have been the respondents. We have found the applicability of Gallup's formula in Flipkart.com and could trace the differentiating advantages it has given to the company. Our analysis (Discriminant Analysis) also showed a single variable significantly discriminating the customers going for the high or low intensity of repeat purchases. This independent study brings in data and information to the world of e-commerce firms in India, culling out the important metrics that can reinforce the firms in their customer-engaging operations.

KEYWORDS

Experiential Branding, Flipkart.com, Online retail branding, Branding, Customer Engagement.

JEL CODE

M31 Marketing

INTRODUCTION

Experiential Branding is defined (Bernstein, 2003) as 'beneficially differentiating a product or service in somebody's mind by focusing on the totality of the experience, rather than focusing on the features, attributes and benefits of the product or service'. Experiential branding is seen to be essential to survive and grow in the current day world of competition and commoditization. Products and services win when the competition is taken to the realm of customer's relationship with the products/ services, into the total experience of the product at every customer touch point with them. On shifting the playing field from the product to the larger, more complex field of product experience, the product itself becomes multi-dimensional, and hence more difficult and costly for competitors to imitate.

The benefits of customer engagement (through Experiential Branding) are improved customer loyalty (86%), increased revenue (76%), increased profits (75%) and bigger market share (56%) (The Economist Intelligence Unit, 2007). The EIU global survey also found that the winning differentiator is no longer the product or the price, but the level of engagement – the degree to which the company succeeds in creating an intimate long-term relationship with the customer or external stakeholder.

DEFINITION OF SOME OF THE CONSTRUCTS

Experiential Marketing is integrating brand or product messages into consumers' lives in the form of interactive experiences, rather than delivering them through traditional inert media (such as print or television) (Bernstein L., 2003)

Service brands emerge where the product is consumed at the time it is manufactured, such as food service, leisure, hospitality, air travel in Airlines

Experience brands happen where the product is the experience, such as adventure travel, theme parks like Disneyland, and Veegaland.

Retail Brands are where the product is the value added in selling a consumer good or service directly to the consumer.

Online Retail Brands are when the product is accessed through in a collaboratively involved decision process through the online medium, and is delivered at doorstep in a series of helpful transactions. Amazon.com, Zappos.com, and Flipkart.com are examples of online retail brands where helpful digital experience resulting in physical delivery is the value proposition.

Delivered Brands are when the product is manufactured and sold to consumers either directly or indirectly.

Consumer Goods Brands are products generally purchased through a secondary channel, and consumed off-site

Some examples of organizations successfully practising experiential branding are Disneyworld Theme Parks, Whole Foods Markets, South West Airlines, Ikea, Starbucks, Apple, Zappos and Amazon.com

Some of the common threads seen among all these experiential branding organizations are:

(a) thoroughly committed and internally-marketed staff, and

(b) offering of a product experience at multi-faceted levels, with relevance and differentiation. These make the organizations stand out, and complex and difficult for the competitors to emulate. The differentiation is no more in product features, attributes and benefits alone, but in subjective experiential areas, conjuring up the memorable emotional engagements, and inspiring people to talk about products and brands to their friends, family and colleagues.

There is very little research on Experiential Branding, especially, in online retail branding organisations in India. Established in 2007, Flipkart.com has become the top E Commerce enterprise in India, apparently with their customer centricity (learning from Amazon.com). Researching on Experiential Branding in Flipkart.com during these times of growing activities and interest in the online retail space in India seems to be quite topical.

REVIEW OF LITERATURE

We can trace the concept and practice of Experiential Branding to Brand Equity, which emerged in the 1980s (Hayes and Abernathy, 1980 and Feldwork, 1996). Research on brand equity is now broadly based on four standpoints: consumer-based, financially-based, relationally based, and network-based (Tauber, 1988; Farquhar, 1990; Biel, 1992; Simon and Sullivan, 1993; Keller, 1993). Consumer-based research highlights equity in terms of the strengths of consumers' attachments to the brand, and their associations and beliefs about the brand (Keller, 1993). Financially-based research focused on the overall financial value of the brand to the organization (Simon and Sullivan, 1993; Davis and Smith, 1998; Interbrand, 1992; Srivastava et al, 1998). The emerging area of research is relationship-based, on the value of the relational and experiential aspects of branding, where the organization is the primary determinant of brand equity (Berry, 2000; Gronroos, 2000). The field of experiential branding is largely an offshoot of this stream of research on brand equity. And finally, the network perspective

posits that equity emerges not only from the end-customer, but also from broad relationships within the marketing system- co-branding, brand alliances, channel partners, and joint ventures- (Rao and Ruekert, 1994; Simonin and Ruth, 1998; Samu et al., 1999; Park et al., 1996). Part of theoretical substructure of experiential branding comes from the network-based idea of brand equity.

The International Experiential Marketing Association (ixma.org), and its interactive newsgroup, Experiential Forum (experientialforum.com) researched on the empirical success factors of focusing on the relational and network-based approaches of brand equity in the present decade. The Association and the Forum popularized the empirical success factors of experiential branding by taking up global studies (ixma.org and experientialforum.com, 2007). The research found that the most successful marketing tactic was some form of live brand experience (58.6%). Next in order were word of mouth (14.3%), online experience (10%), and product engagement/ sampling (8.56%).

The crucially significant study conducted in the area was published by the Gallup Organisation in the article: The Constant Customer (Fleming, Gallup Management Journal, June 17, 2001). The research established that 'customer satisfaction alone was not enough to predict the future behaviour of customers. Satisfaction scores measure only past experience. It is a rational assessment at a particular moment. It fails to capture either the customer's intentions- whether she would recommend the brand to others- or emotions. People stay faithful to brands that earn both their rational trust and their deeply felt affection'. The Gallup team came out with an eleven point customer engagement metric (CE11) which measures rational formulations of loyalty on three key factors (L3), and eight factors of emotional attachment (A8). The Loyalty factors are: (1) overall satisfaction, (2) intent to repurchase, and (3) intent to recommend.

Gallup developed the eight emotional attachment questions as paired indicators of four emotional states: confidence in a brand, belief in its integrity, pride in the brand, and passion for it. Gallup's finding is that customers develop emotional attachment to a brand in a cumulative way: customers who agreed strongly with the first two statements of confidence in a brand were more likely to agree with the next two on belief in its integrity, then pride, and ending in agreeing with the passion for it. The proprietary formula for customer engagement was thus developed: $L^3 + A^8 = CE^{11}$.

Traditionally, passion for a brand was associated with only a few items: cars, beer, and jewellery. When Gallup surveyed 3611 customers in six industries, using its CE11 metric, the findings were that across industries, the proportion of emotionally attached consumers is remarkably consistent. (Fleming, 2001). 'No matter what the industry, there is an emotional element to how a customer interacts with the brand. For example, in the case of South West Airlines, five times as many of its customers were fully engaged as were the customers of United Airlines. The same dynamic occurs across industries, including retailing, among competitors with similar prices and products. Each of the brand pairs in the study seems interchangeable from the point of view of the traditional customer satisfaction measures. But when emotional investment is considered, winners emerge regarding the likelihood of attracting lifelong customers' (Fleming, 2001).

Driving word of mouth advocacy is crucial for successes today (Keller Fay Group, 2007). It is seen as a top influence on purchase decisions, and more trustworthy than other forms of communication. In a survey by Keller Fay Group among executives in the USA, and the UK in March-April 2007, word of mouth recommendation is the number one purchase influencer for business decision makers. Top influences after word of mouth are sales force, events/conferences, tradeshows, and the internet. Word of mouth has twice the influence of advertising, press coverage and direct mail/ email. Executives talk 18% more, and about 32% more brands than typical consumers. Seventy five per cent of executive word of mouth happens face-to-face. Eighty six per cent of word of mouth is based on personal experience. The study patently brings out the importance of the influence of word of mouth in the BtoB space.

When it comes to literature on research on customer engagement management, and experiential branding in the Indian context, especially on the online retail sector, it is non-existent. Therefore, it is important that the leader in e-commerce in India, Flipkart.com be studied, and the critical success factors elicited.

IMPORTANCE OF THE STUDY

The topic of Experiential Branding calls for consistently customer-centric and customer delighting organisations in India to be compared on the same yardsticks with those rare ones in the rest of the world. Flipkart.com was selected on Management quality, reputation for top-class experience delivery at multi-faceted levels, and rave reviews by the customers, including the authors. The study is also done independently and objectively without the sponsorship of Flipkart or any of its associates. In sync with the e-commerce structure of Flipkart, and the web 2.0 culture of its customers, the study was conducted among the Flipkart customers online through the Google Doc in 2013.

STATEMENT OF THE PROBLEM

The problem statement is to collect rational level satisfaction data and emotional level engagement data, along with the relevant demographic information from customers of Flipkart who bought from Flipkart thrice or more in 2012 (the year of study was January-March, 2013) through an online survey using Google Doc.

OBJECTIVES

The main objective is to identify the factors responsible for the Experiential Branding and customer engagement practices in Flipkart.com.

HYPOTHESES

The null hypotheses are:

The Gallup formula for customer engagement (three factors of rational satisfaction and eight factors of emotional attachment) does not operate in the Indian situation with respect to Flipkart.com

Experiential Branding and customer engagement practices of Flipkart.com do not give it differentiating advantages.

There are no discriminating variables among the Gallup's customer engagement model impacting purchase frequency in Flipkart.com.

RESEARCH METHODOLOGY

Regular Customers of Flipkart.com in India are the sampling units. After Focus Group Discussions, it has been defined that customers are Regular when they purchase thrice or more a year from Flipkart. Reaching these regular customers in most parts of the country was possible through an email survey using Google Doc. The sampling frame is the authors' social network colleagues, seniors, and Management students and Graduates who represent the online buying public in different parts of India. A structured and non-disguised questionnaire containing the customer engagement metric elements and metrics for demographic information was sent by email through Google Doc to 700 of the network group members. Ninety seven completed data forms came in, out of which 74 were from those who bought thrice or more from Flipkart in one year (2012). The data were aggregated in Google Drive, converted into Excel format and transferred to IBM SPSS package. Therefore, although random, a convenient sampling methodology was employed to reach the sample size of more than 60. Univariate, bivariate and multivariate data analysis techniques were used to glean information from the data structures.

RESULTS AND DISCUSSION

Among the multivariate analyses of Logistic Regression, and Discriminant Analysis, we understood the easier interpretability of the latter in most of the journals and presentations.

FINDINGS

The age groups, and the gender break-up of the sample respondents were as below:

TABLE 1: AGE GROUP AND GENDER MIX OF THE SAMPLE OF FLIPKART CUSTOMERS SURVEYED IN JAN- MARCH, 2013

Age Group		Gender		Total
		Female	Male	
Age Group	13 - 19	0	1	1
	20 - 29	21	66	87
	30 - 39	0	4	4
	40 - 49	0	3	3
	50 - 59	0	2	2
Total		21	76	97

The break-up of the customers who bought thrice or more from Flipkart in the last year(2012) was as shown below:

Age Group		Gender		Total
		Female	Male	
Age Group	13 - 19	0	1	1
	20 - 29	19	45	64
	30 - 39	0	4	4
	40 - 49	0	3	3
	50 - 59	0	2	2
Total		19	55	74

These 74 hailed from the following locations:

TABLE 3: GEOGRAPHICAL BREAK-UP OF THE RESPONDENTS:

Cities / Towns Hailing from		Gender		Total
		Female	Male	
Which city or town are you working in/ studying in?	Bangalore	1	14	15
	Chennai	0	1	1
	Chhatarpur	0	1	1
	Cochin	0	1	1
	Gurgaon	0	2	2
	Hyderabad	1	2	3
	Kanpur	0	1	1
	Mangalore	0	1	1
	Manipal	16	25	41
	Mumbai	1	2	3
	New Delhi	0	2	2
	Pune	0	1	1
	Trivandrum	0	1	1
	Udupi	0	1	1
Total		19	55	74

The income and education profiles of them were as below:

TABLE 4: MONTHLY FAMILY INCOME FROM ALL SOURCES AND GENDER CROSS TABULATION

Monthly Family Income from all sources		Gender		Total
		Female	Male	
Monthly Family Income from all sources	30,000 - 49,999	2	7	9
	50,000 - 69,999	4	12	16
	70,000 - 89,999	3	11	14
	90,000 or more	9	19	28
	Less than 30,000	1	6	7
Total		19	55	74

TABLE 5: EDUCATION AND GENDER CROSS TABULATION

Education Group		Gender		Total
		Female	Male	
Education	Degree (General)	1	3	4
	Post Graduation (General)	4	7	11
	Post Graduation (Professional)	10	38	48
	Professional Degree	4	7	11
Total		19	55	74

Analysis of their frequency of purchase from Flipkart is shown next:

TABLE 6: HOW MANY TIMES HAVE YOU PURCHASED FROM FLIPKART IN THE LAST ONE YEAR (2012)?

1=thrice,2= 4-6 times,3= 7-9 time, 4=10-12 time, and 5=more than 12 times		Gender		Total
		Female	Male	
	1	5	9	14
	2	6	22	28
	3	7	16	23
	4	1	3	4
	5	0	5	5
Total		19	55	74

Forty-three percent (43%) have purchased 7 or more times, and 81% purchased 4 or more times.

Customers who rated the rational loyalty factor variables 1 High (7or6) and 2 Low (>6) and the customer engagement factor variables follow:

TABLE 7: OVERALL SATISFACTION RATING OF THE REGULAR CUSTOMERS (HIGH AND LOW)

1=High; 2 =Low	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 1.00	70	94.6	94.6	94.6
2.00	4	5.4	5.4	100.0
Total	74	100.0	100.0	

TABLE 8: INTENT TO REPURCHASE RATING HIGH AND LOW

	Frequency	Percent	Valid Percent	Cumulative Percent
1.00	67	90.5	90.5	90.5
2.00	7	9.5	9.5	100.0
Total	74	100.0	100.0	

TABLE 9: INTENT TO RECOMMEND RATING HIGH AND LOW

1 =High; 2 =low	Frequency	Percent	Valid Percent	Cumulative Percent
1.00	68	91.9	91.9	91.9
2.00	6	8.1	8.1	100.0
Total	74	100.0	100.0	

TABLE 10: CONFIDENCE1 RATING (HIGH OR LOW)

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 1.00	63	85.1	85.1	85.1
2.00	11	14.9	14.9	100.0
Total	74	100.0	100.0	

In the most difficult of the emotional engagement metrics of Passion1 (Flipkart is the perfect company for people like me), around 61% rated it as High (a rating of 6 or 7 in the Likert scale).

TABLE 11: PASSION1 RATING HIGH OR LOW

1 = High; 2 =Low	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 1.00	45	60.8	60.8	60.8
2.00	29	39.2	39.2	100.0
Total	74	100.0	100.0	

The only emotional engagement metric that showed less than 50% high raters was Passion2 (Flipkart is becoming a positive part of my life).

TABLE 12: PASSION 2 RATING HIGH AND LOW

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 1.00	28	37.8	37.8	37.8
2.00	46	62.2	62.2	100.0
Total	74	100.0	100.0	

Except in the case of Passio2 (Flipkart is becoming a positive part of my life), fully engaged percentage of the customers is more than 50%. If the paired responses of Passion 1 and Passion 2 are combined, then the average rating is 51.50%:

TABLE 13: PASSION UNIT RATING HIGH AND LOW

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 1.00	35	47.3	51.5	51.5
2.00	33	44.6	48.5	100.0
Total	68	91.9	100.0	
Missing System	6	8.1		
Total	74	100.0		

TESTING OF THE HYPOTHESES

The two null hypotheses individually relevant to the customers of Flipkart are:

H₀1: The Gallup formula for customer engagement does not operate in the Indian context with reference to Flipkart

When the reliability statistics are looked at, one gets the strong relatedness of the Rational Loyalty factors with a Cronbach’s Alpha of 0.82 and the emotional engagement factors (Cronbach’s Alpha is 0.924). Majority of the customers rate each of the variables at the fully engaged level of 7 or 6. This is to significantly show that the CE metric operates well in Flipkart in the Indian context.

H₀2 : Experiential Branding practices of Flipkart.com do not give it differentiating advantages.

If fully engaged customers are those contributing to the highest levels of profits and goodwill of well-run organisations, then it is proved that Flipkart is a clear beneficiary of the CE practices, as more than 50% of its customers are rating even the most difficult of paired variables (Passion) at 51.50%.

H₀3 : There are no discriminating variables among the Gallup’s customer engagement model impacting purchase frequency in Flipkart.com.

When Discriminant Analysis was applied on the data structure, it is the Confidence1 factor (Flipkart is the name I can always trust) which clearly discriminates the equation. $D = -10.145 + 1.668 \text{ Confidence1}$, where D is the Discriminant score that places the respondent into a binary dependent variable of High Intensity Purchase of more than 7 times a year, or a Low Intensity Purchase of 6 or less a year. In general, if the confidence1 rating is more than 6.08, the resulting positive Discriminant score will indicate that the customer is likely to be a High Intensity Buyer. As the Likert scale is from the low of 1 to the high of 7, a score around 6 denotes a top bracket high score. It may be noted that one factor alone (Confidence 1) discriminates the equation.

RECOMMENDATIONS/ SUGGESTIONS

Confidence1, at the starting levels of emotional engagement of the customers is the factor that discriminates the customers into High attachment levels that would result in Experiential Branding. This in turn leads to avowed goals of better word of mouth, higher loyalty, and overall inimitable benefits to the organisation and the customers, and the intermediaries in the service / delivery chain. More attention can be focussed on basic levels of emotional engagement like Confidence 1. Overpromising and under delivering could strike at the very root of Experiential Branding (‘Million or Billion sale’ kind of attention-grabbing strategies might more than erode the brand value of the organisation).

CONCLUSIONS

Flipkart.com in 2012 was demonstrating how most of the customers (when engaged rationally and emotionally) can create an impetus to the company for faster growth and leadership in the e-commerce arena. On all the seven parameters of customer engagement and Experiential Branding, more than 50% of the respondents rated the metrics very high. These high ratings (many in the region of 80%) showcase that Gallup’s formula for customer engagement was applicable in the Indian context with specific reference to Flipkart.com. It also shows that highly engaged customers provide differentiating advantages like customer retention, better word of mouth and newer customers, and a snowballing impact on overall growth and brand equity. It also brings in higher expectations which continue to be the crucial discriminating variable for the clear success of an online retail firm. If basic engagement metrics like promise and delivery go even partly wrong, it could be difficult to differentiate and command relevance and premium.

LIMITATIONS

The study could have included in the sample some customers with lower educational profile, too. Some more responses could have added to the breadth of the study.

SCOPE FOR FURTHER RESEARCH

With many more sellers coming into the e-commerce market places like Flipkart.com, they could be more prone to getting into troublesome areas for the customers. So, the basic levels of emotional engagement like the confidence metric could be studied with more relevance now.

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APPENDIX

QUESTIONNAIRE TO THE CUSTOMERS OF FLIPKART.COM

As part of a doctoral research, I am studying the satisfaction levels of the customers of Flipkart.com. I will be thankful, if you could spare a few minutes and answer these questions. The data are exclusively for the purpose of the doctoral work with the Kuvempu University.

1. **Overall, how satisfied are you with Flipkart?**

Not at all Satisfied 1	Mostly Not Satisfied 2	Partly Not Satisfied 3	Neither Satisfied nor unsatisfied 4	Partly Satisfied 5	Mostly Satisfied 6	Fully satisfied 7
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2. **How likely are you to buy from Flipkart again?**

Least Likely 1	Most Unlikely 2	Partly Unlikely 3	Neither Likely nor Unlikely 4	Partly Likely 5	Most Likely 6	Fully Likely 7
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3. **How likely are you to recommend Flipkart to your friends / relatives?**

Least Likely 1	Mostly Unlikely 2	Partly Unlikely 3	Neither Likely nor Unlikely 4	Partly Likely 5	Mostly Likely 6	Fully Likely 7
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The following are statements relating to your level of relationship with Flipkart. Please indicate your levels of agreement with the statement on a 1 to 7 scale; 1 meaning completely disagree, and 7 meaning completely agree.

4. **Flipkart is a name I can always trust**

Completely Disagree 1	Mostly Disagree 2	Partly Disagree 3	Neither Agree nor Disagree 4	Partly Agree 5	Mostly Agree 6	Completely Agree 7
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5. **Flipkart always delivers on what it promises**

Completely Disagree 1	Mostly Disagree 2	Partly Disagree 3	Neither Agree nor Disagree 4	Partly Agree 5	Mostly Agree 6	Completely Agree 7
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6. Flipkart always treats me fairly

Completely Disagree 1	Mostly Disagree 2	Partly Disagree 3	Neither Agree nor Disagree 4	Partly Agree 5	Mostly Agree 6	Completely Agree 7
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7. If a problem arises, I can always count on Flipkart to reach a fair and satisfactory solution

Completely Disagree 1	Mostly Disagree 2	Partly Disagree 3	Neither Agree nor Disagree 4	Partly Agree 5	Mostly Agree 6	Completely Agree 7
--------------------------	----------------------	----------------------	---------------------------------	-------------------	-------------------	-----------------------

8. I feel proud to be a Flipkart customer

Completely Disagree 1	Mostly Disagree 2	Partly Disagree 3	Neither Agree nor Disagree 4	Partly Agree 5	Mostly Agree 6	Completely Agree 7
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9. Flipkart always treats me with respect

Completely Disagree 1	Mostly Disagree 2	Partly Disagree 3	Neither Agree nor Disagree 4	Partly Agree 5	Mostly Agree 6	Completely Agree 7
--------------------------	----------------------	----------------------	---------------------------------	-------------------	-------------------	-----------------------

10. Flipkart is the perfect company for people like me

Completely Disagree 1	Mostly Disagree 2	Partly Disagree 3	Neither Agree nor Disagree 4	Partly Agree 5	Mostly Agree 6	Completely Agree 7
--------------------------	----------------------	----------------------	---------------------------------	-------------------	-------------------	-----------------------

11. Flipkart is becoming a positive part of my life.

Completely Disagree 1	Mostly Disagree 2	Partly Disagree 3	Neither Agree nor Disagree 4	Partly Agree 5	Mostly Agree 6	Completely Agree 7
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12. How many times have you purchased from Flipkart in the last one year (2012)?

1	2	3	4	5	>5
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13. What are the top 3 items you have purchased from Flipkart in 2012?

Rating	Items of purchase	Books/ Cameras/ computers/ clothing/ Computer stationery/ home appliances/ perfumes/toys
1		
2		
3		

14. If you want to describe your engagement with Flipkart in a few words, what would those be?

1	
2	
3	

15. From where did you hear about Flipkart? (Rank, if necessary)

Word of mouth	TV advertisement	Print advertisement	Hoarding	Social Networking Sites	Others (Specify)
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DEMOGRAPHIC DATA

16. Your Name

17. Age group

13 - 19	20 - 30	31 - 40	41 - 50	>50
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18. Education

Below 12	12 or Pre Degree	Degree BSc, BA, BCom	Professional Degree	Post Graduation	PhD and above
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19. Occupation

Student	Home maker	Govt. Service (State)	Govt Service (Central)	Quasi-Govt service	Private Sector job	Employed in the Middle East/ Abroad	Self-Employed	Retired / Unemployed
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20. Monthly Family Income(Rs)

< 10,000	10,000 – 30,000	30,001 - 50,000	50,001 – 70,000	70,001 – 90,000	>90,000
----------	-----------------	-----------------	-----------------	-----------------	---------

21. Most used Social Networking sites

FaceBook	MySpace	Orkut	Twitter	Blogs	Others
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22. Most Listened to FM Radio Stations

Radio Mango	Big FM	Radio Mirchi	Red FM	Others	Others
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23. Motor vehicles you own or your family owns

24. Which city/ town are you working in?

25. Which city/ town/place are you resident of currently?:

26. Which type of buying do you prefer from Flipkart?

Cash-on Delivery	Using debit or credit card
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For contacting you for further study, would you please give your Your email id and your mobile phone No.

Thank you very much for your contributing to this study.

DETERMINANTS OF JORDANIAN BANKING SYSTEM ACTIVITIES

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ABSTRACT

The study identifies the effect of debit interest on the Jordanian banking system activities for the period 2000 -2013. It has examined the investment and funding activities consisting of total assets and total liabilities. The required data was collected and analyzed by the E - views statistical analysis package using a number of tests , each of them was the unit root test to identify the stationary of the data in the time series and the test method of least squares regression analysis in test (OLS) to verify the hypotheses of the study. The results indicate that there is a statistically significant positive correlation between the size of the debit interest and the total assets in the banking system, but there is no statistically significant correlation between the debit interest size and the total liabilities in the banking system. The debit interest variable does not have a predictive ability of the total shareholders' equity in the Jordanian banking system for the period (2000-2013). The study recommends that actions should be taken to reduce the size of the interest of the Jordanian banking system through the use of proper monetary policy and fiscal policies.

KEYWORDS

debit interest, Jordanian banking system, assets, equities, liabilities, E - views statistical analysis package.

1. INTRODUCTION

The interest rate is significant for many levels. High interest rate, for example, is an obstacle for the individuals who want to buy real estate, cars or other things because the high interest rate means higher cost of funds. On the contrary, the interest rate may encourage others to save their money in the banks because they can get greater income if they save a part of their incomes. On a wider level, the interest rate affects the economy in general; it affects not only the wishes of consumers in spending or savings, but also the decisions of investors because changes in the interest rate have a significant impact on individuals, financial institutions, business men and economy, in general. Therefore, it is important to study how the debit interest rate is decided as well as the various factors that determine the interest rate in the money market, in general.

2. PROBLEM STATEMENT

Debit interest is the amount charged by the banking system for providing its customers with credit services. The banking system's functions include investment and financing services. In this study, the investment service mean the total assets while the funding activity refers to the liability (total liabilities) and total shareholders' equity. Therefore, the problem of this study lies in the answers of the following questions:

- What is the effect of debit interest on the Jordanian banking system activities?
- What is the impact of interest rates on total assets in the Jordanian banking system?
- What is the impact of interest rates on total liabilities in the Jordanian banking system?
- What is the impact of interest rates on total shareholders' equity in the banking Jordanian system?

3. OBJECTIVES OF THE STUDY

This study aimed to identify:

1. The impact of the debit interest t on the Jordanian banking system activities.
2. The impact of interest rates on total assets in the Jordanian banking system.
3. The impact of interest rates on total liabilities in the Jordanian banking system.
4. The impact of interest rates on total shareholders' equity in the banking Jordanian device.

4. HYPOTHESES OF THE STUDY

The main hypothesis branching out, the following five sub-hypotheses:

The study seeks to test the following hypotheses as a null hypothesis (H0), as follows:

There is a basic hypothesis with sub-hypotheses as follows:

The main hypothesis:

Ho: There is no statistically significant effect of the interest on the Jordanian banking system activities.

H1: There is a statistically significant effect of the interest on the Jordanian banking system activities.

The following sub-hypotheses are:

Ho: There is no statistically significant effect of interest on the total assets (assets) in the Jordanian banking system.

H1: There is a statistically significant effect of interest on the total assets on the Jordanian banking system.

Ho: There is no statistically significant effect of interest on the total liabilities of the banking system in Jordan.

H2: There is a statistically significant effect of interest on the total liabilities of the banking system in Jordan.

Ho: There is no statistically significant effect of interest on the total equity in the Jordanian banking system.

H3: There is a statistically significant effect of interest on the total equity in the Jordanian banking system.

5. LITERATURE REVIEW

The researches reviewed the following previous studies pertaining the study:

S. M. Al-Tayeb, S. Al-Hajaya, and M. I. Shahateet (2004) highlighted the impact of time deposits interest rate on private consumption in Jordan during 1976-2004. They researchers adopted the Vector Auto Regression, VAR, model which was directly been applied since there was no co-integration. The main variables of the study were the private consumption, one of the most important components of GDP, and interest rate of time deposits; both expressed in real terms. The researchers applied the Augmented Dickey Fuller's test to check whether the variables were stationary or not. The test showed that the interest rate on time deposits was stationary while private consumption was not at the first level but it became stationary after taking the first difference. Granger's causality test was also applied to identify the evidence of the causality direction.

The test showed that there was a causal relationship among the variables through the existence of the impact of time deposit interest rate on private consumption. The Johansson's test for co-integration (VECM) was also applied, which showed no co-integration between the variables of the study. Therefore the error correction model was excluded in addition to the use of two main instruments for analysis, namely: analysis of variance components, which indicated the force of (VAR) and the adoption of the explanatory model of the interest rate of private consumption where there was a proportional growing of this impact. The reaction response function test was used which indicated an insignificant negative impact of the time interest rate on private consumption. For further verification of the credibility of the results, two approaches were used: the reordering of variables of the model and adding the income as a third basic variable.

In his study "Towards a mathematical formula that measures the general relationship between interest rate and implied volatility in forecasting exchange prices for major international currency" Saima Abdul Aziz (2010) highlighted the results of the tests applied to both the fundamental and the technical factors that augment the efficiency of forecasting currency prices for future periods. He merged the average and the moving indices, the implicit volatility fundamental index which is the correlation the interest rate. The study generally showed that for the converging factors there is a coefficient that is higher than the coefficients of the individual convergences. It also showed some results contradicting the general direction with the existence of convergence of higher coefficients and degrees of less correlation for some individual indicators. The study showed there are minor differences of convergence indicators and degrees of deviation.

Khrawish, Saïamand Jaradat, (2010) conducted a study under the title "The Relationships between Stock Market Capitalization Rate and Interest Rate: Evidence from Jordan". The paper addressed the effect of interest rates on the stock market capitalization rate in Amman Stock Exchange (ASE) over the period of (1999-2008). It used the OLS regression method, multiple linear regression model and simple regression model. The time series analysis showed that there are significant and positive relationship between government Prevailing interest rate (R) and stock market capitalization rate (S). The study revealed that Government development stock rate (D) has a negative impact on stock market capitalization rate (S). There is a significant negative correlation between government prevailing interest rate (R) and Government development stock rate (D). Finally, this study recommended the importance of the government intervention to encourage investment in ASE by reducing rate of personal taxation as an incentive for creation of wealth, and control of interest rate so as to enhance the growth of the stock market and improve the regulatory environment and reduction of the red tape.

The study "Declaration Monetary Policy and Interest Rate Fluctuations in Short-term Future: a case study of Mexico" examined the relationship between monetary policy and the behavior of financial markets which is usually studied to assess the effectiveness of the actions taken by central banks. This study identified the reaction of short-term rates to monetary policy announcements, and the extent targeted operational changes in interest rates implemented by the Mexican central bank in 2004. The results indicated that in the hedge market, the central bank acts are not early merged fully in the prices. As a result, the term interest rates were adjusted at the declaration dates. Moreover, the change in the targeted operational interest rate contributed to modifying the transaction behavior so that it changes in volatility as well as the size of prices of term contracts at the declarations dates.

Alaa Hamad (2009) studied the impact of monetary policy on interest rates in the Jordanian commercial banks for the period 1993-2007. This study demonstrated the impact of the indirect monetary policy interest rates of commercial banks. It identified the concept of monetary policy and its objectives and it aimed to pinpoint the monetary policy in Jordan and tools used by the Central Bank to attain these goals. The study revealed a negative impact of the size of facilities of rediscounting the interest rates while there is a statistically significant positive impact of open market operations on the interest rates of the commercial banks.

6. THEORETICAL FRAMEWORK

RATIONALE OF THE STUDY

This study is different from previous studies because it addresses the impact of term interest on the size of the Jordanian banking system activities for the period between 2000 – 2013. As far as the researchers knows, it is the first study that has been able to study both variables together whereas the other studies have examined the variables separately in the same manner.

ACCOUNTING CONCEPT FOR THE WORK OF COMMERCIAL BANKS

Banks are among the financial institutions carrying out a set of banking functions which include: the provision of banking services, attraction of savings in the form of interest-bearing deposits and granting interest-bearing credits to the individuals, companies, foundations and others. With the exception of banking services, banks are debt traders: they take depositors' money at a price of particular interest (debit interest), and grant loans to others with an interest rate higher (credit interest) and the difference between the both rates of interest is the profit of the bank and that is what appears in the profit and loss account of the bank as Shihata puts it in his fatwa or legal opinion based on Islamic Law or Shari'ah (www.darelmashora.com).

In terms of the regional standards, the banking system is among the most advanced economic sectors of Jordan; it provides a variety of services for the business and investment bodies. There are many local banks and global banks in Jordan. For example, the modern Amman Financial Market provides investors with many privileges including tax exemption of capital profits and equity exemption, freedom of migrating the investment value and profits to the country of the investor, and the full right of ownership of the foreign investor of the assets and full privatization participation. These factors constitute effective guarantees of attaining returns on investment and profit growth, as shown below:

- There are 23 Banks in Jordan: 15 are local banks (of which are three Islamic banks) and eight non-Jordanian banks, in addition to four investment banks.
- There is a comprehensive legal system (the Central Bank of Jordan, the banking law, anti-money laundering law and combating of terrorism financing).
- The banking system complies with international standards (Basel Core Principles for Effective Banking Supervision).
- Modern infrastructure and strong financial markets (capital gains exemption and cash dividends from taxes, freedom to migrate the investment value and profits to the home of the investor, the right of ownership of the foreign investor full of assets and full privatization participation).
- Shares owned by non-Jordanians equal 49.6% of the total capital listed in the Amman Financial Market, and Arab investors (32.6%) for the Arab investors and (17%) for non-Arab investors.

THE CONCEPT OF INTEREST RATE

There are several concepts for the interest rate, among them is the definition of classical economists who interpreted the interest rate by the theory of loanable funds. According to this theory, the interest rate is determined by the curve intersection of demand and supply of loanable funds. But Keynes decides that the interest rate is only a monetary phenomenon that determines the supply and demand for money and not the lendable balances. Marshall maintains that the interest rate is the return that has become a point of interest because it represents a natural return that must be paid to the owners of capital for their investments. The previous definitions enable us to say that the interest rate is the amount or return percentage obtained by the owner of the capital for a certain amount of deposit in banks; also it represents the amount or rate of return paid by the bank in exchange for a certain amount of borrowed money.

RELATIONSHIP BETWEEN INTEREST RATE AND INVESTMENT

The project starts its new investments either through borrowing or through its own materials. If the project's relies on borrowing, the interest rate represents the cost of borrowing the money used in investment. If the project's depends on self-investment materials, the interest rate represents the cost of the alternative opportunity, that is, it represents the revenue sacrificed by the project if it uses its own resources to invest in a new asset rather than depositing them in the bank for interest. Therefore, we can call the interest rate as the investment cost. With the stability of other factors we can expect an inverse relationship between the size of investment and interest rate, i.e., the higher the interest rate is the lower the volume of the investment will be, and the opposite is true.

INVESTMENT SIZE

The equilibrium level or the point of balance of investment spending is determined when the marginal efficiency of the capital of the project equates the interest rate which the businessman should pay for obtaining the necessary funds for the investment. There will be no investors' motivation for borrowing and embarking on the investment process unless the capital marginal efficiency is greater than interest rate. If capital marginal efficiency is 12% and the interest rate is 80%, this situation (12% /85%) stimulates and encourages business men to carry out investments. Otherwise, there will be no incentive for investment. In this case the interest rate actually paid by the investors when they borrow the necessary funds for investment from the appropriate organizations and thus the interest will be an additional cost added to the profit and loss account and finally reflected in the levels of prices and incomes. As Investors resort to the financial markets for the purchase of securities, there is an evident negative impact of soaring interest rates on capital reserve price. Therefore, the business men, under these conditions, prefer speculations in the financial market to attain a costly but guaranteed financial aid which will be the desired capital to expand the investment besides the interest rate.

RELATIONSHIP BETWEEN INTEREST RATE AND SAVINGS**THE CLASSICAL ANALYSIS**

The classics did not look at saving function or consumption directly, since they gave great importance to the relationship between the interest rate and the savings besides including the interest rate this relationship to investment, too. Marshall emphasizes that the interest is the price of the capital in the market and this price tends to equilibrium when the total demand on the capital at a certain price equates the total supply of capital. According to this view, we can figure out how important to the classical thought the relationship between interest rate and investment. This importance is represented by considering the interest rate as the key factor that determines the savings and that the savings function is increasing due to the interest rate.

KEYNES ANALYSIS

Keynes, as well as his fellow economists of the modern school, in his general theory gravely criticized the classical thought which considered the interest an important factor affecting the saving behavior. He criticized the classical theory in regard to saving and investment. He opposed the classical idea of saving and investment equilibrium through flexible rates of interest. To him saving and investment equilibrium are obtained through changes (increasing or decreasing) in income rather than in the interest rate.

IMPACT OF INFLATION ON INTEREST RATE

The increase in the general price level or the high level of inflation resulting from the increase in the money supply also affects the interest rate through influencing the expected rate of inflation. As people constantly expect increase in the money supplied, they expect a rise in the level of prices in the future and consequently a rise in the expected rate of inflation as well. The analysis of loan able money indicates a potential rate of inflation caused by the rise in the money surplus which means higher interest rate in response to the rise in the expected rate of inflation. At the first glance, the effect of the level of prices and the impact of the expected rate of inflation are the same thing. Both show that the increase in the price level caused by the surplus money supply will raise the interest rate. Yet, there is a difference between both of them. The reason for this is that because they may be discussed as two discreet consequences. To illustrate this difference, let's assume that today there has been an increase in the money supply causing a permanent rise in the price level next year. As the price level has risen throughout the year, the interest rate will rise through the impact of the price level at the end of the year only. As the rise in the price level has reached its peak, the impact of the price level will be at its peak, too.

The rise in level of prices will also raise the interest rate through the expected impact of the rate of inflation because people expect that inflation will be constantly high throughout the year. However, when the price level ceases to go up by the end of the following year, the rise in the inflation and its rate will decline. Then, any rise in the interest rate caused by an early rise in the expected rate of inflation will disappear. Thus, we have seen that in contrast to the impact of the price level that reaches its peak in the following year, the impact of the expected inflation rate will reach its lowest level then. So the basic difference between the two effects is that the impact of price level remains even after the prices stop rising, while the impact of the expected rate of inflation disappears. Another point is that the impact of the expected inflation rate will only continue as long as the general level of prices is on the rise. Yet, a single rise in the money supply will not generate a continuing rise in the general price level as this continuous rise in prices happen only there is a high growth rate of the money supply. Therefore, the high growth rate of the money supply is required if the impact of the expected inflation rate persists.

In general, the impact of liquidity as a result of the increase growth of the money supply will take place immediately because the rise in the money supply leads to an immediate reduction in the interest rate equilibrium. The impact of both income and the price needs some time to take effect, because the rise in the supply of money needs time to raise the level of prices and income, which in turn raises the interest rate. The impact of the expected growth of inflation, which also raises the interest rate, may be slow or fast depending the time people will take to modify their expectations of inflation when the growth of the money supply rate rises.

Inflation augments the future planning, both at the individual level or at the project level. With inflation, it is difficult for production units to fund the proper opportunities for future investments. This may lead to confusion and instability in production processes. Because of organizational defects, some of the social tensions may arise due to competition among different factions in the community as a result of the pursuit of each category to attain high levels of income coping with the continuing rise of prices.

RELATIONSHIP BETWEEN INTEREST RATE AND CONSUMPTION

The increase in the money supply has an expanding effect on the economy; it increases income and wealth, thereby increasing basic consumption, willingness to consume luxury goods and changing tastes of consumers. Yet, the rise in the money supply leads to a higher interest rate of high income and the higher interest rate makes individuals more likely to save a considerable amount of their incomes and give up consumption of goods especially the non-essential goods. In other words any rise in interest rate relatively reduces the consumption by some individuals.

7. STUDY METHODOLOGY

This section includes the methodology of the study to collect, analyze the data and verify the hypotheses of the study. It includes the study variables and model, operational definitions and the period of the study, and sources of data collection, and statistical processing.

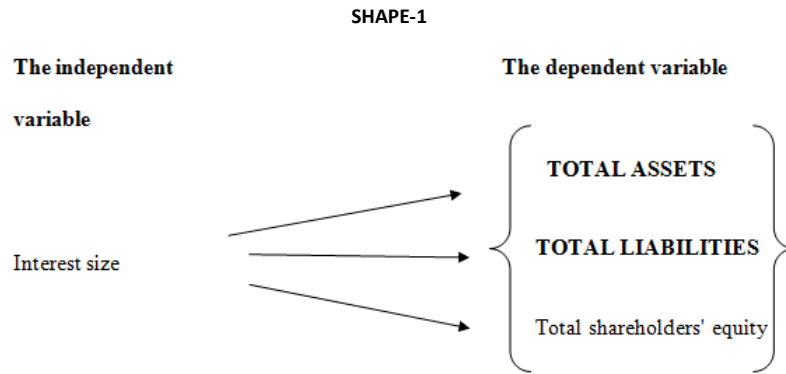
The study Variables:

The study has the following variables:

1. independent variable: size of Debit Interest
2. The dependent variables:
 - Total assets (assets) in the Jordanian banking system.
 - Total Liabilities in the Jordanian banking system.
 - Total shareholders' equity in the Jordanian banking system.

THE STUDY MODEL

The model that demonstrates the relationship between the variables of the study was built, as follows:



The standard model of linear regression of the independent variable on the dependent variables was derived as follows:

$D. R.1 = \alpha + \beta_1 Ass. + \epsilon_i$ $D. R.2 = \alpha + \beta_2 Dem. + \epsilon_i$ $D. R.3 = \alpha + \beta_1 Don. + \epsilon_i$

Whereas"

D.R.: Size of Debit interest

Ass: Total assets in the Jordanian banking system.

Dem.: Total Liabilities in the Jordanian banking system

Don.: Total shareholders' equity in the Jordanian banking system.

ϵ_i : Total residues

8. DATA ANALYSIS

UNIT ROOT TEST

Studies that deal with time-series use the method of the ordinary least squares (OLS) without the non-stationary variables test used over time, and this in turn leads to misleading results due to the breach of model hypotheses; which in turn leads to the emergence of a lot of well-known statistical problems in such traditional models.

Stationary time series (Y_t) means that this time series is characterized by the following:

- The predicted value of the stationary time-series
- The predicted value of the stationary time-series

$$\mu = E(Y_t)$$

- Constant variance: VAR

$$E(Y_t) = \mu - \sigma^2$$

- covariance at the slowdown period (k) is associated with only the slowdown time or gap (k) between the two time periods, and not the current period when the covariance is calculated as shown below:

$$Y_k = E[(\mu - Y_k)(\mu - Y_t)]$$

Dickey-Fuller Test:

It is a test of the presence of unit root in the time series hypothesis (Y_t), and can be illustrated by the following equation:

$$Y_t = \rho Y_{t-1} + u_t \quad \rho \geq 1$$

The formula can be written with first different operator where the value of the parameter (ρY_{t-1}) = (-1):

$$U_t = Y_t - Y_{t-1} \quad Y_t = Y_{t-1} + U_t$$

$$Y_t = Y_{t-1} + U_t \quad (1)$$

It also tests the presence of the null hypothesis, which provides for the presence of the root unit. The formula of (H0) and (H1) is:

$$H = 1 \quad \rho = 0;$$

or

$$H = 1 \quad \rho = 1;$$

Formula(1) is one of three cases in which the stationary time series is tested. The three formulas are:

$$Y_t = Y_{t-1} + t \dots U_{t+} \text{ (drift \& trend)}$$

$$Y_t = Y_{t-1} + \dots U_t \text{ (drift)}$$

$$Y_t = Y_{t-1} + \dots U_t \text{ (without drift and trend)}$$

AUGMENTED DICKEY-FULLER UNIT ROOT TEST

If the time series is auto-connected to a high degree of time lag, the white noise disturbances will be violated which means that the analogue Dick-Fuller test is useless in this case. The augmented Dickey-Fuller, then, can solve the problem through building a corrective model with a higher correlation degree, assuming that the time series is tied to the auto-regression (AR_p).

$$\sum_{i=1}^m$$

$$Y_t = Y_{t-1} + \sum_{i=1}^m \alpha_i Y_{t-i} + u_t$$

The Phillips – Perron, like Dickey fuller's, is a unit root test. That is, it is used in time series analysis to test the null hypothesis that a time series (Y_t) according to the following formula:

$$U_t = Y_t - Y_{t-1} = Y_t$$

It uses the t- test to examine the null hypothesis (the existence of unit root),while the augmented Dickey–Fuller test addresses the serial correlation of errors n, the Phillips–Perron test makes a non-parametric correction to the t-test statistic.

In this study two tests (the augmented Dickey- Fuller test and Philip -Perron test) applied using the Statistical Package (E-Views-7), according to drift and trend, as there is only a single independent variable. The test results are shown in Table No. 1, the null hypothesis is rejected if the calculated absolute value is greater than the absolute critical value of in both tests.

DFCal ≥ DFCri rejected (H0).
 PPCal ≤ PPCri rejected (H0).

TABLE 1

Independent value	Calculated value	Critical value at 1%	Critical value at5%	Critical value at10%	decision
D. R.	6.992	9.007	5.042	4.495	H0 rejection

Prepared by the researchers using E-views7 statistical package.

The Philips-perron test with the drift and trend was conducted to find out the unit root as shown in table -2

TABLE-2: PHILIPS-PERRON WITH TREND AND DRIFT

The independent variable	Calculated value	Critical value at 1%	Critical value at 5%	Critical value at 10%	Decision
D. R.	6.147	5.723	4.228	3.559	H ₀

Prepared by the researchers using E-views7 statistical package.

Comparing the results of the two tests, we can judge the level of stationary of the time series as the two test indicate the stationary of debit interest size which means that is significantly stationary at (0.05).

STATISTICAL PROCESSING

The researchers used the following statistical methods and treatments:

- Averages and standard deviations.
- Frequencies and percentages.
- Pearson correlation coefficients.
- Linear regression analysis.

THE RESULTS

THE MAIN HYPOTHESIS

There is no statistically significant effect of the interest on the Jordanian banking system activities.

The sub-hypotheses:

- There is no statistically significant effect of interest on the total assets (assets) in the Jordanian banking system.
- There is no statistically significant effect of interest on the total liabilities of the banking system in Jordan.
- There is no statistically significant effect of interest on the total equity in the Jordanian banking system.

THE FIRST SUB- HYPOTHESIS

To test this hypothesis, the arithmetic averages and standard deviations of debit interest size as well as the total assets of the Jordanian Banking system during the period 2000-2013 as shown in table-3:

TABLE-3: THE ARITHMETIC AVERAGES AND STANDARD DEVIATIONS OF DEBIT INTEREST SIZE AND THE TOTAL ASSETS OF THE JORDANIAN BANKING SYSTEM DURING THE PERIOD 2000-2013

The variables	number	mean	Standard deviation
Size of debit interest	12	772273416.0000	248773408.7086
Total assets	12	34551383859.5000	10755826170.4334

Table (3) shows that the arithmetic average of the size of the debit interest is (772,273,416.0000) , the standard deviation is (248,773,408.7086), and the arithmetic average of the total assets amounts to (34,551,383,859.5000) and the standard deviation is (10,755,826,170.4334).

THE PEARSON CORRELATIONS BETWEEN THE DEBIT INTEREST TRANSACTIONS AND THE TOTAL ASSETS IN THE JORDANIAN BANKING SYSTEM DURING THE PERIOD BETWEEN 2000-2013 WERE CALCULATED AS SHOWN IN TABLE -4

variables	statistic	Total assets
Debit interest size	Correlation value	.437
	Statistical significance	.047*

*Statistical significance at ($\alpha \leq 0.05$)

The Pearson correlation coefficient between the two variables, the square of the correlation coefficient, the average correlation coefficient, and the standard error of the estimate were calculated as shown in the table -5.

TABLE-5: THE PEARSON CORRELATION COEFFICIENT BETWEEN THE TWO VARIABLES, THE SQUARE OF THE CORRELATION COEFFICIENT, THE AVERAGE CORRELATION COEFFICIENT, AND THE STANDARD ERROR OF THE ESTIMATE FOR THE SIZE OF INTEREST AND THE ASSETS OF THE JORDANIAN BANKING SYSTEM FOR THE PERIOD 2000- 2013

Pearson corr. value	Square of the correlation coefficient	Adjusted correlation coefficient	standard error of estimate	Dorin- Watson coefficient
0.437*	0.191*	0.111	10144241.06	0.163

*Statistical significance at ($\alpha \leq 0.05$)

Table-5 shows that there is a positive statistically significant correlation at the level of relationship ($\alpha = 0.05$), between the size of debit interest and the total assets, as the value of the overall correlation coefficient is (0.437), and the value of square of the correlation coefficient is (0.191), while total average value of the correlation coefficient is (0.111), and the value of the standard error of the estimate is (10,144,241.06), while the value of Durbin - Watson coefficient is (0.163).

To find out the size of the impact of the independent variable (debit interest) to total assets (in the Jordanian banking system, the linear regression analysis was done and the results are shown in table -6.

TABLE-6: RESULTS OF THE LINEAR REGRESSION ANALYSIS SIZE OF THE IMPACT OF THE INDEPENDENT VARIABLE (DEBIT INTEREST) TO TOTAL ASSETS (IN THE JORDANIAN BANKING SYSTEM

The independent variable	B value	standard error	t- value	Significance level
Fixed limit	19944035167.226	9935994397.486	2.007	.073
Debit interest	18.915	12.294	4.538	.009*

*Statistical significance at ($\alpha \leq 0.05$)

Table (6) shows that the debit interest variable has the ability to predict the total assets in the Jordanian banking system.

To verify this hypothesis, the averages, standard deviations of the size of the debit interest and the total liabilities of the banking system in Jordan during the period for 2000 - 2013 as shown in table -7.

TABLE-7: THE AVERAGES, STANDARD DEVIATIONS OF THE SIZE OF THE DEBIT INTEREST, AND THE TOTAL LIABILITIES OF THE BANKING SYSTEM IN JORDAN DURING THE PERIOD FOR 2000 - 2013

Variables	number	average	Standard deviation
Debit interest size	12	772273416.0000	248773408.7086
Total liabilities	12	30077150568.3333	8493092236.8858

The table shows that the arithmetic average of the volume of debit interest is (772,273,416.0000) ,the standard deviation is(248,773,408.7086), and the arithmetic average of the total liabilities is(30,077,150,568.3333) and a standard deviation (8,493,092,236.8858). The Pearson correlation coefficients between the debit interest size and the total liabilities of the banking system in Jordan during the period between (2000 – 2013) were calculated as shown in table-8.

TABLE-8: PEARSON CORRELATION COEFFICIENTS BETWEEN THE DEBIT INTEREST SIZE AND THE TOTAL LIABILITIES OF THE BANKING SYSTEM IN JORDAN DURING THE PERIOD FOR THE PERIOD(2000 – 2013)

Variables	statistic	Total assets
Debit interest size	Correlation coefficient value	.410
	Statistical significance	.093

Table (8) shows there is statistically significant correlation at the significance level ($\alpha = 0.05$), between the debit interest size and the total liabilities of the banking system in Jordan for the period 2000-2013. The Pearson correlation coefficient between the two variables, the square of the correlation coefficient, and the adjusted correlation coefficient and the standard error of the estimate, shown in table -9

TABLE-9: THE PEARSON CORRELATION COEFFICIENT BETWEEN THE TWO VARIABLES, THE SQUARE OF THE CORRELATION COEFFICIENT, AND THE ADJUSTED CORRELATION COEFFICIENT AND THE STANDARD ERROR OF THE ESTIMATE

Pearson correlation Value	Square of Correlation coefficient	Adjusted correlation coefficient	Standard error of estimate	Dorin-watson coffeicient
0.410	0.168	0.085	8124878000.7878	0.164

Table-9 shows that there is a positive correlation between the size of the debit interest and the total liabilities, as the value of the overall correlation coefficient is (0.410), the value of the correlation coefficient square is (0.168) while the value of the correlation coefficient average is (.085), the standard error value of the estimate (8124878000.7878), while the value of Durbin - Watson coefficient is (0.164). To find out the size of the impact of the independent variable (debit interest) on the total liabilities of the banking system in Jordan, the linear regression analysis was done, and the results are shown in table-10.

TABLE-10: THE RESULTS OF THE REGRESSION ANALYSIS OF THE PREDICTIVE ABILITY OF THE DEBIT BENEFIT OF THE TOTAL LIABILITIES IN THE BANKING JORDANIAN SYSTEM

Independent variable	The value of β	Standard error	t- value	Significance level
Fixed limit	19269724768.270	7958270956.851	2.421	.036
Debit interest	13.994	9.847	1.421	.186

*Statistical significance at ($\alpha \leq 0.05$)

Table-10 shows that the debit interest does not have a predicative ability of the total assets in the Jordanian banking system. The Third hypothesis: There is no statistically significant effect of the debit interest on the total equity in the Jordanian banking system To verify this hypothesis, the averages, the standard deviations of the size of the debit interest expense, and the total equity in the Jordanian banking system for the period 2000 – 2013 were calculated as in table -11.

TABLE-11: THE AVERAGES, THE STANDARD DEVIATIONS OF THE SIZE OF THE DEBIT INTEREST EXPENSE, AND THE TOTAL EQUITY IN THE JORDANIAN BANKING SYSTEM FOR THE PERIOD 2000-2013

Variables	number	average	Standard deviation
Size of debit interest	12	772273416.0000	248773408.7086
Equities	12	3221395386.3333	2816898925.4398

Table 11 shows that the arithmetic average of the size of the debit interest the equals (772,273,416.0000) , the standard deviation is (248,773,408.7086), and the arithmetic average of total shareholders' equity equals (3,221,395,386.3333) and a standard deviation (2,816,898,925.4398). The Pearson correlation coefficients between the size of the debit interest, and total shareholders' equity in the Jordanian banking system for the period (2000 - 2013), were calculated as shown in table -12.

TABLE-12: THE PEARSON CORRELATION COEFFICIENTS BETWEEN THE SIZE OF THE DEBIT INTEREST, AND TOTAL SHAREHOLDERS' EQUITY IN THE JORDANIAN BANKING SYSTEM FOR THE PERIOD (2000 - 2013)

variables	statistic	Total assets
Debit interest size	CC value	.143
	S value	.329

Table-12 shows that there is no statistically significant correlation at the significance level ($\alpha = 0.05$), between the debit interest size, and the total shareholders' equity in the Jordanian banking system for the period (2000-2013). The Pearson correlation coefficient between the two variables, the square of the correlation coefficient, and the adjusted correlation coefficient and the standard error of the estimate, shown in table -13.

TABLE -13 :THE PEARSON CORRELATION COEFFICIENT BETWEEN THE TWO VARIABLES, THE SQUARE OF THE CORRELATION COEFFICIENT, AND THE ADJUSTED CORRELATION COEFFICIENT AND THE STANDARD ERROR OF THE ESTIMATE

PC value	CC Square	ACC	Estimate standard Error	Dorin-watson C
.143	.020	.078	2924093550.6960	.568

Table-13 shows that there is a positive correlation between the debit interest size and total shareholders' equity, as the value of the overall correlation coefficient equals (0.143), and the value of square of the correlation coefficient is (0.020), while the value of the correlation coefficient average is (.078), and the margin of error value the normative assessment is (2924093550.6960), while the value of coefficient Durbin – Watson is (.568). To find out the size of the impact of the independent variable (debit interest) on the total shareholders' equity in the Jordanian banking system, it the linear regression analysis was done , and the results are shown table -14.

TABLE-14: RESULTS OF THE LINEAR REGRESSION ANALYSIS OF THE PREDICTIVE ABILITY OF THE DEBIT INTEREST ON SHAREHOLDERS' EQUITY IN THE JORDANIAN BANKING SYSTEM

Independent variable	β value	Standard error	t- value	Significance level(p)
The fixed limit	1972320074.644	2864132701.730	.689	.507
Debit interest	1.617	3.544	.456	.658

Table-14 shows that the debit interest variable is not predicative of the total equity in the Jordanian banking system.

9. RESULTS AND RECOMMENDATIONS

Having collected and the required data for study sample from the annual reports of the Jordanian banking system for the period (2000 -2013), the researchers carried out the necessary statistical operations, analyzed the results and came up with the following results and recommendations:

FINDINGS

The study came up with the following findings:

There is a positive correlation statistically significant at the level of relationship ($\infty = 0.05$), between the size of the interest rate, and the total assets (assets) in the Jordanian banking system during the period (2000-2013).

- The interest variable has no predicative ability of the total assets in the Jordanian banking system.
- There is no statistically significant correlation at the significance level ($\infty = 0.05$), between the interest size, and total shareholders' equity in the Jordanian banking system for the period (2000-2013).
- The interest variable has no predicative ability of the shareholders' total equity in the Jordanian banking system.

RECOMMENDATIONS

In light of the conclusions that have been reached, the study recommends the following:

- Proper financial and monetary policies should be implemented to cut down the size of interest of the Jordanian banking system.
- The financing interest rate should be adopted as a mechanism of helping the developing countries economic progress as well as enabling them to get rid of debt burdens that have bad consequences in all aspects of life. The existence of a contemporary and modern economic system depends on the existence of a proper interest rate.
- To cope with the fluctuations and changes in interest rates that affect the monetary policy, an optimal strategy or guide pursued by the monetary authorities should be implemented in order to effectively guide the path of economic units involved towards a balanced self- growth by increasing proper prices of goods exchange services, and also interest rates should be cut down in the context of the provision of appropriate liquidity for the economy.
- Further studies on the impact of interest on the economic size of debit interest and other financial variables should be carried out.

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ASSESSING THE MEDIATING ROLE OF SOCIAL IDENTITY ON THE RELATIONSHIP BETWEEN SOCIAL NETWORKING SITE USAGE AND BRIDGING SOCIAL CAPITAL

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ABSTRACT

The advance of web technology has allowed the different segments of society to have access to Social Networking Sites like Facebook. This study examines the relationship between social networking site (SNS) usage, social identity and bridging social capital for the student community. Data for the study were collected during May 2014 by using a questionnaire completed by the MBA students at Cochin University of Science and Technology. The study found that the social networking site usage significantly related to bridging social capital. Findings suggest that social identity acts as a partial mediator on the relationship between social networking site usage and bridging social capital. The study suggest that the relationship between social networking site usage and bridging social capital studied in western countries can be very well applied to Indian context as well.

KEYWORDS

Social Networking Site usage, Facebook, Bridging social capital, Social identity.

1. INTRODUCTION

Social capital has become an important object of research in the last few years as it provide a new look on social networks and beneficial outcomes. A large body of research work has been produced, and there has been a growing amount of empirical studies investigating the effects of social capital (Matin van der Gaag, 2002). Social capital broadly refers to the resources that drive from the relationships among people in varying social contexts (Coleman J. , 1988). The idea of social capital has been explained in the social science research during the last 15 years especially with the introduction of network theory of social capital which depicted how and why relational networks are important for explaining various individual and family outcomes. When we connect the network theory of social capital (Lin N. , 1999) with the social networking site like Facebook, it is interesting to have a knowledge regarding whether or not these sites affect the relations among members. Social capital was considered to be originated in communities and was developed by organizing membership groups and training programmes. But now, social capital development is studied in online context as the social networking sites provide a platform for the members to come together online and participate in any form of social interaction and communication. Moreover, as the most popular social networking site in India, Facebook is now available to people all over the world with low cost, the scope of social capital building through social networking site is becoming popular.

Facebook is one of the most famous social networking sites all over the world which has connected the world very close and becomes the global phenomenon for the last many few years (Foregger, 2008). The social networking sites have impressed a lot of teenagers and particularly university students for getting information and get connected with friends and relatives. Using data collected from students, this study attempts to examine the relationship between social networking site usage and bridging social capital in Indian context. The purpose of this study are twofold: first, it examines the relationship between social networking site usage and bridging social capital; second, it analyzes the mediating role of social identity on the relationship between social networking site usage and bridging social capital. Even though there are a number of studies conducted on the relationship between social networking site use and social capital in western countries, there lacks studies in Indian context on social capital through social networking sites. Thus, the research questions under this study are whether the relationship between social networking site use and social capital that we seen in western context can be applicable to Indian context or not. The second research question is regarding the mediating role of social identity on the relationship between social networking site usage and bridging social capital of members of Facebook. Thus, this study aims to unearth social networking site usage trend in developing country like India because most of the research has been carried out in developed countries. As Indians are also becoming very active in social networking sites such as Facebook and Twitter, a study is much needed to know the relationship building or social capital development among social networking site members from India. This study contributes to the literature by relating variables that affect the relationship between social networking site usage and social capital.

2. LITERATURE REVIEW

2.1 Bridging Social Capital

Social capital is a multi –dimensional construct, and theorists have defined the term from different perspective (Portes, 1998). There are three distinguish formulations of the concept of social capital by Bourdieu, Coleman and Putnam. According to Coleman (1988), social capital is defined by its function; he also added that *“it is not a single entity but a variety of different entities, its two elements in common: they all consist of some aspect of social structures, and they facilitate certain action of actors- whether persons of corporate actors- within the structure”*. Social capital is defined as *“the aggregate of the actual or potential resources which are linked to possession of a durable network of more or less institutionalized relationships of mutual acquaintance and recognition”* by Bourdieu (1986). But Putnam concentrated on collective level of social capital. Putnam (1993) defined social capital as *“features of social organization, such as trust, norms, and networks”*. Bourdieu and Wacquant (1992) defined social capital as *“the sum of the resources, actual or virtual, that accrues to an individual or a group by virtue of possessing a durable network of more or less institutionalized relationships of mutual acquaintance and recognition*. Burt and Lin (1999) were the first to link the network theory to the concept of social capital. Burt (2001) highlights the importance of networks within and between groups and suggests that networks do not simply imply the number of connections people have, but those that develop into social capital. That is, people who have well-connected networks have advantages in forming social capital. The network theory of social capital also deals with the same phenomenon i.e., higher the connection or network one possess, greater will be his social capital.

Social capital has aspects on both individual and collective level. The research on social capital has focused their views either as a property of individual and their social networks or as a feature of the community and the degree of civic engagement and trust among its members. Individual level of social capital refers to micro and the collective level of social capital refers to the macro. Some authors (Coleman, 1990; Putnam R. , 1995) developed theories specifically on the

macro level, in which the social capital is taken as a collectively produced and owned entity, and the benefit of which is enjoyed by the whole community. Collective social capital is associated with outcomes such as poverty reduction, health and well-being and the economic development (Grootaert, 2004). Other scholars in the field of social capital studies (Bourdieu P., 1986; Lin N., 1999; Erickson, 1996) concentrated on micro level where the social capital is considered as an additional pool of resources for the individual. Individual social capital is defined as the collection of resources owned by the members of an individual's personal social network, which may become available to the individual as a result of the history of these relationships (Snijders & Martin Van Der Gaag, 2005). Individual level social capital allows individuals to capitalize on their personal relationships and at the collective level the major focus is on collective actions (Putnam R., 2000).

Putnam (2000) classified individual level social capital into two; bridging social capital and bonding social capital. Bonding social capital reflects the strong ties with family and close friends, who might be in a position to provide emotional support or access to scarce resources. Bridging social capital is linked to "weak-ties" (Granovetter M., 1982), loose connections that may provide useful information or new perspectives for one another, but typically not emotional support. According to Putnam, "bridging" social capital is inclusive. It occurs when individuals from different backgrounds make connections between social networks. By contrast, "bonding" can be exclusive. It occurs when strongly tied individuals, such as family and close friends, provide emotional or substantive support for one another. The individuals with bonding social capital have little diversity in their backgrounds but have stronger personal connections. Bridging social capital involves the weaker ties we have with work colleagues and contacts, acquaintances and friends of friends. The bridging social capital measures were outward looking, contact with a broader range of people, a view of oneself as part of a broader group and diffuse reciprocity with a broader community (Wellman, 2001). Burt (1992) highlights the opportunities and benefits arising from bridging effects between relationships in the network, which are characterized by weak ties.

2.2 Social Networking Site Usage

Social networking sites is defined as "the web based services that allow individuals to (1) construct a public or semi-public profile within a bounded system, (2) articulate a list of other users with whom they share a connection, and (3) view and traverse their list of connections and those made by others within the system" (Boyd, 2007). Online social networking sites can be used for a number of purposes, but three primary roles are considered to be as common to all the sites. First, online social networks are used to maintain and strengthen existing social ties, or make new social connections. Second, online social networks are used by each member to upload his or her own content. Third, online social networks are used to find new, interesting content by filtering, recommending, and organizing the content uploaded by users (Mislove, 2009).

A study conducted by Yadav (2012) among youngsters demonstrated that the youngster's attitude towards virtual social networks and subsequent behavioural intentions are significantly influenced by Perceived hedonic benefits, information orientation and social pressure. Madhusudhan (2012) conducted a study among the research scholars of Delhi University and indicated that demographic characteristics such as gender and educational background have a strong influence on social networking site usage. Additionally, people with more experience and autonomy of use are more likely to be users of such sites. Helliwell (2013) compared the real-time and on-line social networks as sources of subjective well-being and found out that the size of online networks is largely uncorrelated with subjective well-being. Albert (2012) found out that there is no significant relation between Intensity of Facebook usage and life satisfaction.

Ellison et al (2007) surveyed a sample of college students and found that their intensity of Facebook use is positively related to both bridging and bonding relationships. In a similar study of Texas students, researchers also found that Facebook use was positively associated with characteristics of social capital. Students who used Facebook more often reported higher levels of trust, and participated more in civic and volunteer groups (Sebastian Valenzuela, 2009). Ahn (2012) studied the intensity of social networking sites such as Facebook and MySpace and its relation to bridging and bonding social capital and found out that MySpace shows higher bonding social capital while Facebook shows higher bridging social capital. Hargittai (2008) suggests that the use of such sites is not randomly distributed across a group of highly wired users. A person's gender, race and ethnicity, and parental educational background are all associated with use. But not all social networking sites use is positive, people can make hurtful comments about others through these sites, individuals can lose their jobs when they post inappropriate content, and companies can invade user's privacy in their efforts to market products and services using data from social networking sites (Charles Steinfield., 2012). The research on social networking site usage suggested that the provision of the actual identity information and the information disclosures on social networking sites are key to their successful functioning, facilitating relationship initiation, development, and maintenance that permits the establishment of bridging and bonding social capital (Steinfeld C. E., 2012).

Charles Steinfield et al (2008) investigated the relationship between Facebook usage, psychological well-being and bridging social capital and found out that self-esteem moderates the relationship between Facebook usage and bridging social capital in such a way that lower the self-esteem, the more will be the Facebook usage in terms of bridging social capital. Intensive Facebook usage relates to bonding social capital and it has a moderate relationship with the bridging social capital and users who posted often and engaged in directed communication with friends reported higher bonding social capital (Burke, 2010). Brooks (2011) studied the relationship between socio-economic status and three types of social capital such as network size, bonding social capital and bridging social capital and found out that socio-economic status has a significant influence on maintaining existing network but it has not much importance to build new networks. Wenhong Chen (2013) examined how the social capital is related to Internet adoption and use and found out that the average resources accessible via bridging social capital are not significantly related to Internet access and online communication; the bridging social capital is positively associated with internet access, has a significant relationship with general internet use, and is negatively associated with online communication with daily contacts. Some theorist argued that online interaction can substitute or replace the personal communication, and even mitigate the loss of time which is spent online. The studies conducted at organizational level also show that there is an association between SNS use and social capital. Charles Steinfield (2009) explored the relationship between various dimensions of organizational social capital and the use of an internal social network site (SNS). The research in online social capital supports the notion that social networking sites can contribute to the formation and maintenance of both bridging and bonding social capital.

H1: Social networking site usage is positively related to bridging social capital.

2.3 Social Identity

Social identity theory examines the group relations based on one's group membership (Brown R., 2000). Social identities help individuals make a sense of who they, how they construe their connections to other people around them, and how they should act in social situations (Brewer, 1991). Roderick M Kramer (2006) developed a framework for conceptualizing how individuals' psychological identification with a collective enhances their willingness to engage in behaviours that contribute to the creation and maintenance of social capital. Dholokia et al (2004) relates social identity to the main feature of the individual's identification with the community in the sense that the member views himself as a member of that community. The social identification can be measured in two dimensions – Cognitive identification and affective identification. The cognitive identification refers to the self categorization aspect of identification whereas the affective identification concerned with the emotional and evaluative aspect of identification. The cognitive dimension is characterized by those resources providing shared vision or values. It includes collective goals, common representations and system of meaning and aspiration of group members. And the affective dimension of social capital refers to the sense of emotional involvement with the group, which includes identification with, involvement in, and emotional attachment to the group. Barker (2009) had identified one of motives for social networking site usage as social identification. As networks can provide social support, self-esteem, identity and perceptions of control (Cohen, 1985; Brown G. &, 1978), this study predict that online social networks such as Facebook, also relate to social identity of the members. As literature has already established the predictive capacity of networks on the formation of social identity, there is a scope for the formation of social identity in online social network context as well.

H2: Social networking site usage is positively related to the social identity of the members.

H3: Social Identity is positively related to the bridging social capital.

2.4 Social Networking Sites Usage, Social Identity and Bridging Social Capital

Studies found out that greater use of social networking sites, especially Facebook is associated with greater perceived amounts of bridging and bonding social capital (Ellison Nicole, 2007; Steinfield C. E., 2008). Donath and boyd (2004) proposed that Social networking sites use influence the bridging social capital, as SNSs enabled users to maintain and enlarge more diverse social networks to draw resources. As we hypothesized earlier, social networking site usage will enhance the social identity of the members. Social networking site usage that enhance the social identity of the members are likely to result in bridging social

capital building. There are studies which assessed the mediating role of social identity in organizational context. For example, Kark (2003) have studied the mediating role of social identity on the relationship between transformational leadership and empowerment. Even though there are studies in organizational context to establish the mediating role of social identity, there is no empirical evidence to suggest that social identity mediates the relationship between social networking site usage and bridging social capital.

H4: Social identity mediates the relationship between social networking site usage and bridging social capital.

3. RESEARCH METHOD

3.1 Data

The data used in this study were collected from MBA students from CUSAT who are regular users of Facebook. A structured questionnaire was distributed among the students. The data was collected from May 13 to June 10, 2014. A total of 200 questionnaires were distributed to the respondents, out of that 178 collected back. The response rate was 89%.

3.2 Measurement

Social Networking Site usage was assessed with Facebook Intensity Scale (Ellison Nicole, 2007). The Facebook intensity scale includes a total of 8 items like "Facebook is part of my everyday activity", "I am proud to tell people I'm on Facebook", "Facebook has become part of my daily routine" etc. All the items were measured on a 5 point Likert scale (1= strongly disagree to 5= strongly agree).The reliability analysis of the scale to the data showed a cronbach's Alpha=.754

Bridging social capital was measured using items from William's Internet Social Capital Scale (2006). The items includes " Interacting with people on Facebook makes me feel like part of a greater community", "Interacting with people on Facebook gives me new people to talk to" etc. Participants responded to the statements on a 5 point Likert scale (1= strongly disagree to 5= strongly agree). The reliability analysis of the items were done and the results indicated a cronbach's Alpha=.756.

Social Identity was measured with scale by Pinho (2013). The scale consists of 9 statements in total; 3 for cognitive dimension and six items for affective dimension measurement. The respondents were asked to report their agreement to each statement on a 5 point Likert scale ranging from 1= strongly disagree to 5= strongly agree. The social identity scale showed a cronbach's alpha value 0.748.

Demographic variables included respondent's age (mean 22.61, SD=1.492) and gender.

3.3 Data Analysis Strategy

To examine the relationship between Social networking site usage and other two variables namely social identity and bridging social capital, correlation analyses with the variables were performed. After the correlation analysis, social identity was tested on the basis of mediation analysis as suggested by Baron and Kenny (1986). A Sobel test was also done to validate the mediation analysis.

4. RESULTS

4.1 Descriptive Analysis

Before testing the hypotheses, a descriptive analysis was performed to analyze the general pattern of respondent's Social networking site usage and social demographic variables. Approximately, 35% (N=63) respondents reported that they were spending 30 minutes to 1 hour daily on Facebook and 30% (N=54) were reported less than 30 minutes on Facebook. And 143 students (80%) agreed that they have more than 200 friends on Facebook. The respondents were, on average 22.61 years old (SD= 1.492) and comprised of 51% women (N=90) and 49% men (N=88).

TABLE 1: DESCRIPTIVE ANALYSIS

Variables	Item	Frequency	Percentage
Gender	Male	88	49.4
	Female	90	50.6
Age (years)	20	7	3.9
	21	39	21.9
	22	47	26.4
	23	36	20.2
	24	29	16.3
	25	15	8.4
	26	2	1.1
	27	3	1.7

4.2 Hypotheses Testing

The means, standard deviations, and correlations between all variables are given in the Table2. Hypothesis 1, that suggested a positive relationship between social networking site usage and bridging social capital found support. Hypothesis 2, which suggested that social networking site usage positively related to social identity also find supported. Hypothesis 3, which suggested a positive relationship between social identity and bridging social capital, was also found to be support. All these three variables are significantly and positively related to each other.

TABLE 2: MEAN, STANDARD DEVIATION AND CORRELATION BETWEEN VARIABLES

Variables	Mean	SD	1	2	3
1 SNS Usage	3.1098	.60531	(.754)	.338**	.486**
2 Social Identity	3.0993	.63202		(.748)	.429**
3 Bridging Social Capital	3.2374	.67427			(.756)

N = 178. *** = p < 0.001. ** = p < 0.01. * = p < 0.05. Standardized Cronbach alphas are in parentheses along the diagonal.

Hypotheses 4, which suggested that the relationship between social networking site usage and bridging social capital would be mediated by members social identity, was tested by regression as shown in the table 3. The relationship between dependent variable and independent variable, social networking site usage and mediator, social identity was tested on the basis of the causal chain model suggested by Baron R M & Kenny (1986). It was observed that social networking site usage and social identity affect bridging social capital positively. This shows that the relationship between social networking site usage and bridging social capital is indeed mediated by social identity. Kenny (1986), Sobel test was conducted to test whether the mediator, social identity, carried the influence of independent variable, social networking site usage, to the dependent variable, bridging social capital.

The following table present the four steps for mediation analysis as suggested by Baron R M & Kenny (1986). The first, second and third step which suggested that the independent variable(X) should influence the dependent variable(Y), X should influence the mediating variable (M) and the Mediating variable (M) should significantly influence the dependent variable (Y). These three steps were done with a simple regression. The regression result of the influence of social networking site usage on bridging social capital shows that social networking site usage did contribute significantly (B= .49, P value=.000) to bridging social capital with a R² value .24; Social networking site usage to social identity also contributed significantly (B= .33, P value=.000) with R² 0.11 and the third step, influence of social identity on bridging social capital also found significant (B= .43, P value=.000) with R² 0.18. The fourth step of Baron R M & Kenny (1986) mediation analysis suggested doing a multiple regression by keeping both social networking site usage and social identity as independent variables and bridging social capital as dependent variable. From the table it is clear that when applied for multiple regression as stated above, the overall adjusted R² has increased to 0.32, suggesting that the present model explains 32% variation on dependent variable, bridging social capital; the strength of the relationship between social

networking site usage and bridging social capital has decreased from 0.49 to 0.39, suggesting a partial mediation since the relationship between X and Y not nullified with the effect of Social identity. After the mediation analysis, a Sobel test was also done to validate the mediation effect of Social identity. Sobel test statistics was 3.20528071 and P value 0.00134931. Thus, as per Sobel test also the hypothesis 4, which suggested the mediating role of social identity on the relationship between social networking site usage and bridging social capital also found support.

TABLE 3: LINEAR REGRESSION RESULTS

Dependent variable	Step	Independent variable	Beta	R ²	Adjusted R ²	P value
Bridging social capital	1	SNS Usage	0.49	0.24		0.000***
Social Identity	2	SNS Usage	0.33	0.11		0.000***
Bridging social capital	3	Social Identity	0.43	0.18		0.000***
Bridging social capital	4	SNS Usage	0.39		0.32	0.001***
		Social Identity	0.33			0.000***

*** = $p < 0.001$ and ** = $p < 0.01$.

5. DISCUSSION

The main goal of this study was to investigate whether social networking site usage significantly influence bridging social capital among Indian or not. This study contributes to the understanding of social capital through social networking sites in Indian context. Furthermore, this study examined the mediating role of social identity on the relationship between social networking site usage and bridging social capital. Our first research question asked was whether the relationship between social networking site usage and social capital established in western countries can be applicable to Indian context or not. Our findings suggest that the social networking site usage is positively and significantly correlated with bridging social capital. The second research question was with regard to the social identity as a mediator of social networking site usage and bridging social capital. The study results show that social identity partially mediate the relationship between social networking site usage and bridging social capital. Considering the significant influence of social networking site usage on social capital, we believe that Social networking sites are influencing the lives of Indians also just like the western countries. It can be further added that irrespective of the cultural differences, Facebook is contributing to the social capital of members from India significantly when compared to western countries.

6. LIMITATIONS AND SCOPE FOR FUTURE RESEARCH

This study opens a wide area of research on online social capital among Indians for future work but it has its limitations. A significant limitation of this study was the nature of the sample. Even though the most of the users of social networking site usage comes under the age group of 18-24 range, the generality of the results obtained needs to be verified with research in other student community that a heterogeneous mix of students. More research should be done to see whether the groups other than the studied group are also influenced by social networking sites such as Facebook for their social capital building or not. Another limitation was with regard to the site selected, in order to test bridging social capital among users, the relationship that we found between social networking site usage and social capital in Facebook should be looked with other social networking sites like Twitter, LinkedIn etc also. Additionally, the less studied cognitive and affective dimension of social capital in online context should be further analyzed among Indians.

7. CONCLUSION

Since the number of users of social networking sites such as Facebook is increasing day by day, this study confirms the importance of social networking site usage on social capital building among student community. As social networking sites are closely integrated into the daily lives of Indians as well, we examined the relationship between social networking site usage and bridging social capital among Indian. This study is an attempt to contribute to the existing literature on social networking site usage, social identity and bridging social capital. It was found that social identity partially mediated the relationship between social networking site usage and bridging social capital. Thus, it can be concluded that social networking site usage influences the social identity of the members of these sites and it will significantly influences the social capital of the members.

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IMPACT OF THE REFORM OF LIBERALIZATION ON EMPLOYEES' PRODUCTIVITY OF ETHIOPIAN LEATHER INDUSTRY

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ABSTRACT

Although the concept of productivity is a widely used subject by politicians, economists, engineers, and media, it is often vaguely defined and poorly understood. In practice, this lack of knowledge results in productivity being ignored by those who are preaching about it in order to influence production process. Thus, the objective of this study is to discuss the basic meaning of the term "productivity" and its relation to employees' motivation and performance. Moreover, the study attempted to see whether a new reform has brought about any significant change on employees' performance and resulted in higher productivity than ever before. To this effect, the study employed secondary data collected from various sources as may be shown under methodology. The collected data were substantiated using structured interview to officials at different posts working in the industry. As the study used two matched samples pre- and post-liberalization periods, a paired t-test is used to verify the set hypothesis using Microsoft Office Excel for computations. Finally, the study results indicated that a new economic reform has brought about a significant change on productivity of employees of Ethiopian Leather Industry

KEYWORDS

Productivity, performance, motivation, new economic reform, leather industry.

INTRODUCTION

The current global business arena has become highly competitive and competitiveness has become a major focus area of firms and companies across the globe (Porter, 1990; IMD, 2006; WEF, 2007; Pillania, 2007; Pillania, 2008). Business organizations across the world are under increasing pressure than ever before to stay dynamic and responsive in all their competitive frontiers because of a new economic reform called 'liberalization'. Organizations have to become efficient and effective in their operations in order to survive, sustain and grow in the dynamic environment. They have to become more productive than their rivalries in the market place. It has to design strategy to maintain a competitive advantage in a competitive market. According to Rastogi (1988), productivity represents decreasing inefficiency and increasing effectiveness of the organization thereby honing a competitive edge. Honing their edges make the organizations more perfect in all aspects of competition in the current dynamic environment. As added by Rastogi, productive efficiency is of crucial importance for managing inflation by lowering costs of goods, services, and commodities consumed by people. Productivity is the essential prerequisite for increasing exports, achieving export led growth, attaining techno-economic development and generating wealth for investment, consumption and social welfare. This research work is an attempt to study the impact of a new economic reform on productivity with special reference to Ethiopian Leather Industry.

LITERATURE REVIEW

In this part, the study attempted to discuss the related literature review written on employment, motivation and productivity by different authors. Motivation has been taken into consideration because to increase productivity, the employees have to be committed and motivated to perform more than ever before.

EMPLOYMENT RELATED LITERATURE

According to authors in personnel area when employment is considered, the following things must be fulfilled in advance before the task of employment actually takes place: 1) there must be an organization with the objective of employment requirement, 2) there should be personnel management department or section with the knowledge of how and under what conditions employment or appointment should be undertaken. As stated by the British Institute of Personnel Management "Personnel Management is that part of the management function which is concerned with people at work and with their relationship within an enterprise. Its aim is to bring together and develop into an effective organization the men and women who make up an enterprise and, having regard to the well being of an individual and of working groups, to enable make their best contribution to its success.

According to P.C. Tripathi (1999: 4), the operative functions of personnel management include procurement, development, compensation, integration, maintenance and records, research, and audit. According to him, procurement is mainly concerned with the hiring of personnel – the right people, in the right place, at the right time. This function deals specifically with such subjects as the determination of manpower requirement and their recruitment, selection and placement. Development pertains to the training and education of the hired personnel, their morale building, effective communication network, promotion and transfer plans, suggestions system and similar other plans. As he rightly puts, compensation deals with the methods and standards of remuneration with emphasis upon such activities as job evaluation, wage system, monetary incentives and terms of employment. On the other hand, integration is concerned with the attempt to bring about a reasonable reconciliation of individual and organizational interests. Maintenance function aims at maintaining good working conditions in and favorable attitudes towards the organization. Record keeping, as stated by Tripathi, is necessary for exercising control over personnel activities and for doing research. Personnel audit helps to evaluate the effectiveness of various personnel policies and procedures and indicates a further course of action. According to National Institute of Personnel Management, there are three main concerns of industrial management, viz, machines, material and men. The last one - men is very crucial without which the first two are soul-less and cannot work. This shows the importance of human element in any organization.

As far as the appointment of employees is concerned, the appointment of employees in Leather industry in Ethiopia is based on permanent and casual basis. According to Debub Negarit Gazeta, when an organization wants to fill vacancies, they are, may be filled through recruitment, promotion, or transfer on the basis of human resource planning. Article 13 of the Debub Negarit Gazeta states that: 1) there shall be no discrimination among job seekers or civil servants in filling vacancies because of their ethnic origin, gender, religion, political outlook or any other ground, 2) a vacant position may be filled by a person who meets the qualification required for the position and scores higher than other candidates, 3) without prejudice to the provisions of sub-articles (1) and (2) of this article, preference shall be given to a) female candidates, and b) members of nationalities comparatively less represented in the government offices.

When there are vacant positions in leather industry, they announce vacancies to attract prospective applicants who could meet the minimum requirement and conduct official recruitment. Recruitment is the process of searching for and obtaining applications so as to build a pool of job seekers from the right people for the right jobs may be selected. According to William B. Werther and Keith Davis (1993: 195), recruitment is the process of finding and attracting capable applicants for employment. The process begins when new recruits are sought and ends when their applications are submitted. The result is a pool of applicants from which new employees are selected. Next to recruitment, the logical step in appointment process is selection of qualified and competent people. According to Thomas H. Stone (1989: 173), selection is the process of differentiating between applicants in order to identify (and hire) those with a greater likelihood of success in a job.

Based on selection, the required applicant has to be selected and hired. After an applicant has been hired, he or she must be oriented and placed on the chosen job. The purpose of orientation is to introduce a newly hired member with other fellow workers, working environment, and rules and principles pursued by the organization. According to Robert L. Mathis and John H. Jackson (1982: 225), orientation is planned introduction of employees to their jobs, their co-workers and organization.

Successful candidates placed on jobs need training to perform their duties effectively. Workers must be trained to operate machines, reduce scrap, and avoid accidents. According to Randall S. Schuler (1989:385), training and development is any attempt to improve current or future employee performance by increasing an employee's ability to perform through learning, usually by changing the employee's attitude or increasing his or her skills and knowledge to put in his maximum effort to increase organizational productivity. The need for training and development is determined by employee's performance deficiency, computed as follows: *Training and development need = standard performance – actual performance*. Training is required when actual performance is less than standard performance because of not knowing how to operate or not understanding the objective the organization pursues to achieve as per plan.

After providing formal training and development, the next step is performance appraisal. In simple term, performance appraisal may be understood as the assessment of an individual's performance in a systematic way, the performance being measured against such factors as job knowledge, quality and quantity of output, initiative, leadership ability, supervision, dependability, co-operation, judgment, versatility, health and the like.

According to Randall S. Schuler (1981: 221), performance appraisal is a formal, structured system of measuring and evaluating an employee's job related behaviors and outcomes to discover how and why the employee is presently performing on the job and how the employee can perform more effectively in the future so that the employee, organization and society all benefit. After performance appraisal, the next step to follow is employee remuneration for his or her performance. As many writers on remuneration do agree, remuneration is the compensation an employee receives in return for his/her contribution to the organization. Remuneration occupies an important place in the life of an employee. *His or her standard of living, status in society, motivation, loyalty, and productivity depends upon the remuneration he or she receives*. For the employer too, employee remuneration is significant because of its contribution to the cost of production. Besides many battles (in the form of strikes and lock-outs) are fought between the employer and employees on issues related to wages or bonus. Remuneration of an employee comprises wages and salary, incentives, fringe benefits, perquisites, and non-monetary benefits.

MOTIVATION RELATED LITERATURE

According to Dubin (1974), "Motivation is the complex force starting and keeping a person at work in an organization. Motivation is something that moves the person to action and continues him in the course of action already initiated." As stated by McFarland (1974), "Motivation refers to the way in which urges, drives, aspirations, strivings, or need direct, control, or explain the behavior of human being. Motivation is a goal directed behavior and it has an influence on human behavior. It harnesses human energy and effort to organizational requirements. Motivation is related to satisfaction. Satisfaction refers to the contentment experiences of an individual which he drives out or need fulfillment. Thus, satisfaction is a consequence of reward and punishment associated with past experiences.

Motivation derives an individual for work. Motivation is based on motive which is a feeling that an individual lacks something. This feeling creates some sort of tension in his mind. To overcome this tension, he engages himself in goal-directed behavior, which is taking those actions through which his needs are satisfied. Thus, motivation becomes a prime mover for efforts and better work performance. An individual obtains a reward for his performance. Reward, as a result of individual's performance affects his level of motivation. If the reward is perceived to be of valence and equitable, it energizes the individual for still better performance and this process goes on (Prasad, 2004). As many writers may agree to it, motivation urges and initiates individuals to perform more and more up to their maximum effort which in turn leads to productivity.

According to Rastogi (1988), productivity is strongly related to the *culture of society and motivation of employees*. A motivated employee uses resources economically, efficiently, and effectively with great care for resources and processes. Culture also plays a determinant role in directing workers to work- place and making them to use resources efficiently and effectively. Culture also initiates and motivates society for a higher performance. "Productivity is the relationship between outputs of goods and services and the inputs of the basic resources- labour, capital and natural resources" (Kendrick, 1980). Change in output per unit of measured inputs is change in productivity (Denson, 1962).

PRODUCTIVITY RELATED LITERATURE

The concept of productivity, generally defined as the relation between output and input, has been available for over two centuries and applied in many different circumstances on various levels of aggregation in the economic system. It is argued that productivity is one of the basic variables governing economic production activities, perhaps the most important one (H. Singh et al, 2000). Productivity is an average measure of the efficiency of production. It can be expressed as the ratio of output to inputs used in the production process, i.e. output per unit of input (Saari, 2006).

In fact, productivity is frequently discussed by managers but rarely defined, often misunderstood and confused with similar terms, and seldom measured in an appropriate way, leading to productivity being disregarded to the extent that contra productive decisions are taken. According to Koss and Lewis, remarkably many managers who everyday make decisions about improving plant efficiency and effectiveness do not know how to answer the simple question: "what do we really mean by productivity?" Nevertheless, if we do not fully understand what productivity is, how can we decide what productivity measures to use? How can we interpret them correctly? How can we know what action to take to improve productivity? Evidently, the confusion surrounding the subject makes it increasingly necessary to further investigate and emphasize the basic meaning of productivity (Forrester 1993).

According to Rastogi (1988), productivity is a multifaceted phenomenon. It denotes an increasingly efficient and effective use of resources of land, labour, capital, and technology. It subsumes a number of diverse aspects like: i) optimum utilization of available and potential resources, assets, and capacity, ii) effective management of projects without time and cost escalations iii) waste avoidance in the use of materials, machines, energy, time and other inputs, iv) labour cost and/or higher quality goods and services, v) modernization of plants, and machinery, vi) development of technology and pursuit of innovation, vii) dedicated managerial leadership and viii) full utilization and exercise of human talents, creativity and skills. All these lead to the creation of national wealth. Increasing national wealth can raise living standards because more real income improves people's ability to purchase goods and services, enjoy leisure, improve housing and education and contribute to social and environmental programs. Productivity growth also helps businesses to be more profitable. But, when there is productivity growth, even the existing commitment of resources generates more output and income. Income generated per unit of input increases. Additional resources are also attracted into production and can be profitably employed.

Productivity growth is a crucial source of growth in living standards. Productivity growth means more value is added in production and this means more income is available to be distributed. At a firm or industry level, the benefits of productivity growth can be distributed in a number of different ways (Abramovitz, 1956):

- to the workforce through better wages and conditions;
- to shareholders and superannuation funds through increased profits and dividend distributions;
- to customers through lower prices;
- to the environment through more stringent environmental protection; and
- to governments through increases in tax payments (which can be used to fund social and environmental programs).

Productivity growth is important to the firm because it means that it can meet its (perhaps growing) obligations to workers, shareholders, and governments (taxes and regulation), and still remain competitive or even improve its competitiveness in the market place. He also added that if the business is more profitable, it pays more to better the living standards of its employees. After having achieved the living standard of the society, then it pays more attention for economic well-being in order to satisfy human needs. Economic well-being is created in a production process, meaning all economic activities that aim directly or indirectly to satisfy human needs. The degree to which the needs are satisfied is often accepted as a measure of economic well-being.

According to Rastogi, productivity and innovation are crucial for the socio-economic development of nations. As argued by him, the grim pressures of unemployment, underdevelopment, inflation and poverty, and the resultant unrest and schisms within a society are largely the consequences of its low and/or declining productivity. When productivity activities are managed intelligently, diligently, and harmoniously, a nation prospers. The reverse is also true. If resources are not managed and utilized properly and efficiently, the cost of using the resources will be high, which is the contradictory performance to productivity. Thus, the poverty of nation is an outcome of weakness in the organization and management of their production resources (V. Mariappan and K.Chidambaram 2003).

Productivity stands for composite efforts of all the factors contributing to production. So productivity indicates the overall efficiency of the organization. The usefulness of productivity indices has been recognized in all industries around the world. Michael Porter (1992) of Harvard University says the only meaningful concept of competitiveness at the national level is productivity. Further, he states "the principal goal of a nation is to produce a higher and rising standard of living for its citizens. The ability to do so depends on the Productivity with which a nation's labour and capital are employed. A nation's standard of living depends on the capacity of its companies to achieve higher levels of productivity, and to increase productivity over time. Production, productivity, innovation, organization, management and employment are social processes required to manufacture product. As stated by Rastogi, they involve the participation of social actors, viz, industrialists, businessmen, managers, engineers, technicians, workers, farmers, political leaders, scientists, planners, policy makers, bureaucrats, administrators, accountants, salesmen, clerks and so on.

STATEMENT OF THE PROBLEM

As many writers do agree to, productivity is the result of the performance of people. Performance of people depends on how they are motivated to perform that specific type of work. Performance is determined by the amount of effort, ability and role perception of the individual. If an individual is lacking ability and/or has wrong role perception, his performance is found to be unsatisfactory in spite of his putting great efforts (Singh and Chhabra, 1996). Productivity signifies a continual striving towards the economically most efficient mode of production of goods, commodities and services needed by a society. Productive efficiency is of crucial importance for managing inflation by lowering the costs of goods, services and commodities consumed by people. Productivity is the essential prerequisite for increasing exports, achieving export led growth, attaining techno-economic development and generating wealth for investment, consumption and social welfare (Rastogi, 1988). This all can be achieved through growth in productivity. Growth in productivity may be achieved in two ways: 1) improvement in efficiency which leads to higher output even with a given state of technological knowledge. Higher output results from superior organizational methods, improved management practices, higher motivation and competence of workers, accumulation of gains from learning and experience, more intelligent mechanisms for adaptive and anticipatory planning, and a better information base for policies and decisions, 2) higher effectiveness of new production technologies resulting from innovation and technical advance. This leads to quantum jumps on output levels, and/or new and better types of output. The given input level in relation to output may even decline in terms of cost and quantity. The two kinds of productivity growth may interact with each other in a mutually supportive manner (Rastogi 1988).

As it can be seen from the definitions of productivity, productivity may be achieved by minimizing and/or eliminating such things resulting in inefficiency. In leather industry, there are problems that hinder the organization from achieving the desired productivity. According to Yibralem Abadi, the following are identified as problems and constraints for development of the leather industry in Ethiopia:

- Poor livestock management,
- Poor quality raw material supply as a result of ante-mortem and post-mortem handling of hides and skins,
- Higher cost of production because of poor production management,
- High rejection rates of unsellable products
- No economic growth,
- Low off-take and recovery rates,
- Lack of skills, technology, intermediate inputs and processing equipment,
- Stiff competition among the existing tanners and low selling price,
- Low utilization of industry capacity,
- Poor linkages among different organizations involved with hides and skins.
- The relative lack of export support and/or promotion services,
- Lack of hard currency to purchase spare parts and inputs,
- Poor technology,
- Outdated machineries,
- Poor infrastructure and bureaucratic red-tape.

SIGNIFICANCE OF THE STUDY

Even though there were detrimental problems that could seriously affect the productivity of leather industry in the area, no research was conducted to bring about solutions that minimize inefficiencies and increase productivity in the industry. It was this gap that initiated the researcher to undertake this study. The beneficiaries of the findings of this study are the government, the sector of leather industry, ministry of trade and industry, libraries, researchers and scholars who would like to further investigate in the area.

GENERAL OBJECTIVE OF THE STUDY

The general objective of this study is to assess the impact of the reform of liberalization on employment and productivity of Ethiopian Leather Industry.

SPECIFIC OBJECTIVES

- To assess the impact of liberalization on public and private sector employment in Ethiopian leather industry.
- To examine whether liberalization has a significant impact on public and private sector establishments,
- To assess factors affecting the productivity of Ethiopian Leather Industry
- To assess and give some policy options about future improvement of leather industry in Ethiopia

HYPOTHESIS OF THE STUDY

- a) Liberalization has no significant impact on both public and private sector employment in Ethiopian Leather Industry.
- b) Liberalization has no significant impact on both public and private sector establishments in Ethiopian Leather Industry.
- c) Liberalization has no significant impact on productivity of Ethiopian Leather industry

RESEARCH METHODOLOGY

The study used both primary and secondary data. However, more focus was given to secondary data. The study used data before liberalization and after liberalization. To this effect, it used the written information that includes the time period between 1981 and 2004. The data were collected from the following sources: Central Statistical Agency (CSA), Ministry of Trade and Industry, Ethiopian Export Promotion Agency, Annual Government Reports on Industry, National Bank of Ethiopia, Institution of Ethiopian Studies at Addis Ababa University and Ministry of Foreign Affairs. The data that were not sufficient from the secondary sources have been substantiated supplemented from the primary sources by conducting structured interview to the pertinent officials at different levels of posts in the industry. Therefore, the focus of study was on secondary data. This is comparative study which made use of Analytical as well as Empirical research.

Analytical research because the study had to use facts or information already available and analyzes it to arrive at sound conclusions. It also used empirical research because, in such a research, the researcher must provide himself with working hypothesis and works to get enough facts (data) to prove or disprove the hypothesis. Such a research is appropriate when proof is sought that certain variables affect other variables in some way (Kothari, 1985). The study attempted to see whether liberalization as an economic reform has brought about any significant change on productivity of Ethiopian Leather Industry, taking time period pre- and post-liberalization. To this effect, the study covered the time period between 1981 and 2004. This time period was divided into two equal portions as pre- and post-liberalization periods. In assessing the impact of liberalization, the study followed pre- and post-liberalization comparison, taking time period 12 years before liberalization and 12 years after liberalization. Through empirical analysis on the variables stated in hypothesis part, it is believed that it would be possible to gauge the success or failure of the new economic reform launched since 1992 in Ethiopian Leather Industry. Various statistical tools such as ratios, correlation analysis, percentages, measures of central tendencies, graphs and charts are used to evaluate the data as the study is based on time series data in order to test the impact of liberalization on productivity of Ethiopian Leather industry. The study also used a paired t-test as two matched samples were used in the study.

**DATA ANALYSIS
HYPOTHESIS TESTING**

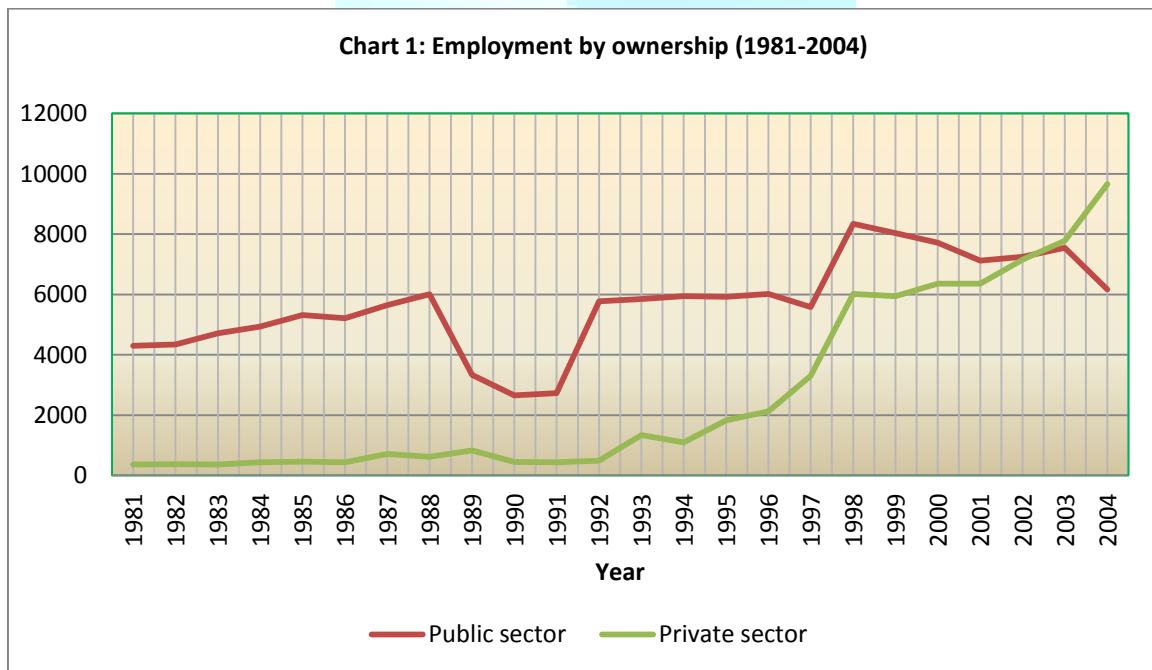
a) Liberalization has no significant impact on both public and private sector employment in Ethiopian Leather Industry.

TABLE 1: EMPLOYMENT IN BOTH PUBLIC AND PRIVATE SECTORS (1981-2004)

Year	Public sector	Private sector	Total	Year	Public sector	Private sector	Total
1981	4296	361	4657	1993	5853	1336	7189
1982	4339	369	4708	1994	5944	1091	7035
1983	4711	362	5073	1995	5924	1824	7748
1984	4940	436	5376	1996	6016	2128	8144
1985	5314	457	5771	1997	5587	3307	8894
1986	5214	436	5650	1998	8344	6022	14366
1987	5648	709	6357	1999	8034	5944	13978
1988	6007	621	6628	2000	7718	6362	14080
1989	3338	831	4169	2001	7126	6354	13480
1990	2659	443	3102	2002	7248	7156	14404
1991	2727	432	3159	2003	7550	7780	15330
1992	5773	494	6267	2004	6164	9662	15826

Source: CSA 1981-2004

The next to be tested is that "Liberalization has no significant impact on public and private sector employment in Ethiopian Leather Industry." To this effect, the data of 24 years were collected and analyzed to see the impact of liberalization on employment in both public and private sectors in Ethiopian Leather Industry. If there is significant difference in the number of employees when the comparison is made between the data before- and after-liberalization, it is due to the impact of liberalization on employment. The 24 years data are presented in Table 5, here above. From the data given in the table, the following Chart is drawn to analyze the impact of liberalization on employment of Ethiopian Leather Industry.



Source: Table 4

As it can be clearly seen in Table 1 and Chart 1, the number of employees in public sector is greater than that of it in private sector up to 2003. This is because the public sector facilities have not been completely privatized. When pre-liberalization data were considered, the public sector employment constituted 90.2 percent whereas the private sector employment consisted of only 9.8 percent. However, when the post-liberalization data were dealt, the public sector employment constituted 58 percent and that of private sector increased to 42 percent. Even though there was increasing trend in the private sector after liberalization period (from 9.8 percent to 42 percent), still the number of employees in the public sector was higher than that of it in the private sector because many of public sector ownership has not been transferred to the private sector. Even though that was the general fact, there was decreasing trend in public sector from 90.2 percent to 58 percent after-liberalization. From this, we can conclude that "Liberalization has a significant impact on employment of both private and public sectors in Ethiopian Leather Industry." To verify the fact, t-test has been employed in table 2, here under.

TABLE 2: ONE-SAMPLE TEST

Pre -and post-liberalization employment in public and private sector in ELI	Test Value = 0					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Public sector employment	18.122	23	.000	5686.417	5037.30	6335.54
Private sector employment	4.418	23	.000	2704.875	1438.39	3971.36

Source: SPSS output computed from Table 1

According to Table 2, the calculated t-value is greater than the table t-value at alpha 0.05 and df= 23. As a result, the impact was significant and the null hypothesis is rejected and alternative hypothesis is accepted. Therefore, "liberalization has a significant impact on the public and private sector employment in Ethiopian Leather Industry".

TABLE 3: PAIRED SAMPLES TEST

		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1	pre-and post-liberalization employment in private sector	-3986.09	2468.71	744.34	-5644.59	-2327.58	-5.35	10	.000
Pair 2	= pre-and post-liberalization employment in public sector	-2377.36	1503.99	453.47	-3387.76	-1366.9	-5.23	10	.000

Source : SPSS output computed from Table 1.

In Table 3, pair 1 shows pre- and post-liberalization employment in private sector whereas pair 2 shows pre-and post-liberalization employment in public sector. A paired t-test is used to see whether liberalization has a significant impact on employment in both public and private sectors in Ethiopian leather industry. The test was made at $\alpha = 0.05$ and $df = 10$. As it can be seen from Table 3, the calculated t-value is greater than the table t-value. As a result, the null hypothesis was rejected and alternative hypothesis was accepted which states "liberalization has a significant impact on public and private sector employment.

TABLE 4: CORRELATIONS

		EMPBL	EMPArl	EMPuBL	EMPArL
Employment in public sector before liberaliz.	Pearson Correlation	1	-.050	.091	-.070
	Sig. (2-tailed)		.877	.777	.829
	N	12	12	12	12
Employment in public sector after liberaliz	Pearson Correlation	-.050	1	.485	.600*
	Sig. (2-tailed)	.877		.110	.039
	N	12	12	12	12
Employment in private sector before liberaliz.	Pearson Correlation	.091	.485	1	.456
	Sig. (2-tailed)	.777	.110		.137
	N	12	12	12	12
Employment in private sector after liberaliz.	Pearson Correlation	-.070	.600*	.456	1
	Sig. (2-tailed)	.829	.039	.137	
	N	12	12	12	12

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

Source: SPSS output computed from Table 1.

Variable 1 and 2 in Table 4 show public sector employment before and after liberalization respectively. Variable 2 and 3, on the other hand, show private sector employment respectively. Pearson Correlation coefficient for public sector employment before liberalization and after liberalization was -0.050 which shows inverse relationship. This is because, after 1995/6 public sector facilities were transferred to private sector through privatization agency. Thus, after 1998 employment started declining which was gradually increasing before that time. In table 4, Pearson correlation coefficient for private sector employment pre-and post-liberalization was 0.456 which shows weak positive relationship. This is because, before liberalization private sector employment was very small and gradually increasing up to 1992. After 1992, it started increasing at increasing rate. Thus, correlation was significant at the 0.05 level (2-tailed).

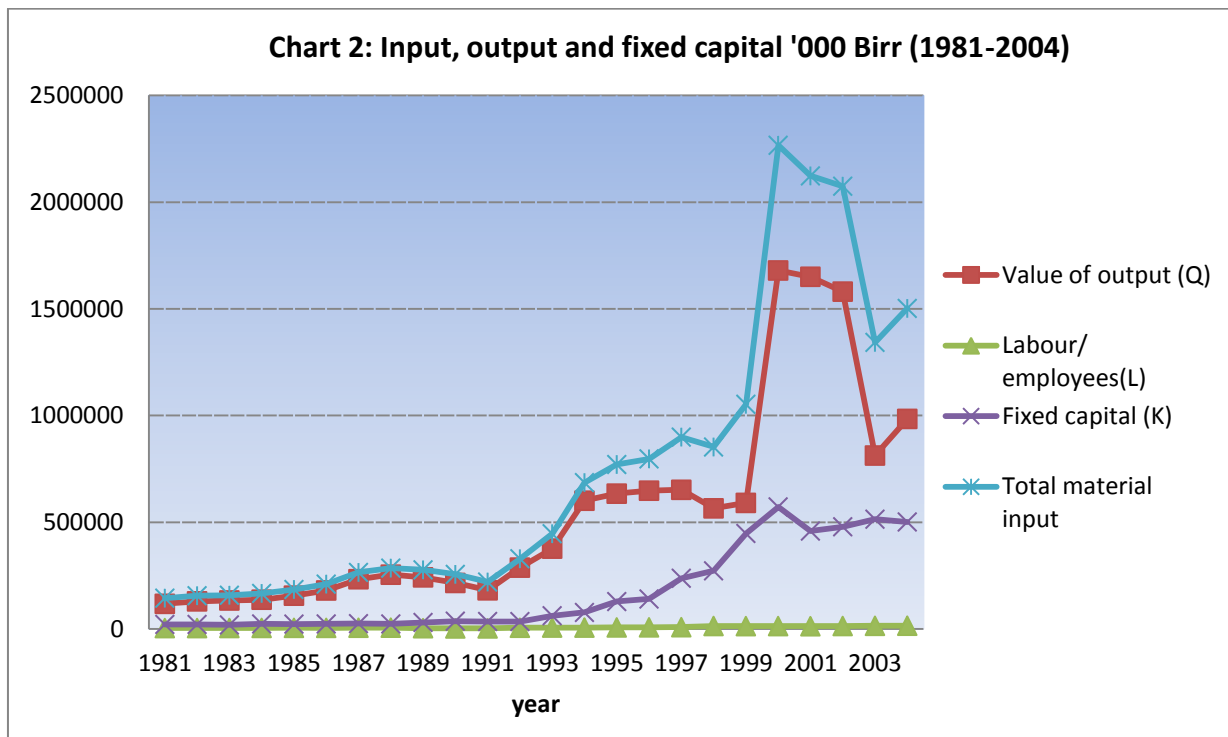
B) Liberalization has no significant impact on productivity of Ethiopian Leather industry

The last hypothesis to be tested is "Liberalization has no significant impact on productivity of Ethiopian Leather Industry." To this effect, value of output, labour and capital starting from 1981-2004 for 24 years were collected and presented in Table 4. To evaluate the post-liberalization impact, the collected data were divided into two categories as pre-liberalization and post-liberalization period.

TABLE 5: OUTPUT AND INPUT OF LEATHER INDUSTRY (LABOUR IN NUMBER AND THE REST IN '000 BIRR) (1981-2004)

Year	Value of output (Q)	Labour/ employees(L)	Fixed capital (K)	Total material input	Year	Value of output (Q)	Labour/ employees(L)	Fixed capital (K)	Total material input
1981	118313	4657	21959	144929	1993	376970	7189	62686	446845
1982	129851	4708	21858	156417	1994	601358	7035	77950	686343
1983	134003	5073	19434	158510	1995	634500	7748	128895	771143
1984	137671	5376	24062	167109	1996	648357	8144	140999	797500
1985	156537	5771	23375	185683	1997	652486	8894	238109	899489
1986	180858	5650	24109	210617	1998	565695	14366	272997	853058
1987	233584	6357	25609	265550	1999	591124	13978	448080	1053182
1988	254912	6628	24076	285616	2000	1680078	14080	572443	2266601
1989	242370	4169	31011	277550	2001	1650624	13480	459204	2123308
1990	216177	3102	37025	256304	2002	1580984	14404	479478	2074866
1991	181593	3159	35708	220460	2003	813127	15330	514846	1343303
1992	288033	6267	35240	329540	2004	984678	15826	501926	1502430

Source: CSA (1981-2004)



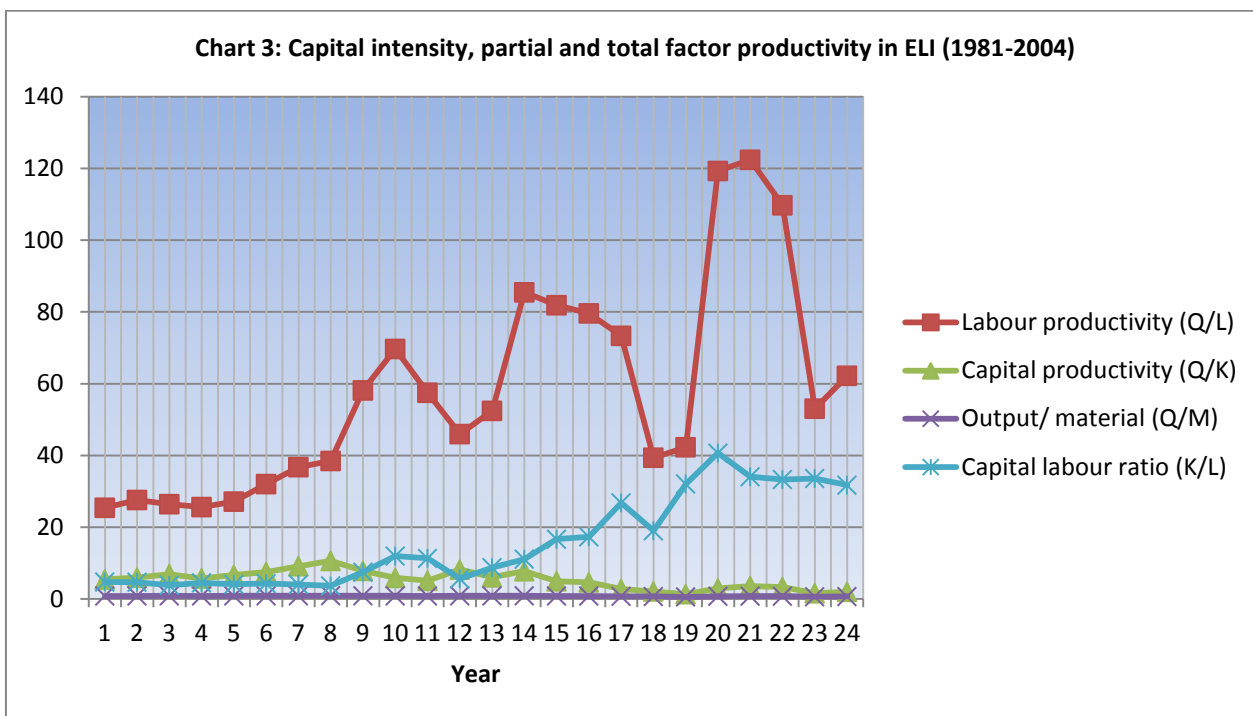
Source: Table 5

As it can be clearly seen in Chart 2, value of output is greater than the value of material input and labour input for the entire period of time (1981-2004), which is very normal situation. However, before liberalization, the output was slightly increasing and inputs were low and constant up to 1992. After 1992, the output and input started increasing up to 2001, except labor input in the public sector as it could be seen from Chart 2. As it can obviously be seen in Chart 2, the number of employees in the public sector was declining after 1996 because of privatization effect. Pearson correlation result also supports this fact showing inverse relation of employment before and after liberalization. The number of employees in the public sector declined starting 1996 because a number of public sector establishments were transferred to private sector. Because of this effect starting 1998 number of employees started declining in the public sector. Exploiting the same opportunity, the number of employees in the private sector started increasing at increasing rate after the reform of liberalization. As a result, the number of employees decreased in the public sector and increased in the private sector. However, the sum total of employees after liberalization was increasing because of increase of employees in the private sector even though there was decrease in the public sector. Fixed capital has been gradually increasing starting from the beginning up to 2004.

TABLE 6: CAPITAL INTENSITY, PARTIAL AND TOTAL FACTOR PRODUCTIVITY IN ETHIOPIAN LEATHER INDUSTRY (1981-2004)

Year	Labour productivity (Q/L)	Capital productivity (Q/K)	Output/ material (Q/M)	Capital labour ratio (K/L)
1981	25.40541121	5.387904732	0.816351455	4.715267339
1982	27.58092608	5.940662458	0.830159126	4.642735769
1983	26.41494185	6.895286611	0.845391458	3.830869308
1984	25.60844494	5.721511096	0.82383953	4.475818452
1985	27.12476174	6.696770053	0.843033557	4.050424536
1986	32.01026549	7.501679871	0.858705613	4.267079646
1987	36.74437628	9.121168339	0.879623423	4.02847255
1988	38.45986723	10.58780528	0.89249902	3.632468316
1989	58.1362437	7.815613814	0.873248063	7.438474454
1990	69.68955513	5.83867657	0.843439821	11.93584784
1991	57.48433048	5.085499048	0.823700445	11.30357708
1992	45.96026807	8.17346765	0.874045639	5.623105154
1993	52.43705661	6.013623457	0.843625866	8.719710669
1994	85.48088131	7.714663246	0.876177072	11.08031272
1995	81.89210119	4.922611428	0.82280459	16.63590604
1996	79.61161591	4.598309208	0.812986834	17.31323674
1997	73.36249157	2.740282812	0.725396308	26.77186868
1998	39.3773493	2.072165628	0.663137794	19.00299318
1999	42.28959794	1.319237636	0.56127431	32.05608814
2000	119.3237216	2.934926272	0.741232356	40.65646307
2001	122.4498516	3.594533149	0.777383215	34.06557864
2002	109.7600666	3.297302483	0.761969207	33.28783671
2003	53.04155251	1.579359653	0.605319128	33.58421396
2004	62.2190067	1.96179915	0.655390268	31.71527866

Source: Calculated by present author from Table 5.



Source: Table 6

For the time period 1981 – 1992, labour productivity was lower 2273902/60917(33.7) and after liberalization it increased and reached to 10779981 / 140474 (76.7). Before liberalization, labor productivity was lower because of poor capacity utilization, outdated technologies and machineries, poor maintenance and excess manpower. This made the industry oblivious to the inefficient utilization of resources thereby increasing the production cost. Thus, profitability was low. However, after liberalization, as it can be seen from Table 6 and Chart 3, labour productivity started increasing gradually, of course sometimes decreasing for the reasons mentioned here above. Labor productivity after- liberalization increased to 76.7 by the ability of the industry to raise output per worker. For after-liberalization period, value of output increased 10779981 – 2273902/ 2273902 (3.74 times or by 374%) whereas labour increased only 1.3 times or by 130 percent (104474-60917/60917). This clearly shows that output per worker increased 2.88 times (3.74/1.3). If it is not possible to raise output per worker, there will not be any productivity in the industry, and therefore it will not contribute to the growth of economy.

High labour productivity can be achieved, among other things, for the following three reasons: 1) labour can become more skilled over time embodying greater amount of human capital, 2) new capacities can come up using better technologies that increase the quantity of output produced from the same amount of inputs, including labour, 3) the new techniques that substitute capital for labour can also increase output per worker. These 1-3 factors which are mentioned here above came to existence because of liberalization. Before liberalization, labor skill was limited. The industry also used only limited capacity. The transfer of technology was low because borders were not open for import and export.

Capital labour ratio before liberalization was 5.3 and after liberalization it rose to 27.7. This fact also can be seen from Chart 3. In the same chart, capital labour ratio was low up to 1992 and it started increasing only after 1993. After liberalization (1993-2004), capital labour ratio in the industry started to increase very fast. The increase has been resulted because after liberalization the amount of capital in the industry was increased by 1104.9 percent and it became excess. In contrast, the number of employees in the industry increased only by 130 percent. Capital labour ratio is increasing because highly increased capital is being divided by the moderately increased labour (1104.9/130 = 8.5 times).

The astonishing event took place in capital and material productivity. As it has been discussed so far, labour productivity and capital labour ratio were decreasing before-liberalization and increasing gradually after the reform of liberalization. However, the case of capital productivity and material productivity was completely different after liberalization. Capital productivity, before liberalization, was decreasing because the utilized capital was lower than which has been used after liberalization. When low amount output is divided by low capital, obviously the quotient will be low. But after liberalization, the amount of capital used in the industry increased tremendously (by 1104.9 percent) with the hope of yielding wealth in the near future. For example, the capital used for land development and construction purpose will not yield the output until they are completely become operational. Until then, the money used on them is believed to be idle as it is not generating any income in the short-run. Therefore, capital productivity is low after liberalization, because the existing output is being divided by the increased amount of capital. The amount of capital has increased because of capital investment and acquisition. The second astonishing event was material productivity of Leather Industry before and after liberalization. The second completely unexpected event which was found decreasing after the reform of liberalization was material productivity. As shown in Table 6 and Chart 3, material productivity was declining after liberalization. It was declining because of such reasons as obsolete machines, high material cost, low yield of material, low quality product and low demand for it, and substitution effect. Because of these reasons, low material input is not yielding high output per used material input. Therefore, material productivity has been decreasing after liberalization (Table 6 and Chart 3). The value of output proved that it is decreasing 0.28 times per worker (130/457.4). This is because, material input increased by 457.4 percent after liberalization whereas output increased by 130 percent only. From this it can be concluded that the impact of liberalization was significant on productivity of Ethiopian Leather Industry. The impact was in increasing for labour productivity and capital intensity. However, it was in decreasing for capital productivity and material productivity after liberalization.

CONCLUSION AND RECOMMENDATIONS

CONCLUSION

- When the share of before liberalization employment is considered in both the sectors, it was 90 percent in public sector and only 10 percent in private sector. However, after liberalization period, the share of public sector declined to 42 percent and that of it in the private sector rose to 58 percent shooting from 10 percent before liberalization period. Hypothesis test conducted by taking t-test also proved this fact. According to the test, the calculated t-value is greater than the critical t-value. As a result, the null hypothesis is rejected and the alternative hypothesis is accepted. *Liberalization, therefore, has a significant impact on both public and private sector employment in Ethiopian Leather Industry. The impact of liberalization was inverse for public sector and positive for private sector employment.*
- Value of output has increased more than the total value of material inputs because of employees’ productivity. After-liberalization, labour productivity was increasing because more output was produced per worker than ever before.

- Capital intensity/ Capital-labour ratio/ was also increased after-liberalization because more capital was employed in expectation of generating or yielding more wealth in the near future.
- Capital productivity was decreasing because more capital was used for capital investment and capital acquisition, which could actually not yield any output in the gestation period in the short-run. Capital has been acquired beyond required level and hence used inefficiently. Thus, idle capital is resulted in the decline of capital productivity after liberalization in the short-run. However, in the long-run when capital investment starts yielding output, the situation may be reversed and the graph which was currently running downward can run upward in the long-run. Until that point of time, the industry has to arrest further capital acquisition and expand labor and material use.
- Material productivity was also declining post-liberalization period because of inefficient utilization of material to produce the required output. This came to happen because of poor capacity utilization, outdated technology and machineries, poor maintenance of plants because of the shortage of spare parts, low skill of workers, high costs of material inputs, low yield of raw materials, low quality of raw material and the like. Thus, these constraints require the attention of the pertinent body.
- A paired t-test used to examine the hypothesis proved that "liberalization has a significant impact on productivity of Ethiopian Leather Industry.
- According to Table 4, Pearson Correlation coefficient for public sector employment before liberalization and after liberalization was -0.050 which shows inverse relationship. This is because, after 1996 public sector facilities were transferred to private sector through privatization agency. Thus, after 1998 employment in public sector started declining which was gradually increasing before that time. In the same table, Pearson correlation coefficient for private sector employment pre-and post-liberalization was 0.456 which shows weak positive correlation. This is because, before liberalization private sector employment was very small and gradually increasing up to 1992. After 1992, it started increasing very fast at increasing rate. Thus, correlation was significant at the 0.05 level (2-tailed).

To conclude based on all the discussions conducted on all the variables under consideration, the impact of liberalization was significantly high on Ethiopian Leather Industry.

RECOMMENDATIONS

1. ELI has to train its workforce. The trained workers will have the potential of increased skill, knowledge and ability to perform better and fast. Trained workers are supposed to minimize or avoid accidents and produce quality products which can attract the attention of users.
2. The process of liberalization should continue giving it due attention as overdose of liberalization can inflict severe misery to the economy of the country in general and to the operation and market performance of ELI in particular. These all changes are believed to have resulted due to economic liberalization. Thus, the concerned body should give due attention to the processes of liberalization in all sectors of economy.
3. To increase the productivity of ELI, old machineries and plants have to be replaced by technologically advanced machineries and plants.
4. The industry has to give due attention towards solving problems discussed under the statement of the problem. If the problems are not addressed properly, it is impossible to bring about the productivity at the desired level.
5. The industry has to make hard effort to increase its production capacity. Currently, there are only 6 tanneries which could produce and export finished products. The rest 18 tanneries produce semi-processed products. However, currently ELI exports only finished products. The industry should modernize these 18 tanneries to produce and export finished products. This effort can increase the price of raw hides and skins in the value chain and help suppliers to benefit from the operation. Currently, the price of raw hides and skins have been seriously fallen and discouraging its suppliers.

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INTEGRATED MARKETING COMMUNICATION IN POLITICAL CAMPAIGNING: A SUCCESS STORY OF BJP IN 2014 LOK SABHA ELECTION

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ABSTRACT

The case study highlights the marketing strategies used by the Bhartiya Janta Party to lure the prospective Indian electorate towards them before the Lok Sabha elections which had taken place in April, 2014. The thrust of this case is on the usage of integrated marketing communication. The induction of the Integrated Marketing Communication in the marketing plan of the BJP has been studied and analyzed in the case study with the aim of finding out the components of the IMC which have had the maximum positive effect on the BJP's election campaign. The BJP used different marketing tools such as direct marketing, advertising, public relation, publicity, e-marketing, social media etc. for the promotion of their election manifesto and to give the voters a better view of their administrative plan.

KEYWORDS

Advertising, Communication, Direct Marketing, Elections 2014, Integrated Marketing Communication.

BACK GROUND

The 21st century has been categorized by technological inputs. Technology has emerged as a binding as well as benefiting factor in this millennium. The flip side of this pervasiveness has made IT intrusive as well as invasive. In today's era there is so much information load that it becomes difficult for an individual to process and form their own opinions. As we all know that opinions are a product of synthesis and amalgamation of information and facts, reaching the target population (in this case the electorate) becomes crucial for any political party. The detractors of Modi expound that Modi mania is nothing but a media hyped strategy. The debate to this statement can continue but there is no question of doubt about the use of marketing tools and its strategic usage in 2014 Lok Sabha elections. Just like a great film is the result of much hard work of different workers behind the scenes, like cameraman, story writer, script writer, technicians, editor, music director, lyricist, etc., BJP's victory is a blockbuster. A lot of hard work and effort has been behind the successful positioning of Mr. Narendra Modi. A lot of research has been put in by large number of people who worked round the clock. Senior BJP leader Ajay Singh and Piyush Goel handled and managed the media strategy. Piyush Pandey of Oglivy & Mather's (O&M) advertising master, McCann group's Prasoon Joshi and Sam Balsara of Madison World used their skills to make Narendra Modi a big brand. Advertising agency Soho square, part of WPP group managed print campaigns, television and radio exposure. The slogan '**AB KI BAAR MODI SARKAR**', became a litany of sorts for the Indian populace. Following the basic rule of advertising, party researched about the audience and their wants. With the help of thorough research they entered the battle field and attacked their opponents. (EXHIBIT 1) BJP gauged the issues and diagnosed the ailments and sufferings of people correctly. These important issues are corruption, women safety, economic growth, development, price rise etc. that's why there was a slogan "MEHNGAI, GARIBI, BHRASHTACHAR AUR NAARI PER ATYACHAR- JANTA MAAF NAHIN KAREGI". Then again there was slogan in which Narendra Modi started talking about strong government and good polity. "ACHCHE DIN AANE WALE HAIN". (EXHIBIT 2 & 3)

POLITICAL PLAYGROUND IN INDIA

The Indian Politics functions within a set constitutional framework which provides the guidelines to every Indian state for the day to day administrative work and for the smooth functioning of the state operations. The constitution reigns supreme when it comes to defining the powers, responsibilities and the limitations of the authorities in power at the central and the state level. The Indian democracy follows a multi-party system where the voters enjoy the right to vote for any party of their choice. India is a federal parliamentary democratic republic in which the President of India is the head of state and the Prime Minister of India is the head of government. The Indian politics has witnessed a sea change ever since its inception and has witnessed a revolution in the sphere of election campaigning with the advent of technology and the social and the electronic media. The today's voter is spoilt for choices when it comes to extracting information about the various parties. The parties know that today's voters are laden with knowledge and have all the information at their hands at the click of the mouse. Thereby, the election campaigns which once revolved around making future promises to the voters today involve providing information to them about their past achievements and their progressive mindset. It wasn't surprising when the BJP decided to fight the 2014 Lok Sabha elections primarily riding on the information wave where they empowered their voters by providing them a leeway to witness the election campaigns, mandates and manifesto of the party at the party's website. This change in the Indian politics is attributed to the IT change in India that has swayed the whole nation and left especially the young voters asking for more.

SNAPSHOT OF MAJOR NATIONAL AND REGIONAL PARTIES WHO WON IN LOK SABHA ELECTIONS

Lok Sabha	Year/Tenure	Party/PM
1 st , 2 nd , 3 rd	15th Aug 1947 – 27th May 1964	INC/ Jawaharlal Nehru
3 rd (acting)	27 May 1964 – 9th June 1964	INC/ Gulzari Lal Nanda
3 rd	9th June 1964 – 11 January 1966	INC/ Lal Bahadur Shastri
3 rd	11 th January 1966-24 January 1966	INC/ Gulzari Lal Nanda
3 rd , 4 th , 5 th	24 th January 1966-24 th March 1977	INC/ Indira Gandhi
6 th	24th March 1977 – 28th July 1979	Janta Party/Morarji Desai
6 th	28th July 1979 – 14th January 1980	Janta Party(secular)/ Charan Singh
7 th	14th January 1980 – 31st October 1984	INC/ Indira Gandhi
7 th , 8 th	31st October 1984 – 2nd December 1989	INC/Rajiv Gandhi
9 th	2nd December 1989 – 10th November 1990	Janta Dal/V.P Singh
9 th	10th November 1990 to 21st June 1991	Samajwadi Party/ Chandra Shekhar
10 th	21st June 1991 – 16th May 1996	INC/P.V Narsimha Rao
11 th	16th May 1996 – 1st June 1996	BJP/Atal Bihari Vajpayee
11 th	1st June 1996 – 21st April 1997	Janta Dal/H.D Deve Gowda
11 th	21st April 1997 – 19th March 1998	Janta Dal/ I.K Gujral
12 th , 13 th	19th March 1998 – 22nd May 2004	BJP/Atal Bihari Vajpayee
14 th , 15 th	22nd May 2004 – May 2014	INC/Manmohan Singh
16 th	May 2014 –till date	BJP/Narendra Modi

The Bharatiya Janata Party is today the most prominent member of the family of organisations known as the "Sangh Parivar" and nurtured by the Rashtriya Swyamsevak Sangh (RSS). Like the RSS, the BJP is wedded to India's unity and integrity, its intrinsic identity and the social strength, individual character and cultural uniqueness that have been the hallmark of this great country and its people for millennia[Exhibit 4]. Bhartiya Janta Party projected L k Advani and Atal Bihari Vajpai as its priministerial candidates in 1996. In 2014 lok sabha election Narendra Modi has proved him the game changer and redefined the Indian politics. (EXHIBIT 5) (EXHIBIT 6)

Technology has been used very smartly for the campaigning like 3d holograms used in rallies of Modi or use of DTH services to address voters in remote areas. Archana shukla also writes about the back up team of Narendra Modi which includes political strategist, backroom boys, campaign strategist and communication managers. And the team that puts it into practical ground includes analytics, the big brains, mind reading team, fanning out people, the it team etc.[Exhibit 7] We cannot forget the continuous buzz trending of Modi and related news on every channel and media. (EXHIBIT 8)

Near about 20 lac volunteers worked hard and many among them even quit their jobs just to keep the Modi wave alive. Their professions varied from marketing, media, IT to financial services. Namochaparty, pledge4modi, modi4pm were some of the campaign they ran. (EXHIBIT 9)

BJP's campaign can better be understood by looking at a communication model, political persuasion in the light of mass marketing and campaigning at ground level. The BJP's campaign in the mass media and on social media was supplemented by an on-ground campaign.

According to India today's Kunal Pradhan and Uday Madhurkar, [Exhibit 10]" over the last nine months Modi has traveled 300000 km, or seven times the earth's equatorial circumference. He attended 5187 events, addressed 477 rallies in 25 states while sleeping barely five hours a night and harnessed the internet and mobile telephony to connect with estimated 230 million people or one in every four voters.

A 21st century political campaign cannot be conducted using 20th century media tactics. And BJP in this election proved clearly. In the BJP's communication approach communication was sharply focused on Modi and duration of campaign was determined with the help of BJP party members Piyush Goel and Ajay Singh. Modi frequently appeared in full image on the front page ads in news paper in different languages, commercials across television channels and hoarding all across the country.

Commercial time was bought big time on radio networks to reach out to smallest cities. India has 13.31 million active users on twitter who are above 15 years and access twitter via PCs and laptop (source IMRB International). Through the micro blogging site twitter Modi secure the place in the heart of 4million followers. Modi's media managers made the best use of technology to reach out to people in media dark segments. vehicle equipped with his pre recorded video messages were sent into remote villages to boost up the campaign. (EXHIBIT 11)

The concept of *chai pe charcha*- discussion over tea was a hit. People gathered to tea stall where they could see or talk to Modi over a website and sip tea from paper cup with his picture on them. Modi's presence simultaneously at 150 location became possible with the help of 3D holograms images made for his public meeting. (Source: financial times blog) (EXHIBIT 12).Even during IPL cricket matches the gap commercials was totally occupied by advertisements in which funny ads were shown praising Modi governance.(EXHIBIT 13)

INTEGRATED MARKETING COMMUNICATION

In this case study we have seen that BJP's marketing strategy for its political campaigning was based on the very well known concept of marketing called integrated marketing communication. We saw that BJP has used every medium of communication and they integrated all those tools to capitalize them and maximize their performance by integrating them properly.

According to 'Kruti Shah and Alan D'souza'in their book 'Advertising & Promotion An IMC Perspective-2009' {1} said that IMC is management concept that brings together all tools of marketing communication to send consistent messages to target audience. According to them instead of dividing communication into several overlapping areas, IMC unifies each communication element to deliver consistent messages with one voice, one theme and one strategy. A task force from the American association of advertising agencies defines integrated marketing communication as a 'concept of marketing communication planning that recognizes the added value of comprehensive plan that evaluates the strategic roles of variety of communication disciplines- general advertising, direct response, sales promotion and public relation'.

Through this case study we saw that each and every element of marketing communication was the part of BJP campaign. They didn't leave any stone unturned. Everybody knows the importance of marketing and communication. It might be chance that layman does not have the word to explain it but he /she understands its importance. Nobody ever had an idea that marketing in politics could change the future. In politics old ways of approaching to voters are common. But in 2014 Lok Sabha election BJP has proved itself one step ahead among all political parties with help of marketing and promotion. In marketing management there is concept of communication mix, which consists of advertising, sales promotion, personal selling, direct marketing, public relation, publicity and event-n-experience. BJP used all of them in a proper manner and integrated them to get exemplary results.

MODEL OF INTEGRATED MARKETING COMMUNICATION



WEBSITE

The BJP's think tank delved into the IT arena by launching an array of websites exclusively devoted to providing information to the Internet users about the functioning and the administration of the BJP. The various websites started by BJP for the reason were www.narendramodi.in, www.bjp.org, bjpelectionmanifesto.com, www.bjpunagadh.org, www.bjpbengal.org, www.bjpgujarat.org (Exhibit 14)

TV /RADIO

BJP decided to attract the public's attention by launching an internet TV initiative of their own which had the database of their past videos which highlighted BJP's past achievements and their rich history. The private FM channels also carried the messages in Narendra Modi's voice where he would induce the listeners to vote for change and development by voting for his party. (Exhibit 15)

EMAIL MARKETING

BJP sent a series of mails to the general public providing an update to the prospective voters about the party's manifesto and their activities, through BJP online communication cell. (Exhibit 16)

DIRECT MARKETING

BJP used mobile networks to reach its prospective voters via sending text messages regarding its activities and induced them through this medium. (Exhibit 17)

ADVERTISING

BJP ruled the roost in advertising also. Through advertisements BJP showed its vision. Some of the advertisements were based on cricket campaign during IPL 2014. (Exhibit 18)

PUBLICITY

BJP initiated a new way of interacting with general public by setting up tea stalls in local areas of different states all over the country which came to be known as *Chai pe Charcha* which provided a platform to the locals to voice their opinion and exchange their views with others regarding their PM candidate Narendra Modi and the working of BJP. (Exhibit 19)

PUBLIC RELATION

To make good public relation BJP used 3D holograms images of Narendra Modi created for his public meeting and with help of DTH service Narendra Modi interacted with people living in remote areas. (Exhibit 20)

SOCIAL MEDIA

BJP used every element of social media and left no stone unturned. BJP found great numbers of followers on Twitter, Facebook, YouTube and Whatsapp. BJP ran different campaigns like Namo4pm, pledge4pm, modi4pm.India 272+ Portal was The Medium on which BJP heavily relied on. (Exhibit 21)

Commonality of Image, Colour And Idea, Strengthening the Integrated Marketing Communication.	WEBSITE Image building: Picture Modi on the front page. Background colours: saffron and green one man, one colour, one idea has been promoted.
	TV/RADIO Image building: YUVA Internet tv initiative showing picture of Narendra Modi on the front. Background colours: saffron and green. one man, one colour, one idea has been promoted.
	DIRECT MARKETING: India272+ app showing icons having saffron and green as a colour combination, one man, one colour, one idea has been promoted.
	ADVERTISING: During IPL streaming, advertisements with saffron colour as background and with slogan 'abki bar modi sarkar', one man, one colour, one idea has been promoted.
	PUBLICITY: Through Chai-pe-charcha concept, MODI'S presence on paper cups having saffron colour in its background, one man, one colour, one idea has been promoted.
	PUBLIC RELATION: Through the 3D images of Narendra Modi image and saffron colour in its background one man, one colour, one idea has been promoted.
	SOCIAL MEDIA: India 272+portal having Modi on front page and combination of saffron-green for designing the text showing one man, one colour, one idea.
	E-MAIL MARKETING: Through the e-mails from communication cell, BJP opened the membership drive. E-mails having Modi picture wearing saffron colour waist coat, showing one man one colour , one idea.

CONCLUSION/ROAD MAP

The success of BJP in the 2014 Lok Sabha elections was lauded not only by the BJP supporters but by the marketers as well since it paved the way for the entrance of the marketing tools into the main stream Indian politics in a big way. The BJP garnered enough votes to make the government at the Centre on their own but even the political big wigs couldn't deny the fact that it wouldn't have been possible, had it not been for the coalition between the marketing tactics used by the BJP's IT and marketing machinery which worked round the clock to connect the voters with the party. The introduction of the components of the Integrated Marketing Communication (IMC) into the election campaign of the BJP made the marketing analysts all over the country stand up and notices the introduction of hardcore marketing tools in the political arena. The Indian politics was swayed by the culmination of marketing with politics. Many marketing organizations for years have inculcated the Integrated Marketing Communication components while deriving their marketing strategies, but for IMC to become all pervasive, its scope needs to be widening even further more. The marketers need to be more ambitious with the implementation of the IMC strategies in the different spheres. BJP's success at the marketing front proved that the consumer remains deeply affected by the marketing ideas and tools of IMC, no matter the type of offering. One of the most significant aspects of the IMC tools is providing the required information to the consumer in the format in which they would like to receive it. The IMC provides a good mix of the marketing tools to the consumers to choose from rather than inundating them with a marketing medium which they find uncomfortable to deal with. IMC aims at strengthening the consumer bond with the brand to make a loyal customer base which was adapted in to the promotional activities initiated by the BJP during their election campaign. The IMC helped BJP reach to a wider audience in a limited time with effective cost cutting measures in place. The efficacy of the IMC tools is palpable from the fact that the it is one of the most popular marketing strategies which has been to able to make their mark in various fields applied at different organizational levels with the objective of winning the trust of the consumers and helping them build their trust with the brand name as proved again by the successful election campaign of the BJP. It was one historic political victory which brought a big smile on the faces of the marketers, filling them with the hope of better application of the various marketing tools in the diversified fields with the aim of achieving maximum results out of marketing world.

EXHIBITS

- Exhibit .1) <http://www.livemint.com/Politics/vGyzihxgQEUymzRmyRA1vN/Election-results-2014-Counting-begins-as-Narendra-Modi-eyes.html>
- Exhibit .2) http://satenderblogsollections.blogspot.in/2014_04_01_archive.html
- Exhibit .3) http://en.wikipedia.org/wiki/Achhe_din_aane_waale_hain
- Exhibit .4) <http://www.bjp.org/abouttheparty>
- Exhibit .5) http://www.bjp.org/images/info_bjs.jpg
- Exhibit .6) http://www.bjp.org/images/info_bjp.jpg
- Exhibit .7) <http://indianexpress.com/article/india/politics/men-behind-narendra-modis-election-campaign-strategy/>, <http://indianexpress.com/article/india/politics/narendra-modis-mission-2014-nuts-bolts/>
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- Exhibit .12) <http://blog.eatads.com/insights/modi-poster-boy-bjps-ooH-efforts/>
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- Exhibit .15) <http://www.socialsamosa.com/wp-content/uploads/2014/05/yuva-video.png>
- Exhibit .16) mcdiima@yahoo.com
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- Exhibit .18) http://i.ytimg.com/vi/NWLC_4PHFas/hqdefault.jpg
- Exhibit .19) http://www.abplive.in/incoming/article261931.ece/alternates/LANDSCAPE_SMALL_4_3_400/modi%20chai%20pe%20charcha
- Exhibit .20) <http://jammuredefine.in/rjammu/uploads/2014/04/Modi-3d.jpg>
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DIMENSIONS OF OPERATIONAL EFFICIENCY OF INDIAN PAINT INDUSTRY: AN EMPIRICAL STUDY

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ABSTRACT

The operating efficiency of a corporate enterprise has been measured in terms of production, capacity utilisation, sales and market share. The study aims to the operating efficiency of companies so as to determine the overall success of an industry. The growth of the industrial sector promises to spur employment opportunities, increases per capita income, improve the standard of living and increases GDP and tax revenue of the government. Hence, it is necessary to study the operating efficiency of companies so as to determine the overall success of an industry. In this paper, an attempt has been made to analyse the production, capacity utilization, sales and market share of selected companies in Indian Paint Industry. The results of the study revealed fluctuating trend in all the period. The projections obtained through linear time trend model revealed that majority of the selected companies in Indian Paint industry showed increasing trend of production, capacity utilization, sales and market share in the years to come.

KEYWORDS

Indian Paint Industry, Operating Efficiency, Production, Capacity Utilization, Sales and Market Share.

INTRODUCTION

 Operational Efficiency of an organization is the ability utilizes its available resources to the maximum extent. Operational Efficiency can be judged in the light of financial efficiency. It is the capability of an enterprise to deliver products or services to its customers in the most cost-effective manner possible while still ensuring the high quality of its products, service and support. Operational efficiency is often achieved by streamlining a company's core processes in order to more effectively respond to continually changing market forces in a cost-effective manner. In order to attain operational efficiency a company needs to minimize redundancy and waste while leveraging the resources that contribute most to its success and utilizing the best of its workforce, technology and business processes. The reduced internal costs that result from operational efficiency enable a company to achieve higher profit margins or be more successful in highly competitive markets. When improving operational efficiency, the output to input ratio improves. Inputs would typically be money (cost), people (headcount) or time/effort. Outputs would typically be money (revenue, margin and cash), new customers, customer loyalty, market differentiation, headcount productivity, innovation, quality, speed & agility, complexity or opportunities. It can be said that production trend, capacity utilisation, sales trend, market share and operating expenses provides good indicators measure of operational efficiency.

PROBLEM STATEMENT

Production is considered as the backbone of the manufacturing sector. Production function is considered as the effective tool to satisfy the customers' demand and to operate in an economical and efficient manner. The study of the production performance is important to know the operating level of the business and financial efficiency of the business enterprise. Survival of the business in the present competitive world depends on the quality production and the technological development in the business. Therefore, the present study attempts to study the production trend of the Indian paint industry. Further the analysis of capacity utilization can significantly provide the production performance of the industry as a whole. Therefore an attempt has also been made to study about the capacity utilisation of the selected sectors of the Indian paint industry. Sales are the important component for the development of the business. Sales can be enhanced only by following good sales policy. Due to the pricing policy of the government, the companies have to face some fluctuations in the sales. These fluctuations may lead to increase or decrease the financial risk of the companies. In order to study the sales trends of the paint industry in India, the present study is carried out. Further, an attempt has also been made to analyze the market share of each of the selected companies.

SELECTION OF INDIAN PAINT INDUSTRY

India is the second largest paint market with an annual demand of over two million tonnes, again second only to China. The Indian paint industry has overcome a long way from the days when paints were considered a luxury item. Today the awareness level on preventing corrosion through paints is relatively high, a development that should be a huge boost to the paint industry. The industry has witnessed increased activity in the industrial variety of paints with entry on MNC's in auto, consumer durables, etc. India's strong economic growth has propelled the paint industry to double-digit growth over the past few years and has made it Asia Pacific's fastest growing paint market. Despite fast growth, India's per capita paint consumption is still abysmally low at 2kg/year. Due to increased Government funding for infrastructure, demand for paints both in industrial and decorative segment is set to rise, thereby rendering Indian paint industry to be poised for further growth. Thus the Indian paint industry is in its growth phase and is expected to grow at a rate faster than that of GDP. The future prospects of the industry are strong. The Indian Paint industry has achieved growth of around 15 per cent to 16 per cent per year in the past five years, which is 1.5 times India's Gross Domestic Product (GDP) growth. The Indian paint industry saw a significant change in reduction of excise duties, custom duties which led to reduction in the prices of raw materials. Also, there was a restriction on increasing the capacity of plant which was removed afterwards by the government. The sector experienced a lot of capacity expansion, joint ventures with foreign companies, foreign acquisitions and investments in technology in the last decade. Thus, India has become a very viable option for establishment of paint manufacturing plants. Hence, there's a huge opportunity in the country and the industry is expected to continue with double-digit growth from 2015 to 2020. Therefore, paint industry has been selected for the study. Further, to meet the needs of growing population of India, production of paint products should be increased. To increase the production of paint products, a clear and elaborate operational efficiency is to be made to encourage entrepreneurship.

OBJECTIVES OF THE STUDY

The primary purpose of the present study is to obtain a true insight into the operational efficiency of the selected companies of Indian paint industry. An appraisal of the operational efficiency is made from the accounting point of view to assess the effectiveness of plans, policies and objectives of the companies of

Indian paint industry. However, the specific objective of the study is to analyse the trend of production, capacity utilization, sales and market share of the selected companies in Indian paint industry.

METHODOLOGY

SELECTION OF SAMPLE

Keeping in view the scope of the study, it is decided to include all companies under Indian paint industry working before or from the year 2000-01. But owing to several constraints such as non-availability of financial statement or non-working of a company in a particular year etc., it is compelled to restrict the number of sample companies to six. There are 40 companies operating in the Indian Paint Industry. The following criteria were used to select the companies from among these 40 companies. The sample set includes: (i) Companies which are listed in BSE; (ii) Companies which are started before 2000-2001; (iii) Companies which didn't undergo merger during the period of study; (iv) Companies which provided financial data for the study period of thirteen years and (v) Companies which maintained market share more than 2 per cent. Based on above criteria, only six companies are available. Therefore, all the six companies are included in the sample. Thus the findings based on the occurrence of such representative sample may be presumed to be true representative of selected companies in Indian paint industry. The list of companies selected in the present study along with their year of incorporation, ownership and its market share is presented in Table 1. It is evident from Table 1 that the sample companies represent 79.75 per cent of market share of Indian paint sector. Thus, the findings based on the occurrence of such representative sample may be presumed to be true representative of selected companies in Indian paint industry.

An attempt has also been made to estimate time trend co-efficient for production, capacity utilisation, sales and market share of selected companies in Indian paint industry during the study period by fitting a linear regression model. The linear model fitted is as follows:

$$P = \alpha + \beta t + e$$

Where,

P -measures the firm's rate of production / capacity utilisation / sales / market share

t - the time factor

α and β - are intercept and co-efficient respectively

e-stands for error term.

To test whether the difference between actual and trend value is significant or not, the following hypothesis is framed and tested.

H₀ – There is no significant difference between the actual and trend values among different years.

(or)

H_a – There is significant difference between the actual and trend values of production among different years.

PERIOD OF STUDY AND SOURCES OF DATA

The analysis of financial performance of selected companies in Indian paint industry is made for a period of thirteen years from the accounting year 2000-01 to 2012-13. The thirteen years period is chosen in order to have a fairly long, cyclically well balanced, for which reasonably homogenous, reliable and up to-date financial data would be available. The study was mainly based on secondary data. Secondary data were collected from PROWESS Database, which is the most reliable and empowered corporate database of Centre for Monitoring Indian Economy (CMIE).

ANALYSIS OF RESULTS

PRODUCTION TREND

The term 'Production' means the creation of goods and services. It is a process of transforming (converting) inputs (raw-materials) into outputs (finished goods). It is done to satisfy human wants. However, production creates and assembly of components and finished products for sale. Three common types of manufacturing production are Make-To-Stock (MTS), Make-To-Order (MTO) and Make-To-Assemble (MTA). It is the act of creating output, a good or service which has value and contributes to the utility of individuals. Production process helps a business unit to be alive. However, production process does not necessarily involve physical conversion of raw materials into tangible goods, an input may also be intangible and an output may be intangible too. Their activities too are productive activities. Whatsoever, production may be considered as the back bone of manufacturing business enterprises.

The performance of manufacturing companies largely depends upon its performance of production. The production data of a company may give an idea as to how the company has performed in the year under review as compared to the past or how the company has performed as compared to other companies of the same industry. The production performance of the company can be measured in a number of ways. Production performance of the industry as a whole can be compared for different years; also the comparison can be done in between the competitive companies. For appraising the production performance of individual companies, production in different years can be compared and inter-company comparison between companies under study may be more meaningful for this purpose. All these techniques have been adopted to appraise the production performance of the selected companies in Indian paint industry.

The company-wise dispersion in production over the study period of 13 years is done through the estimation of mean, co-efficient of variation and compound annual growth rate. Further estimates of time trend co-efficient for production has been computed and presented in Table 2 to Table 4. The annual production of selected companies in Indian paint industry for the period of study has been shown in Table 2. Asian Paints Ltd was leading with mean value of production with 4.20 lakhs tonnes during the study period followed by Berger Paints India Ltd (1.15), Kansai Nerolac Paints Ltd (1.13), Shalimar Paints Ltd (0.37) and Akzo Nobel India Ltd (0.06). The least mean value of production was 0.05 lakhs tonnes found in Jenson & Nicholson (India) Ltd. The mean annual production of Indian paint industry during the study period was 8.69 lakhs tonnes. The CV value indicates that the production was highly fluctuated during the study period except Jenson & Nicholson (India) Ltd. whereby production was erotically fluctuated. All the selected companies except Akzo Nobel India Ltd and Jenson & Nicholson (India) Ltd registered positive CAGR of production during the study period. However Akzo Nobel India Ltd and Jenson & Nicholson (India) Ltd showed negative CAGR which indicate production of these companies had been decreased year after year. The analysis of t-test revealed that the production of all the selected companies significantly differ from the whole industry production. The analysis of variance (F ratio) also showed that the production between the year and between the companies significantly differ the during the study period.

The result of estimates of time trend co-efficient for production of selected companies in Indian paint industry are presented in Table 3 which shows that yearly increase in production was the highest in Asian Paints Ltd (0.49) as its β value was the highest followed by Berger Paints India Ltd (0.14), Kansai Nerolac Paints Ltd (0.14) and Shalimar Paints Ltd (0.03). The negative β value of Akzo Nobel India Ltd (0.01) and Jenson Nicholson (India) Ltd (0.01) implies that their production declined over the study period. Further, it is clear from the table that the calculated value of chi-square of all the selected companies was lower than table value of chi-square. Hence, the null hypothesis was accepted and it is concluded that there is no significant differences between the actual and trend value of production of all the selected companies in Indian paint industry during the study period. The projections obtained for production of selected companies in Indian paint industry are depicted in Table 4. The table explains that Asian Paints Ltd, Berger Paints India Ltd, Kansai Nerolac Paints Ltd and Shalimar Paints Ltd registered increasing trend of production, whereas Akzo Nobel India Ltd and Jenson & Nicholson (India) Ltd registered decreasing trend of production in the years to come.

CAPACITY UTILIZATION TREND

Capacity utilisation measures the extent to which a business is using its production potential. Capacity utilisation can be defined as - the percentage of total capacity that is actually being achieved in a given period. It is often used as a measure of productive efficiency. Average production costs tend to fall as output rises – so higher capacity utilisation can reduce unit costs, making a business more competitive. So firms usually aim to produce as close to full capacity as possible. It is important to remember that increasing capacity often results in higher fixed costs. A business should aim to make the most productive use of its existing capacity. The investment in production capacity is often significant. The analyses of capacity utilization significantly prove the production performance of a company or of the industry as a whole.

The capacity utilization of selected companies in Indian paint industry from the year 2000-01 to 2012-13 was presented in Table 5 to Table 7. However, the data relating to capacity utilization of Jenson Nicholson (India) Ltd was not available in the database. Hence, this company is omitted for the analysis of trend of capacity utilization. The Table 5 shows that the Asian Paints Ltd is ahead with its leading mean value of 112.69 per cent of capacity utilization and it is followed by Shalimar Paints Ltd (85.77 per cent), Akzo Nobel India Ltd (78.78 per cent), Berger Paints India Ltd (72.56 per cent) and Kansai Nerolac Paints Ltd (67.29 per cent). The mean annual capacity utilization of Indian paint industry during the study period was 79.77 per cent. The mean value of capacity utilization varies greatly in all the selected companies in Indian paint industry under the study. The analysis of CV value indicates that the capacity utilization of all the selected companies was fluctuating during the study period. The compound annual growth rate of capacity utilization was positive in the case of Akzo Nobel India Ltd, Asian Paints Ltd, Kansai Nerolac Paints Ltd and Shalimar Paints Ltd, whereas the Berger Paints India Ltd registered negative compound annual growth rate during the study period. The analysis of t-test revealed that the capacity utilization of all the selected companies were significantly differ from the whole industry of capacity utilization whereas Akzo Nobel India Ltd and Shalimar Paints Ltd does not significantly differ from the whole industry during the study period. The analysis of variance (F ratio) showed that the capacity utilization between the years does not significantly differ and between the companies significantly differ during the study period.

The results of estimates of time trend co-efficient for capacity utilization of selected companies in Indian paint industry are presented in Table 6 which shows that the yearly increase in capacity utilization was the highest in Kansai Nerolac Paints Ltd (3.47) followed by Asian Paints Ltd (2.96), Shalimar Paints Ltd (2.18) and Akzo Nobel India Ltd (1.71) as its β value was highest. The negative β value of Berger Paints India Ltd (1.22) implies that their capacity utilization declined over the study period. Further it is clear from the table that the calculated value of chi-square of all the selected companies except Akzo Nobel India Ltd was lower than the table value of chi-square. Thus, null hypothesis was accepted and it is concluded that there is no significant differences between actual and trend value of capacity utilization. Only in the case of Akzo Nobel India Ltd it was greater than the table value of chi-square. Hence, the null hypothesis was rejected and it is concluded that there is significant differences between the actual and trend value of capacity utilization. The projections obtained for capacity utilization of selected companies in Indian paint industry by linear growth model were spelled out in Table 7. The table depicts that Akzo Nobel India Ltd, Asian Paints Ltd, Kansai Nerolac Paints Ltd and Shalimar Paints Ltd are moving towards an increasing trend. On the other hand, Berger Paints India Ltd industry registered a negative trend of capacity utilization in the years to come.

SALES TREND

Sales are the main source of fund to any business enterprises, to which finance is the life blood. Sales gear all other activities of business concerns. Moreover, good sales volume of a business indicates efficient management, efficient utilization of assets, higher profitability etc. Table 10 to Table 12 indicates the trend analysis of sales of selected companies in Indian paint industry which helps to understand the growth of the companies under review. The sales performance of an enterprise can be ascertained by comparing the sales with different years and by comparing between the competitive companies.

The annual sales of selected companies in Indian paint industry for the study period have been shown in Table 8. The table explains that the annual sales of whole paint industry were the mean value of Rs.90,118 millions. Asian Paints Ltd was leading mean value of sales Rs.41,653 millions followed by Kansai Nerolac Paints Ltd (Rs.16,218 millions), Berger Paints India Ltd (Rs.14,990 millions), Akzo Nobel India Ltd (Rs.9,963 millions), Shalimar Paints Ltd (Rs.3,116 millions) and the least mean value was (Rs.533 millions) of Jenson & Nicholson (India) Ltd. The analysis of CV value indicates that the sale of Shalimar Paints Ltd was highly fluctuating and remaining companies' sales were erotically fluctuated. The compound annual growth rate of all the sales of selected companies in Indian paint industry were found in positive except Jenson & Nicholson (India) Ltd during the study period. The analysis of t-test revealed that the annual sales of all the selected companies significantly differ from the whole industry sales. The analysis of variance (F ratio) also showed that the annual sales between the year and between the companies significantly differ during the study period.

The estimates of time trend co-efficient of annual sales of selected companies in Indian paint industry are shown in Table 9. The positive β value Akzo Nobel India Ltd, Asian Paints Ltd, Berger Paints India Ltd, Kansai Nerolac Paints Ltd, Shalimar Paints Ltd and Whole Industry imply an increasing sales trend, on the other hand negative β value of Jenson & Nicholson (India) Ltd showed declining trend of annual sales during the study period. The calculated value of chi-square of all the selected companies was greater than table value of chi-square. Hence, the null hypothesis was rejected and it is concluded that there is significant differences between the actual and trend value of annual sales of all the selected companies in Indian paint industry during the study period. The projections obtained for annual sales of selected companies in Indian paint industry are depicted in Table 10. The table depicts that Akzo Nobel India Ltd, Asian Paints Ltd, Berger Paints India Ltd, Kansai Nerolac Paints Ltd and Shalimar Paints Ltd and Whole Industry are moving towards an increasing trend of annual sales, whereas Jenson & Nicholson (India) Ltd registered decreasing trend of annual sales in the years to come.

MARKET SHARE TREND

Market share commonly means how much a company occupies its market or the contribution or participation of a company in its market. Sales performance and market share are directly proportionate to each other. The target share of the market and the expected volume of sales are the most important consideration in pricing the products. A good market share is a better indication of the progress of the company. No doubt market share can be increased besides attracting new users. The analysis of market share can also significantly prove the sales performance of a company.

The market shares of selected companies of Indian paint industry from the year 2000-01 to 2012-13 are presented in Table 11. The dispersion of market share over the study period is achieved through the estimation of mean, co-efficient of variation and compound annual growth rate. The table shows that the Asian Paints Ltd was leading mean value of 37.72 per cent followed by Kansai Nerolac Paints Ltd (15.65 per cent), Berger Paints India Ltd (14.30 per cent), Akzo Nobel India Ltd (9.14 per cent), Shalimar Paint Ltd (3.18 per cent) and Jenson & Nicholson (India) Ltd (0.79 per cent). The mean rates of market share vary greatly in all the selected companies under study. Jenson & Nicholson (India) Ltd had erotically fluctuating trend in their market share as their co-efficient of variation is the highest. On the other hand, all the other selected companies had consistent market share during the study period. The compound annual growth rate of market share of Asian Paints Ltd and Berger Paints India Ltd were positive while in the case of the remaining companies it was negative over the study period. The analysis of variance (F ratio) also showed that the market share between the years does not significantly differ whereas between the companies, it was significantly differ during the study period.

[The result of estimates of trend co-efficient for market share of selected companies in Indian paint industry are presented in Table 12 which shows that yearly increase in market share was the highest in Asian Paints Ltd as its β value was the highest followed by Berger Paints India Ltd. The negative β value of Akzo Nobel India Ltd, Jenson & Nicholson (India) Ltd, Kansai Nerolac Paints Ltd and Shalimar Paints Ltd implies that their market share declined over the study period. Further, it is clear from the table that the calculated values of chi-square of all the selected companies were lower than the table value of chi-square. Hence, the null hypothesis was accepted and it is concluded that there is no significant difference between the actual and trend value of market share of all the selected companies in Indian paint industry during the study period. The projections obtained for market share of selected companies in Indian paint industry by linear growth model have been presented in Table 13. It is found from the table that Asian Paints Ltd and Berger Paints India Ltd have grown marginally and have fast emerging growing market share and all other companies and whole industry were decline trend of market share in the years to come.

CONCLUSION

The results of the study revealed fluctuating trend in all the period. The projections obtained through linear time trend model revealed that majority of the selected companies in Indian Paint industry showed increasing trend of production, capacity utilization, sales and market share in the years to come. The study concluded that Asian Paints Ltd, Berger Paints India Ltd, Kansai Nerolac Paints Ltd and Shalimar Paints Ltd among the selected Indian paint companies registered improved performance for all the dimensions of operational efficiency. The sector experienced a lot of capacity expansion, joint ventures with foreign companies, foreign acquisitions and investments in technology in the last decade. Thus, India has become a very viable option for establishment of paint manufacturing plants. Hence, there's a huge opportunity in the country and the industry is expected to continue with double-digit growth from 2015 to 2020. So, there is a lot of growth potential for Indian paint companies.

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APPENDIX

TABLE 1: LIST OF SAMPLE COMPANIES INCLUDED IN THE PRESENT STUDY

S. No.	Companies	Year of Incorporation	Ownership	Market Share (%)
1	Akzo Nobel India Ltd.	1954	I.C.I (F) Group	9.70
2	Asian Paints Ltd.	1945	Asian Paints Group	35.05
3	Berger Paints India Ltd.	1923	Private (India)	13.59
4	Jenson & Nicholson (India) Ltd.	1922	Jenson & Nicholson Group	2.12
5	Kansai Nerolac Paints Ltd.	1920	Private (Foreign)	15.78
6	Shalimar Paints Ltd.	1902	Om Prakash Jindal Group	3.51
Total				79.75

Source: Prowess Database, 2013

TABLE 2: ANNUAL PRODUCTION OF SELECTED COMPANIES IN INDIAN PAINT INDUSTRY

Name of the company	Range (Lakhs in Tonnes)	Mean	CV	CAGR	t-test
Akzo Nobel India Ltd	0.02 - 0.11	0.06	0.50	- 8.75	13.23*
Asian Paints Ltd	1.84 - 7.11	4.20	0.45	11.92	20.64*
Berger Paints India Ltd	0.41 - 2.02	1.15	0.48	14.21	14.69*
Jenson & Nicholson (India) Ltd	0.01 - 0.14	0.05	0.80	- 8.22	13.31*
Kansai Nerolac Paints Ltd	0.39 - 1.99	1.13	0.49	14.55	15.00*
Shalimar Paints Ltd	0.22 - 0.52	0.37	0.29	5.95	13.38*
Whole Industry	6.37 -3.52	8.69	0.26	4.27	

Source: Computed from the annual reports of the respective companies

* Significant at 0.01 level,

F (between the year) = 3.22⁵; F (between the company) = 63.10⁵

S = Significant at 0.05 level

TABLE 3: ESTIMATES OF TREND CO-EFFICIENT FOR PRODUCTION OF SELECTED COMPANIES IN INDIAN PAINT INDUSTRY (2000-01 TO 2012-13)

Name of the company	P = $\alpha + \beta t + e$			Calculated Value of Chi-square	Hypothesis
	α	β	R ²		
Akzo Nobel India Ltd	0.09	- 0.01	0.57	0.07	Accepted
Asian Paints Ltd	0.80	0.49	0.96	0.55	Accepted
Berger Paints India Ltd	0.16	0.14	0.98	0.13	Accepted
Jenson & Nicholson (India) Ltd	0.08	- 0.01	0.21	0.32	Accepted
Kansai Nerolac Paints Ltd	0.14	0.14	0.98	0.11	Accepted
Shalimar Paints Ltd	0.19	0.03	0.84	0.05	Accepted
Whole Industry	4.99	0.53	0.78	1.67	Accepted

Source: Computed

Table value of Chi-square (0.05) = 21.0 with df = 12

TABLE 4: PROJECTIONS FOR PRODUCTION OF SELECTED COMPANIES IN INDIAN PAINT INDUSTRY (Lakhs in tonnes)

Name of the company	2014-15	2015-16	2016-17	2017-18
Akzo Nobel India Ltd	- 0.02	- 0.02	- 0.01	- 0.01
Asian Paints Ltd	7.35	7.84	8.33	8.82
Berger Paints India Ltd	2.26	2.40	2.54	2.68
Jenson & Nicholson (India) Ltd	- 0.01	0	- 0.01	- 0.01
Kansai Nerolac Paints Ltd	2.24	2.38	2.52	2.66
Shalimar Paints Ltd	0.58	0.61	0.63	0.66
Whole Industry	12.94	13.47	14.00	14.53

Source: Computed

TABLE 5: ANNUAL CAPACITY UTILIZATION OF SELECTED COMPANIES IN INDIAN PAINT INDUSTRY

Name of the company	Range (in Percentage)	Mean	CV	CAGR	t-test
Akzo Nobel India Ltd	51.46 - 111.20	78.78	0.27	4.68	0.03
Asian Paints Ltd	87.87 - 33.61	112.69	0.12	1.50	6.20*
Berger Paints India Ltd	61.07 - 8.56	72.56	0.11	-0.84	2.86*
Jenson & Nicholson (India) Ltd	-	-	-	-	-
Kansai Nerolac Paints Ltd	44.39 - 88.11	67.29	0.21	5.88	2.10*
Shalimar Paints Ltd	62.68 - 98.83	85.77	0.11	2.19	1.50
Whole Industry	69.29 - 95.90	79.77	0.09	-2.62	

Source: Computed from annual reports of the respective companies

* Significant at 0.01 level,

F (between year) = 1.83^{NS}; F (between company) = 222.64^S

S = Significant at 0.05 level, NS = Not Significant

TABLE 6: ESTIMATES OF TREND CO-EFFICIENT FOR CAPACITY UTILIZATION OF SELECTED COMPANIES IN INDIAN PAINT INDUSTRY (2000-01 TO 2012-13)

Name of the company	P = $\alpha + \beta t + e$			Calculated Value of Chi-square	Hypothesis
	α	β	R ²		
Akzo Nobel India Ltd	66.79	1.71	0.10	63.56	Rejected
Asian Paints Ltd	91.96	2.96	0.70	6.45	Accepted
Berger Paints India Ltd	81.08	- 1.22	0.33	7.35	Accepted
Jenson & Nicholson (India) Ltd	-	-	-	-	-
Kansai Nerolac Paints Ltd	43.00	3.47	0.90	3.98	Accepted
Shalimar Paints Ltd	70.55	2.18	0.71	4.60	Accepted
Whole Industry	89.87	- 1.55	0.65	3.06	Accepted

Source: Computed

Table value of chi-square (0.05) = 21.0 with df = 12

TABLE 7: PROJECTIONS FOR CAPACITY UTILIZATION OF SELECTED COMPANIES IN INDIAN PAINT INDUSTRY (in Percentage)

Name of the company	2014-15	2015-16	2016-17	2017-18
Akzo Nobel India Ltd	92.44	94.15	95.86	97.57
Asian Paints Ltd	136.36	139.32	142.28	145.24
Berger Paints India Ltd	- 62.78	- 61.56	- 60.34	- 59.12
Jenson & Nicholson (India) Ltd	-	-	-	-
Kansai Nerolac Paints Ltd	95.05	98.52	101.99	105.46
Shalimar Paints Ltd	103.25	105.43	107.61	109.79
Whole Industry	- 66.62	- 65.07	- 63.52	- 61.97

Source: Computed

TABLE 8: ANNUAL SALES OF SELECTED COMPANIES IN INDIAN PAINT INDUSTRY

Name of the company	Range (Rs. in Millions)	Mean	CV	CAGR	t-test
Akzo Nobel India Ltd	3,805 - 24,050	9,963	0.63	16.40	8.11*
Asian Paints Ltd	13,737 - 1,00,454	41,653	0.67	18.03	10.34*
Berger Paints India Ltd	5,616 - 33,118	14,990	0.58	15.94	8.23*
Jenson & Nicholson (India) Ltd	185 - 1,256	533	0.67	- 5.27	7.80*
Kansai Nerolac Paints Ltd	6,744 - 3,35,854	16,218	0.56	38.50	2.40*
Shalimar Paints Ltd	1,381 - 6,002	3,116	0.48	13.03	7.87*
Whole Industry	40,934 - 1,52,769	90,118	0.45	11.60	

Source: Computed from annual reports of the respective companies

* Significant at 0.01 level

F (between the years) = 9.95^S; F (between the company) = 62.24^S

S = Significant at 0.05 level

TABLE 9: ESTIMATES OF TREND CO-EFFICIENT FOR SALES OF SELECTED COMPANIES IN INDIAN PAINT INDUSTRY (2000-01 TO 2012-13)

Name of the company	P = $\alpha + \beta t + e$			Calculated Value of Chi-square	Hypothesis
	α	β	R ²		
Akzo Nobel India Ltd	- 451.54	1487.80	0.84	129.34	Rejected
Asian Paints Ltd	- 6074.80	6818.20	0.89	250.09	Rejected
Berger Paints India Ltd	- 168.15	2165.50	0.91	104.03	Rejected
Jenson & Nicholson (India) Ltd	783.19	-35.70	0.15	22.73	Rejected
Kansai Nerolac Paints Ltd	45,546.00	12,120.00	0.29	124.98	Rejected
Shalimar Paints Ltd	462.77	379.04	0.96	59.40	Rejected
Whole Industry	17,024.00	10,442	0.97	40.41	Rejected

Source: Computed

Table value of chi-square (0.05) = 21.0 with df = 12

TABLE 10: PROJECTIONS FOR SALES OF SELECTED COMPANIES IN INDIAN PAINT INDUSTRY (Rs. in Millions)

Name of the company	2014-15	2015-16	2016-17	2017-18
Akzo Nobel India Ltd.	21,865	23,353	24,841	26,329
Asian Paints Ltd.	96,195	1,03,013	1,09,831	1,16,649
Berger Paints India Ltd.	32,322	34,488	36,654	38,820
Jenson & Nicholson (India) Ltd.	- 247	- 211	- 176	- 140
Kansai Nerolac Paints Ltd.	1,36,254	1,48,374	1,60,494	1,72,614
Shalimar Paints Ltd.	6,149	6,528	6,907	7,286
Whole Industry	1,73,654	1,84,096	1,94,538	2,04,980

Source: Computed

TABLE 11: MARKET SHARE OF SELECTED COMPANIES IN INDIAN PAINT INDUSTRY

Name of the company	Range (in Percentage)	Mean	CV	CAGR
Akzo Nobel India Ltd	8.26 - 10.04	9.14	0.05	- 0.32
Asian Paints Ltd	32.74 - 42.96	37.72	0.09	2.29
Berger Paints India Ltd	13.38 - 14.88	14.30	0.03	0.87
Jenson & Nicholson (India) Ltd	0.29 - 3.00	0.79	1.24	- 17.23
Kansai Nerolac Paints Ltd	13.97 - 16.79	15.65	0.04	- 0.57
Shalimar Paints Ltd	2.83 - 3.35	3.18	0.05	- 0.90

Source: Computed from annual reports of the respective companies

F (between year) = 0.46^{NS}; F (between company) = 886.50^S
 S = Significant at 0.05 level, NS = Not Significant

TABLE 12: ESTIMATES OF TREND CO-EFFICIENT FOR MARKET SHARE OF SELECTED COMPANIES IN INDIAN PAINT INDUSTRY (2000-01 TO 2012-13)

Name of the company	P = $\alpha + \beta t + e$			Calculated Value of Chi-square	Hypothesis
	α	β	R ²		
Akzo Nobel India Ltd	9.42	- 0.04	0.08	0.36	Accepted
Asian Paints Ltd	31.62	0.87	0.88	0.48	Accepted
Berger Paints India Ltd	13.65	0.09	0.44	0.14	Accepted
Jenson & Nicholson (India) Ltd	2.06	- 0.18	0.51	1.48	Accepted
Kansai Nerolac Paints Ltd	16.42	- 0.11	0.30	0.33	Accepted
Shalimar Paints Ltd	3.36	- 0.02	0.33	0.08	Accepted

Source: Computed

Table value of chi-square (0.05) = 21.0 with df = 12

TABLE 13: PROJECTIONS FOR MARKET SHARE OF SELECTED COMPANIES IN INDIAN PAINT INDUSTRY (in Percentage)

Name of the company	2014-15	2015-16	2016-17	2017-18
Akzo Nobel India Ltd	- 8.82	- 8.22	- 7.62	- 7.02
Asian Paints Ltd	44.67	45.54	46.41	47.28
Berger Paints India Ltd	15.00	15.09	15.18	15.27
Jenson & Nicholson (India) Ltd	- 0.64	- 0.82	- 1.00	- 1.18
Kansai Nerolac Paints Ltd	- 14.77	- 14.66	- 14.55	- 14.44
Shalimar Paints Ltd	- 3.06	- 2.76	- 2.46	- 2.16

Source: Computed

ATTITUDE OF CUSTOMERS TOWARDS INTERNET BANKING: A CASE OF NAMAKKAL TOWN, TAMIL NADU

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VALLAM

ABSTRACT

The term electronic banking can be described in many ways. In a very simple form, it can mean the provision of information or services by a bank to its customers, via a computer, television, telephone, or mobile phone. It has emerged as a strategic resource for attaining efficiency, control operations, productivity, and profitability. There are several major challenges and issues facing the e-banking industry today. However, it should also be noted that there are still customers who fear to make use of Internet banking, as they are concerned with security aspects of such a system. The present study is a survey among 200 State Bank of India in Namakkal town, Tamil Nadu, India. The study concludes that customers are more reluctant to use internet banking even it has inherent risk. Hence, banks should design the website to address security and trust issues. The recommendations to the banks are that they have to increase the level of trust between banks' website and customers.

KEYWORDS

anywhere banking, internet banking, twenty four hour banking, security.

INTERNET BANKING: THE CONCEPT

Internet Banking (or E-banking or on line banking) refers to the deployment of banking services and products over electronic and communication networks directly to customers. The term electronic banking can be described in many ways. In a very simple form, it can mean the provision of information or services by a bank to its customers, via a computer, television, telephone, or mobile phone. It has emerged as a strategic resource for attaining efficiency, control operations, productivity, and profitability. It has changed the traditional way of banking transactions. Through the e-banking customer do not visit to the bank office in order to carry out banking transaction. For instance, customers are using automated teller machines (ATM) in place of cashier tellers, and credit cards and electronic cash in place of bank transactions (Alagheband,Parisa ,2006).

It also allows customers to submit their applications for different services make queries on their account balances and submit instructions to the bank and also electronically transfer funds to their accounts, pay bill, and conduct other banking transaction online. It relies greatly on information and communication technology (ICT) to attain its promise for 24 hours availability and faster delivery of financial services.

E-banking is now a global phenomenon. It is a precious and influential tool for heavy development, supporting growth, promoting innovation and enhancing competitiveness. A physically powerful banking industry is an essential in every country and can have a major affect in supporting economic development through competent financial services. It has had huge impact on the banking industry. Banks require developing creative solutions of how to make full use of the new technology and how to provide their customers with high online service quality. When lacking face to face interaction banks must increase the experienced online service quality among customers in order to attain and sustain competitive advantages and customer relationships.

REVIEW OF LITERATURE

Joseph et al., (1999) investigated the influence of internet on the delivery of banking services. They found six underlying dimensions of e-banking service quality such as convenience and accuracy, feedback and complaint management, efficiency, queue management, accessibility and customization. **Jun and Cai (2001)** identified 17 service quality dimensions of i-banking service quality. These are reliability, responsiveness, competence, courtesy, credibility, access, communication, understanding the customer, collaboration, continuous improvement, content, accuracy, ease of use, timeliness, aesthetics, security and divers features. They also suggested that some dimensions such as responsiveness, reliability and access are critical for both traditional and internet banks.

Jayawardhena (2004) transforms the original SERVQUAL scale to the internet context and develops a battery of 21 items to assess service quality in e-banking. By means of an Exploratory Factor Analysis (EFA) and a Confirmatory Factor Analysis (CFA), these 21 items are condensed to five quality dimensions: access, website interface, trust, attention and credibility.

IAMAI report on online banking 2006. 43% of online banking user haven't started online financial transaction because of security reasons, 39% haven't started because they prefer face to face, 22% haven't started because they don't know how to use, for 10% sites are not user friendly and for 2% banks are not providing the facility of internet banking. According to research 68% of the customers can not say that when they will be starting the financial transactions through internet. Maximum numbers of online banking users are male and maximum of them are in age the group of 25-35. Numbers of female users are very less i.e. 17% only. More than 60% of the people who are having account with have accounts in 3- 4 banks.

Meuter et al. (2000) have identified critical incidents of customer satisfaction and dissatisfaction with technology-based service encounters. Given that business-to-business transactions are the fastest growing segment of technology-driven services (Hof, 1999); Meuter and his colleagues (2000) suggested investigating what drives business customer\ satisfaction or dissatisfaction with technology driven services. According to Gonroos (1982), customers distinguish the quality of customer interactions that take place during service delivery (functional quality) and the quality of the outcome the customer receives in the service encounter (technical quality).

The Indian Internet Banking Journey In 2001, a Reserve Bank of India survey revealed that of 46 major banks operating in India, around 50% were either offering Internet banking services at various levels or planned to in the near future. According to a research report,(India Research, Kotak Securities, May 2000.) while in 2001, India's Internet user base was an estimated 9 lakh; it was expected to reach 90 lakh by 2003. Also, while only 1% of these Internet users utilized the Internet banking services in 1998, the Internet banking user base increased to 16.7% by mid- 2000

STATEMENT OF THE PROBLEM

There are several major challenges and issues facing the e-banking industry today. First, and perhaps most important is the security concern. Customers are certainly concerned of giving their bank account number online or paying an invoice through internet. The challenge facing e-banking industry and the e-business in general is the quality of service – including both delivery speed (i.e., short advance time required in ordering) and delivery reliability (i.e., delivery of

items/services on time), which caused many e-business failures in the earlier dot.com era. The issue of customer unfamiliarity with the internet, which is prominent among senior citizens, has recently caught some attention, because these customers believe that they are left at a disadvantageous position and have become very reluctant in doing business online.

Internet banking enables individuals to obtain account data and perform such transactions as transfers and bill payments. However, compared with traditional over-the counter banking, Internet banking does not offer face-to face contact in what is essentially a one-to-one service relationship with the individual.

However, it should also be noted that there are still customers who fear to make use of Internet banking, as they are concerned with security aspects of such a system. Further, internet banking requires access to a computer and access to the Internet which is an additional cost to the client. Moreover, customers may not be IT conversant to use internet banking.

So, it is clear that the customers face practical difficulties in usage of internet banking facilities due to lack of knowledge and temporary failure of systems. Therefore, banks must deliver higher service quality in order to compete. In the light of these problems the current study is taken up.

OBJECTIVES OF THE STUDY

1. To analyse reasons why the customers of State Bank of India of Namakkal town use the internet banking.
2. To examine overall satisfaction of the customers with their age and gender
3. To study inter net banking acceptance factors of the custoerms.

RESEARCH METHODOLOGY

This is a sample survey that takes the samples form the large population to study the characteristics of the population. This study takes the consumers living in Namakkal town as the population and 200 samples were selected as per the convenience sampling technique. A well defined questionnaire was used to collect eh opinion of the customers of internet banking. A 'Five point Likert's scale' is used to measure the satisfaction. Chi square test is used with the help of software to test the hypotheses.

TABLE 1: DEMOGRAPHY OF THE RESPONDENTS

Variable	Sub division	No. of Customers N=200
Gender	Male	115 (57.5)
	Female	85(42.5)
Age (in years) Above 50 20 (10)	Below-20	40(20)
	20-30	77(38.5)
	30-40	46(23)
	40-50	21(10.5)
	Above-50	16(8)
Qualification	Up to 12th	47 (23.5)
	Graduates	90 (45)
	Post graduates	38 (19)
	Professionals	25 (12.5)
Income (per month)	Below 10,000	41 (20.5)
	10,000-30,000	73 (36.5)
	30,000-60,000	66 (33)
	Above 60,000	20 (10)

Source: Primary data

Table 1 presents the demographic characteristics of the 200 respondents. About 57.5 percent of the respondents are males and 42.5 percent respondents are females. Table 1 also shows that majority respondents are of 77 percent and they belong to 20-30 years of age. The highest category using online banking services are in the age group of 20-30 years. Majority of the users of e-banking services were graduates (45 percent) and were earning a monthly salary of Rs. 10,000-30,000.

Internal consistency tests were conducted using Cronbach alpha tests (Cronbach, 1946) for the four multi-item measures and are presented in table 2.

TABLE -2: RELIABILITY STATISTICS

Measures	No. of Items	Reliability for the Sample
Security and Trust 0.836	7	0.836
Awareness 0.856	5	0.856
Familiarity 0.789	4	0.789
Innovation 0.749	4	0.749

Source: SPSS output

The alpha values for all factors vary from 0.75 to 0.86 which are considered acceptable for this type of study (Nunnally, 1978). This reveals that the variables load properly on these four factors.

ANALYSIS OF DATA

The data were put in the relevant tables and then the percentage analysis was made. Finally, chi square test was used to test the hypothesis.

TABLE 3: REASONS FOR CHOOSING INTERNET BANKING

Sl.No.	Reason	No. of Respondents	%
1.	24 hours banking	86	43
2.	Easiness	26	13
3.	Fastness	16	8
4.	Anywhere banking	60	30
5.	Time saving	5	2.5
6.	Convenient	7	3.5
	Total	200	100

Source: Primary data

Form the above table, it is clear that the '24 hours banking' is the reason that has majority of the customers (43 %). At the same time, 'anywhere banking' is the second reason (supported by 30 % customers) and that gives utmost usage to the customers. It is possible to open the website of the bank, search the information and make transactions from any place so that the consumers feel free and their banking transaction becomes very easy.

TESTING THE HYPOTHESES

TEST – 1. AGE OF THE CUSTOMERS AND OPINION ON OVERALL SATISFACTION ON INTERNET BANKING EXPERIENCE

NULL HYPOTHESIS (H0)

There is no significant relationship between age of the customers and satisfaction towards overall internet banking experience.

TABLE NO. 4: AGE AND OVERALL INTERNET BANKING EXPERIENCE - CROSS TABULATION

age	Satisfactory Level					Total
	Highly Satisfied	Satisfied	Neutral	Dissatisfied	Highly Dissatisfied	
Below-20	9	13	10	6	2	40
20-30	35	21	15	5	1	77
30-40	9	16	10	8	3	46
40-50	4	8	5	2	2	21
Above-50	6	4	4	2	0	16
Total	63	62	44	23	8	200

TABLE NO. 5: CHI-SQUARE TEST

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	18.738	16	.282
Likelihood Ratio	19.418	16	.248
Linear-by-Linear Association	.319	1	.572
N of Valid Cases	200		

Degrees of Freedom = 16
 Chi Square Value = 18.738
 Table Value = 19.418
 At 5% level of significant.

Since the calculated value is less than the table value, the null hypothesis is accepted. Hence there is no significant relationship between the age and overall internet banking experience.

TEST – 2: GENDER OF THE CUSTOMERS AND OVERALL SATISFACTION ON THE INTERNET BANKING EXPERIENCE

NULL HYPOTHESIS (H0)

There is no significant difference between gender of the customers and overall satisfaction towards the internet banking experience.

TABLE NO. 6: GENDER AND OVERALL INTERNET BANKING EXPERIENCE - CROSS TABULATION

Gender of the customers	Overall Satisfaction					Total
	Highly Satisfied	Satisfied	Neutral	Dissatisfied	Highly Dissatisfied	
Male	38	33	11	21	12	115
Female	30	26	13	8	8	85
Total	68	59	24	29	20	200

TABLE NO. 7: CHI-SQUARE TEST

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	4.160	4	.385
Likelihood Ratio	4.271	4	.371
Linear-by-Linear Association	.806	1	.369
N of Valid Cases	200		

Degrees of Freedom = 4
 Chi Square Value = 4.160
 Table Value = 4.271
 At 5% level of significant.

Hence it is understood that the calculated value is less than the tabular value, there for null hypothesis (H0) is accepted. There is no significant difference between gender of the customers and overall satisfaction towards the internet banking experience.

THE REGRESSION ANALYSIS

The regression analysis was conducted to reveal how different factors identified through factor analysis affect the use of online banking. The respondents' intention to intensify the acceptance of e-banking services was regressed on the four independent variables, namely security and trust, innovativeness, familiarity and awareness.

TABLE-8: REGRESSION ANALYSIS ON E-BANKING ACCEPTANCE FACTORS

Diffusion Factors	Regression Co-efficient	t values	Significant Level
(Constant)	2.175	65.923	.000
Security and Trust	.078	2.346	.020
Awareness	.646	19.539	.000
Familiarity	.007	.222	.825
Innovativeness	-.035	-1.051	.294
R square	.665		
F ratio	96.946*		

* Significant at 1 percent level

The regression equation was significant at 1 percent level with the F value of 96.946 and the independent variables account for 67 percent of the variance in degree of the acceptance of e-banking by the customers. Security and trust ($\beta=0.078$) and awareness ($\beta=0.646$) were significantly positively related to the acceptance of e banking services, while familiarity and awareness did not emerge as significant factors in explaining the acceptance of e banking services by the respondents. The analysis also demonstrated that perceived security control of the site strongly influenced acceptance of online banking by customers. If the customers are less concerned about unauthorized use of or illegal access to their personal and financial data by third parties, they will have greater influence on the willingness to use online banking, which in turn will lead to higher acceptance to it. Thus, banks should improve their web security features in order to enhance the customers' acceptance. The study found that 'security' is the most important attribute for internet banking customers. And the authors found out that the selection of an internet banking service provider is effected by security, reliability and privacy. Security, which involves protecting users from the risk of fraud and financial loss, has been another important issue in safe use of the internet banking.

FINDINGS

About 57.5 percent of the respondents are males and 42.5 percent respondents are females. Table 1 also shows that majority respondents are of 77 percent and they belong to 20-30 years of age. The highest category using online banking services are in the age group of 20-30 years. Majority of the users of e-banking services were graduates (45 percent) and were earning a monthly salary of Rs. 10,000-30,000.

The '24 hours banking' is the reason that has majority of the customers (43 %). At the same time, 'anywhere banking' is the second reason (supported by 30 % customers) and that gives utmost usage to the customers. It is possible to open the website of the bank, search the information and make transactions from any place so that the consumers feel free and their banking transaction becomes very easy.

There is no significant relationship between the age and overall internet banking experience.

There is no significant difference between gender of the customers and overall satisfaction towards the internet banking experience.

Security and trust ($\beta=0.078$) and awareness ($\beta=0.646$) were significantly positively related to the acceptance of e banking services,

CONCLUSION

So, the internet banking experience leads the customers to a benefit at the large extent in the form of convenience, anytime and anywhere banking, fastness and convenience. The attraction arises to the customers from these benefits and so that the a large number of customers will get the internet banking in future. The present study shows that customers are more reluctant to use internet banking even it has inherent risk. Hence, banks should design the website to address security and trust issues. The recommendations to the banks are that they have to increase the level of trust between banks' website and customers. From the above, this can be concluded that there is an urgent need of spreading the awareness among the common people. The small business men, the farmers, the housewives, the person's working in unorganized sector may be convinced to use banking and e-banking services. They should feel that their money is more safe and secure with the banks.

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ADVERTISING ON SOCIAL MEDIA: THE INDIAN SCENARIO

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ABSTRACT

Social media advertising has become an important part of companies' marketing mix because of both – the rise of the social media platforms and the availability of a large number of target audience at one place. Businesses have realized the potential for reaching out to a large number of audience at one go, by using their social media pages and profiles. Social media marketing involves publishing user friendly content on social networking websites in the form of texts, messages, images, videos, etc. Carrying out a successful social media advertising campaign is a challenging task. The paper at length talks about the meaning and rise of the social media, with special emphasis on India and discusses some case studies to come up with the essentials of a successful social media advertising campaign.

KEYWORDS

Social media marketing, social media advertising, advertising on social media, Indian social media campaigns, Twitter case studies.

INTRODUCTION

Social media has become an important part of everyone's life. Besides providing people a platform to interact with each other it has also emerged as a powerful medium for the marketers to communicate with their customers and prospective customers. Social networks assemble a large amount of useful information, helping marketers in targeting their audience in a wider way. Social media advertising is becoming a part of the media mix as marketers leverage their online campaigns to drive valuable word of mouth and influence prospective customers. Marketers are gaining benefits through social media marketing by better understanding customer needs and building better customer relationships. Achieving better coordination between social media and advertising is possible through following clients, achieving their requirements, and controlling and measuring their activities.

Social media is a source of boundless clients' views and situations. The marketers face a challenge of controlling this information in an apt manner bringing real benefits for themselves. Social networking is a worthy framework for core marketing activities on the internet. It provides marketers an opportunity to talk with customers on a personal level.

METHODOLOGY

The paper makes extensive use of secondary research and mentions some recent examples of social media advertising campaigns from India.

RESEARCH OBJECTIVES

The objective of this paper is to establish the importance of social media as a medium of advertising. With the help of case studies the paper will also determine the basis for successful advertising on social media platforms.

THE RISE OF SOCIAL MEDIA ADVERTISING

Social media platforms like Facebook, Twitter, YouTube, Instagram and Google+ etc. have become daily destinations of millions of people. This has led to marketers increasingly offering their products and services to the customers on these platforms by specifically targeting people according to demographics, social connections, interests and habits. Social media offers brands a wide landscape- having enormous user bases and deep databases. It also gives brands a fascinating audience for their content.

Brands are continuously increasing their spending on the social media platforms. According to Hubspot, 92% of marketers in 2014 claimed that social media was important as a marketing platform, with 80% suggesting that their social media marketing efforts increased traffic to their websites.

The reasons why social media is playing an important role in companies' advertising strategies can be best explained as below:

1. INCREASE IN BRAND RECOGNITION

Social media platforms provide numerous opportunities to marketers to increase their visibility and to make their brand more valuable. They are new channels for the brands, offering them easy accessibility to new customers, also making them more recognizable for the existing customers. Regular Facebook posts and frequent tweets help a brand gain more visibility.

2. IMPROVEMENT IN BRAND LOYALTY

As per a report published by Texas Tech University, brands engaging on social media platforms have higher customer loyalty. The report also states that marketers should take advantage of social media tools, while connecting to their audience. A strategic and well executed social media plan can prove significant in building brand loyalty.

3. INNUMERABLE OPPORTUNITIES

Every post, video, image, comment shared on any of the social media platform is an opportunity to convert a person into a new customer. Having followers means having access to a wide range of people – existing customers, prospective customers, old customers. Every interaction doesn't result in a conversion, but every positive interaction increases possibility of a conversion.

4. INCREASE IN INBOUND TRAFFIC

Usually, the inbound traffic of a brand is limited to only those people who are either familiar with the brand or are the customers of the brand. But, with the creation and existence of social media accounts, a brand adds a path leading to its website. Every piece of information the brand shares on these accounts increases the opportunity of visit of a new person. The more the quality content, the more is the chance of generating traffic, leading to more conversions.

5. DECREASE IN MARKETING COSTS

Creating and maintaining accounts on social media platforms is free (until a brand opts for paid advertisements). The marketer has to invest time in building quality content to be shared on every social media platform as per its requirements (different social media platforms use distinct type of content). Depending on the advertising goals of every marketer, paid advertising through Twitter and Facebook is relatively cheap.

6. BETTER CUSTOMER EXPERIENCES

Social media platforms provide an opportunity to the customers to interact directly with the brands. Thus, every customer interaction on social media gives a brand an opportunity to exhibit its rich customer service and strengthens the relationship between a brand and its customer. A customer's grievance can be handled promptly and necessary action could be taken and similarly, a compliment can be accepted with warmth and thanks.

Social media advertising, if monitored in a right way, can help a brand get more customers, more traffic and more conversions, at a reduced cost.

THE INDIAN SCENARIO

Companies all over the world have increased their spending on social media and same is the case with India too. The companies and brand in India have also increased their social media spending even when they find it difficult to measure the effectiveness of their social media engagement.

As per EY's second annual social media marketing India trends study, about 90% of the companies (of the total companies part of this study) are planning to spend almost 15% of their annual marketing budget on social media, compared to a meager 78% organizations in 2013.

Another important findings from the report are:

- The main reason for brands to be present on social media (in 2014) was brand awareness
- One third of the brands surveyed in 2014 posted on their social media platforms once a day, while another 43% posted updates more often.
- In 2014, average response time of 38% brands was recorded at 30 minutes or less.
- Out of the total survey respondents, 57% launched their brands on a new platform, conducting integrated 360 degree campaigns.
- Identifying and reaching out to the right target audience on social media continues to be the top-most challenge for Indian brands.
- Engagement (94% of the brands surveyed), social reach (89% of the brands surveyed), visitor growth rate (72% of the brands surveyed) stand out as important metrics tracked by most social media savvy brands.
- Close to 70% of all companies, that said they use social listening tools, admitted to having a better understanding of how their brand is perceived in the social media universe
- Brands surveyed stated that they are looking to introduce Social CRM and Social Commerce as priority items on their social media agenda, followed by customized ads/campaigns and gamification.

The above statistics clearly indicate that marketers use social media platforms for creating brand awareness as it helps them to reach their target audience (which is a challenge at times). It is important for a brand to track online conversations about it, as it helps it in understanding how it is perceived by the social media audience.

SOME INDIAN CASE STUDIES

Nestlé MUNCH's – Time for #MUNCHification

In the January of 2015, Nestlé MUNCH launched its new campaign- time for MUNCHification on the digital platforms, followed by its release on television. In this campaign, the brand urges its audience to be unapologetic and to accept their flaws and their passions. The brand posted the ads (related to the campaign) on its Facebook page, Twitter handle and YouTube channel. By February 6, 2015 the Facebook page and the YouTube channel of the brand had gained over 3 million views and the music of the ad became an instant hit among the netizens with over one lakh downloads within two weeks of its launch.

The ad showed a happy-go-lucky college student impressing a girl, with his 'broken English'. The commercial inspires youth to embrace their flaws by parading them in open. Put in the words of Nestlé the ad gives the message – Nestlé MUNCH khao, Apne Manch pe Aao!

Soon after the launch of the campaign online, Facebook and Twitter exploded with conversations using the hashtag #MUNCHification. People started tweeting about the ad, praising it while the Facebook users fell in love with the idea of broken English, updating their Facebook statuses around Nestlé's campaign.

LINE and Freecharge

LINE tied up with Freecharge to offer users up to 200% extra talktime. A week long campaign was launched by LINE and Freecharge where LINE users shared Freecharge stickers with groups to win cashback of Rs 60 on a recharge of Rs 30.

The objectives of the campaign were to:

- Leverage LINE to build a strong connect with Freecharge
- Help Freecharge use LINE user's social network to propagate it by sharing its stickers
- Encourage conversations around Freecharge on LINE
- Attract LINE users to experience brand Freecharge and hopefully converting them into long term customers

Users opted in for the engagement on LINE on their own and made the campaign viral on LINE. This week long campaign resulted in some phenomenal results in the terms of both reach and engagement. In total 6.3 million stickers were sent and Freecharge distributed a total of 3, 50,000 vouchers.

Pepsi – crash the Pepsi IPL

Pepsi launched a creative campaign during the 8th season of the Indian Premier League (IPL). The promo ad for the campaign 'crash the Pepsi IPL' asked showed actor Ranbir Kapoor being frozen by a family trying to tell him to how to make an ad film for Pepsi.

Pepsi cleverly blended the cricket with creativity to launch 'crash the Pepsi IPL' and invited people to make a 30 second commercial showing their love for the brand Pepsi. The campaign created buzz through the brand's social media channels. A contest was also run on Twitter where users were asked to share their idea for the next Pepsi ad using the hashtag #PepsiAdInATweet. The winning entries were rewarded with the passes to the YouTube festival. A dedicated website 'Crash the Pepsi IPL' was also created for the campaign where the people could access the dos and don'ts for creating the ad. The final winner of the 'crash the IPL' contest was chosen from among 6 best entries (5 entries were chosen by the judges from among all the entries received and 1 was chosen via public voting) and was also rewarded with a cash prize of Rs 1 lakh.

The campaign was a smart move by Pepsi as the user generated content has various advantages- it lets consumers be a part of the story, gives fans an opportunity to add their association with the brand, to name a few. Interestingly, Pepsi had a ton of 30 second commercials created by the enthusiastic fans of the brand, which could be further used by the brand for marketing and promotional purposes.

Cadbury Silk's – what #FirstLoves

In the February of 2014, Cadbury Silk, the premium addition to Cadbury Dairy Milk chocolates started a campaign on Twitter wherein they promoted its newly launched limited edition pack for Valentine's Day. The netizens were asked to share what first love meant to them or reminds them of. Personalized doodles were also created on what users had tweeted about their first love. The hashtag #FirstLoves also trended on top 10 India twitter trends.

The brand started to share first love updates on its Twitter handle and soon after that the video talking about the new pack was shared. People were to follow the brand on Twitter and tweet about their idea of first love. The best meanings of first love were drawn into doodles and were displayed on Twitter along with the twitter handle of the winner.

The campaign was successful in creating a buzz about the brand's new pack and it left a sweet memory in the mind of people as it was related to first love.

Each of the example discussed above demonstrates the magic of co-creating with the community. This makes consumers feel special and the engagement before meaningful.

CONCLUSION

On the basis of the above case studies it could be concluded that advertising on social media platforms has to be creative to engage customers. To attract attention, the brands need to deliver their message in a way which is new. The social media websites have empowered users and made them creative so the campaigns which the brands come up with also need to be creative enough to give rise to meaningful and engaging conversations. The concept of co-creation

with the users give the users a greater sense of involvement and helps them identify with the brands at a deeper level. Even if the campaigns don't turn out to be extremely creative they should be able to encourage user involvement and participation in a particular campaign.

Some of the essentials of a successful social media advertising campaign are:

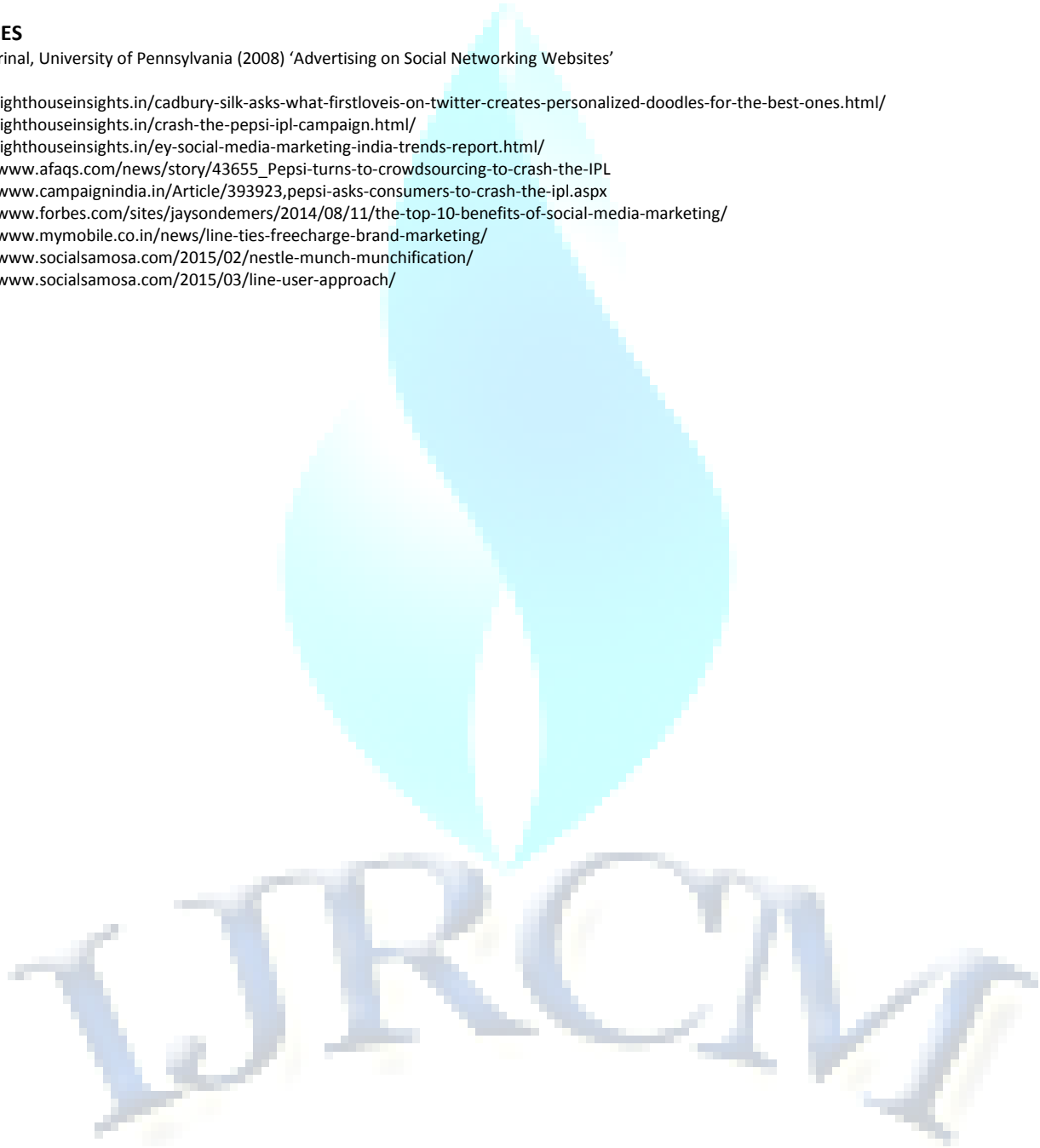
- **QUALITY CONTENT:** The most important aspect of a successful social media campaign is the quality of the content. Identification of the right target audience and then framing the contents accordingly plays a key role in this. A brand should always try to connect with its audience rather than constantly bragging about its products and services.
- **APPROPRIATE HASHTAGS:** Another important factor which needs to be considered while coming up with a campaign on Twitter is that the hashtag used to run the campaign should be appropriate. The hashtag used should reflect what the campaign is all about and should not be too big.
- **PERFECT TIMING:** Timing is very important when it comes to a social media campaign. There should be perfect timing of launching a particular campaign. A brand should consider whether a campaign has to be launched before introducing a new product/service in the market, a campaign has to be launched for a particular occasion (like Cadbury Silk's campaign around the Valentine's Day), etc.
- **CONNECT WITH PEOPLE:** The social media platforms exist not only for selling a product. Instead, they act as a medium where a brand can strengthen its bond with its customers. A campaign should be such which becomes a hit with the people instantly and engage them in meaningful conversations.

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THE PROMOTIONAL STRATEGY IN COMPETITIVE SMARTPHONE MARKET: A CASE STUDY OF INDIAN AND CHINESE MOBILE HANDSETS COMPANIES

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ABSTRACT

In the real sense, India is the second largest mobile phone market and third largest Smartphone market across the world that makes it particularly attractive. There are over 200 brands vying for 250 million units a year mobile phone market. As the market transitions to Smartphones, an array of Chinese manufacturers have headed to India recently, with Lenovo, Xiaomi, Gionee and Oppo-- all are boasting a good portfolio of Smartphones. Not only this, Indian companies have built their sales through massive imports—the bulk of that from China. Thanks to huge economies of scale, Chinese manufacturers hawk mobile devices at rock-bottom prices to these Indian firms. Therefore Xiaomi has sold over 95K devices in its first month of launch and even a lesser known company, Gionee is making its presence felt in the Smartphone market with a correlated competition with India in terms of selling Moto G & Moto E models. This article expresses the competitive idea of Indian and Chinese promotional market strategies adopted by their smart phones handsets companies and evaluates the factors that are helping Chinese Smartphones to become an Indian market capturing hegemon with a cheaper cost promotional strategy. This article also addresses some segment-related issues that show some promotional weakness of Indian handset companies to promote smartphones.

KEYWORDS

Home-Grown players, VFM strategy, technological superior segments, hands-free set.

INTRODUCTION

The increasing trend using Smartphone among the people is the main reason that has intensified the interest to research on this topic. People's obsession about the Smartphone has been increasing rapidly today. Mobile communication is continuously one of the hottest areas that are developing at a booming speed, with advanced techniques emerging in all the fields of mobile and wireless communications. In real sense, Smartphone is a mobile phone with advanced features and functionality beyond traditional functionalities like making phone calls and sending text messages. We are in an era where users buy smart phones not just to be in touch, today's consumers use it to express their thoughts by using apps, for social networking, to show their interests, surf on the internet, listen to music, play videos, play games, playback and recording, read news and jokes, navigation, to use built-in camera, chat instantly with friends & families and even check their bank balances and much more. Due to same reasons the Smartphone is now become a common choice for consumers along with the use in business as it was initially intended for business users only.

The latest surveys show that the popularity of Smartphone's is increasing in general public with the more paces than it is increasing in Corporations. Initially the Smartphone's were only perceived for business use due to their cost and application, but not today, we are in a frenetic Smartphone society populated with the Smartphone's from many vendors providing a range of advanced functionalities and services on a piece of handset.

Nowadays cheaper smart phones are also available in the market. But price, quality, brand, country of origin, marketing, sales, word of mouth etc. could be several factors that a consumer may think before buying a Smartphone. How much does brand of Smartphone affect the buying decision of a customer? As there are various types of Smartphones available in market with varying price. And how they impact the customer buying decision? The handsets companies are in the competition in terms of manufacturing their Smartphone handsets with more featured and cheaper in luring the customers. Just because of this Smartphones promoting revolution, India's telecommunication network is the second largest in the world based on the total number of telephone users (both fixed and mobile/smart phone) in the developing world behind China. There are various Indian and Chinese phone manufacturers providing attracting handsets like-- Celkon Mobiles, HCL Technologies Limited, iBall, Intex, Karbonn Mobiles, Lava, Micromax, Simmtronics, Spice Digital Limited, Videocon Companies Limited, and Xolo, Lenovo, ZTE, Huawei, Xiaomi, Oneplus etc. But apart from achieving the premier stage the Indian Smartphones manufacturer companies are scared about the competitive market segmentation in terms of Chinese handsets what are selling out in Indian markets rapidly.

Today's Smartphone's has been around since last six to eight years when Apple introduced the Smartphone in mass consumer market, but in reality the Smartphone has been in market since 1993. Today's Smartphone are quite different from the early Smart phone. Earlier Smartphone were predominantly meant only for corporate users and were too expensive for the general consumers. But today's Smartphone are closing the gap between enterprise centric and general consumer centric Smartphone and providing advance features. The up-gradation in the mobile operating system started in 2008 and within last seven year there have been several upgrades in Apple Ios, Android and Blackberry OS. The most popular mobile Operating systems (Ios, Android, Blackberry OS, Window mobile) and key Smartphone vendors (Apple, Samsung, HTC, Motorola, Nokia, LG, Sony etc.) are concentrating to bring features both in operating systems and devices which will provide exciting feature to enterprise and general consumers.

Just because of advance features and using Android technology the world's mobile/smart phone handsets manufacture companies are coming in the comprehensive competition in promoting their new handsets in the markets. India's mobile handset market, of about 20 million units a month, saw two major changes that overturned the pecking order in the April-June quarter of 2014. While home-grown Micromax, for the first time, elbowed out Korean giant Samsung to become the firm selling the highest number of handsets in the country. Motorola's gamble of taking the exclusive e-commerce route for its India re-entry with Moto G, six months ago, struck gold in the Smartphone segment. According to Hong-Kong based *Counterpoint Technology Market Research*, in the April-June period, Micromax's share of the overall handset market (Smartphones, feature phones, and low cost handsets) stood at 16.6 %, while Samsung settled for 14.4%. Nokia was relegated to the third spot with a 10.9 % share, while Karbonn's share was 9.5% and lava's 5.6 %. In the smart phone segment, Motorola, it sells its products only through e-tailer Flipkart, surpassed formidable rival Nokia in sales to become the country's fourth-largest Smartphone player. Nokia was pushed to the fifth position. According to *Counterpoint*, Motorola had a 4.3% share, while home-grown players Micromax (19.1%) and Karbonn (5.9%) were second and third respectively. And now Intex achieved No.3 position in overall Smartphone market share, which includes both Indian and MNC brands according to latest *Counterpoint Research & Cyber Media Research* report.

The Indian handset market is the second largest in the world after China due to unprecedented subscriber growth. But in India 25% of the mobile phone market is captured by the Chinese companies because of the liberal import policies of India. While Multinational mobile companies such as Nokia, Samsung, Motorola and LG, who dominate the mobile handset space with over 75% of the market share. Karbonn is also facing an increased competition, Chinese smart phone makers going ahead. The newest kid on the block, China's Xiaomi, which also sells Smartphones in the country only through FlipKart, has sold 20,000 units in just two weeks. In a statement, Xiaomi earlier said it sold the entire weekly stock for India in only five seconds. In addition, Gionee, another Chinese firm, is also pushing its products aggressively in the Indian market, with average sales of 300,000 to 400,000 units a month.

To compete with china, Indian companies such as consumer goods giant Videocon, B K Modi owned Spice Mobiles, Usha Lexus, Delhi based Intex and Reliance Communications, are joining the bandwagon by leveraging their brands and offering warranties which are not available on the Chinese products. As many as

over six million GSM phones are sold every month in India. This market is expected to grow further, with the entry of new players and telcos moving to rural areas.

Apart from this, Indian handset companies import most of their devices from China. Home-grown handset manufacturers—Micromax, Karbonn, Intex, Lava and Maxx, which controlled 35% of the mobile handset market last year. Their rise is believed to showcase the success story of India's manufacturing sector. But, dig a little deeper and the story looks less impressive. For, these home-grown mobile phone companies have built their sales through massive imports—the bulk of that from China. Thanks to huge economies of scale, Chinese manufacturers hawk mobile devices at rock-bottom prices to these Indian firms. The prowess of Chinese manufacturing can be gauged from the fact that last year 850 million devices—more than 50% of global production—were made in that country alone, according to *ABI Research* (New York based Market Research and Market Intelligence Firm).

Though the growth opportunities are excellent of Indian Smartphone companies, there are many issues that need to be addressed for handsets manufacturing sectors in India. Some of these aspects are as follows:

1. Chinese companies, with names like Huawei, Xiaomi, Coolpad, Lenovo, ZTE, and even Alcatel (which is now part of TCL Corp., a Chinese electronics company) are having a big impact both inside China and in emerging economies. These companies mostly sell unlocked Smartphones that run the Android mobile operating system. They usually charge much lower off-contract prices than Apple and Samsung, including Indian Smartphones.
2. According to Strategy Analytics, out of the top 17 Smartphone makers globally in the third quarter, 10 were based in China. Xiaomi ranked third in total production, and Huawei ranked fifth. The rest of the Chinese group in Strategy Analytics' top 17 included Lenovo, ZTE, TCL Alcatel, Lenovo (formerly Motorola under Google), Coolpad, Oppo, Vivo, Micromax and Tionee.
3. Chinese Smartphone companies also operate its own App store – like Google Play or Apple's App Store – keeping users in its ecosystem like Xiaomi. Xiaomi known as Chinese Apple, the company also sells their phones in China and India, its second-biggest market, through online-only channels, keeping the cost base down and appealing to a tech-savvy audience.
4. China experienced explosive smartphone growth in the last few years with almost 85% of mobile shipments expected to be Smartphones this year (up from 58% last year), but India is not in position to do the same.

OBJECTIVES OF THE STUDY

With the background, it is of interest to see how the Indian handset companies are addressing these aspects discussed above that is to ensure promotion of their handsets in the world in comparison to China. Hence, the objectives of this research are:

1. To explore if Indian Smartphone handset companies promote their handsets and mobile devices in India and the other countries.
2. To analyze the competitive promotional strategies adopted by Indian mobile companies to defeat Chinese mobile handset market.

REVIEW OF LITERATURE

Guy Klemens explores the history of the cellular phone from its beginnings in the 1940s to the present, this book explains the fundamental concepts involved in wireless communication along with the ramifications of cellular technology on the economy, U.S. and international law, human health, and society. It also deals with bandwidth and radio. Subsequent chapters look at precursors to the contemporary cell-phone, including the surprisingly popular car phone of the 1970s, the analog cell-phones of the 1980s and early 1990s, and the basic digital phones which preceded the feature-laden, multipurpose devices of today (**Guy Klemens, 2010**). In addition, the popularity of smart phones has created a wave in development of mobile friendly websites. More than 100 million people actively use Facebook from their mobile devices every month, whereas mobile browser opera mini has more than 90 million users. Just a few years back, Smartphones were more of a status symbol, but now they have become a must-have productivity aid, literally carrying a lot of information all in pocket (**Elizabeth Woyke, 2014**).

While **Rich Ling's** book provide the general background information on the growth of the worldwide mobile-phone market and also provide an interesting account of the history of mobile telephony. It focuses is on discussing theories that examine the interaction between society and technology. He also focuses that the mobile phone is also shown as being the cause of creating insecure situations, such as using your mobile phones while driving. This problem is being tackled in countries such as the UK, where it is now illegal to use a mobile phone while driving unless you are using a hands-free set. But overall he point out that the hands-free set came in the market just because of using mobile phones while doing another task as well. Now world is using Bluetooth, a new feature in Smartphone markets (**Rich Ling, 2004**).

Gerard Goggin and Larissa Hjorth produced their idea on the basis of telecommunication and mobile technologies. They argue that in light of emerging forms of software, interfaces, cultures of uses, and media practices associated with mobile media, this collection investigates the various ways in which mobile media is developing in different cultural, linguistic, social, and national settings. Mainly, contributors consider the promises and politics of mobile media and its role in the dynamic social and gender relations configured in the boundaries between public and private spheres. The essay collection is genuinely interdisciplinary, as well as international in its range, with contributors and studies from China, Japan, Korea, Italy, Norway, France, Belgium, Britain, and Australia (**Gerard Goggin and Larissa Hjorth, 2009**).

CCS Insight Report proclaims that recent years have witnessed a fundamental shift in the structure and dynamic of the global Smartphone landscape. Profit margins have followed a similar if not worse trajectory to those in the PC industry and the strategic importance of mobile technologies has seen the Smartphone market become incrementally more complex and competitive. In addition, barriers to entry have fallen dramatically, enabling a "long tail" of emerging manufacturers that are collectively becoming a significant force. They are steadily expanding beyond their heartland of Shenzhen, China, exploiting the advantages of low cost, the scale of their home market and their closeness to the supply chain. Chinese manufacturers benefit from enormous scale in their home market. China will see shipments of 350 million Smartphones in 2014 and China Mobile alone is targeting sales of 100 million LTE (Long Term Evolution) devices in 2014. This is enabling Chinese manufacturers to quickly expand to overseas markets. At the other end of the spectrum are the multitudes of Chinese manufacturers, ranging from larger more-established players such as Gionee, Oppo, Yulong and Xiaomi to an abundance of smaller but growing operations. This report concluded that the mobile phone and smartphone market has become more competitive, complex and connected over the past three years (**CCS Insight Report, June 2014**).

IPSOS Business Consulting report states that India's handset market, one of the largest in the world, continues to grow strongly every year. Back in the early 2000s, mobile phones were typically only found in key urban centers and primary cities due to the low number of models in the market, high handset costs, expensive tariffs and limited network coverage. The situation has changed over the past few years with the entry of more global brands and the emergence of homegrown manufacturers in the handset market. Wider availability of more affordable handsets, including smartphones, and significantly lower call rates has catalyzed growth in the market, most notably in rural areas. Competition within the crowded market is intense with more than 50 device manufacturers now selling their products. Most of these companies focus on low cost feature phones. Smartphones penetration in India's mass market has accelerated with uptake rising from 2.5 million handsets in 2009 to about 27 million in 2012. Previously the preserve of wealthier users, smartphones have become popular on the back of greater technology usage and lower costs. Smartphone sales grew 35 per cent in 2012 when they accounted for 10-12 per cent of the total handset market. This share is expected to rise to half of the market's total expected sales of 156 million units by 2017. Domestic firms such as Micromax, Karbonn, Lava and Intex have launched handsets costing as little as half the price of a Samsung, Sony or HTC model. As a result they have significantly increased their share of the handset market (**IPSOS Business Consulting, 2014**).

Adversely, China Smartphone Sector Report represents that the Chinese handset sector (represented by a basket of ten handset-related stocks in this report; see table below) has outperformed the MSCI China Index by 23% so far this year 2014. China Mobile officially started to launch 4G services in January 2014. The ramp-up in 4G subscribers accelerated in 2H14 after a slow start in 1Q14. Total 4G mobile subscribers reached 41m by September 2014. Monthly net 4G subscriber addition reached 11m in August, and we believe it is very likely that China Mobile will exceed its 2014 4G subscriber target of 50m before the end of the year. The 4G transition will drive a multiyear handset replacement cycle given the huge 3G and 2G subscriber base in China. Using China Mobile as an

example, 2G and 3G users accounted for 64% and 31% of its total subscriber base of 799m as of September 2014, respectively. Xiaomi will also help to drive 4G adoption with its "low-price/high specification" product offering. The company launched the Mi4, its first 4G Smartphone, in July 2014. The device offers matching or even superior specifications compared to the iPhone 6/6+, but it is priced at just one-third of its Apple counterparts. Xiaomi is likely to ship 60m units of the Smartphone in 2014, and management targets over 60% YoY growth in 2015 to 100m units. Xiaomi was the leader in the Chinese Smartphone market in 2Q14, according to Canalys, with 15m units shipped (+240% YoY). Xiaomi's suppliers will benefit from the ramp-up in shipment momentum. This report also recommends investors avoid downstream China-centric handset brand owners who will be subject to mounting margin contraction risk in this crowded and competitive market (**China Smartphone Sector Report, 2014**).

METHODOLOGY OF THE STUDY

This is an exploratory study to understand if India's smart phones handset sector management is geared up to promote their handsets in India. A comparative analysis was prepared to find out if the Indian smart phones handset companies' management is geared up to promote their handset in India. In the depth of this analysis some handset companies were taken to the outcome with the competitive manner but specially focus on the Chinese handset companies those who are managing this sector with a great strategy and promotional ideas and investing in the world through this segment. The recommendations of the CEO's and researchers also were followed in this analysis who are forecasting about Smartphone handset segment that Chinese handset sector will promote their handset with full fledge strategies and SWOT analysis to capture the Indian market and world's market as well.

ANALYSIS AND DISCUSSIONS

The Smartphones companies (some Indian and Chinese respectively) that are for the study are: 1 Micromax, 2.Spice Digital Limited, 3. Intex, 4. Lava International Ltd., 5. Karbonn Mobiles India pvt ltd., 6. Lenovo, 7. ZTE, 8. Huawei, 9. Xiaomi, 10. OnePlus.

Q.1. CREATING AWARENESS BY ADVERTISING TO HOME-GROWN SMARTPHONES IN INDIA AND ELSEWHERE: Indian Customers are not loyal and appreciating the Indian brands. Spice, Intex, Lava, Karbonn and Micromax (sometimes), are facing very bad position against the competitors. Companies are maintaining very bad relationship with its suppliers and laborers. Offering advanced technology products and positioning itself on the technology platform will not help a company sell its products if it fails to communicate properly with the potential customers. To raise brand awareness and create strong, favorable and unique brand associations. Indian handsets companies should adopt various marketing strategies like celebrity endorsement, corporate advertisements, highlighting its technological superior segments and many promotional schemes because "*Jo Dikhta Hai Woh Bikta Hai*". Indian handsets companies are not involved in aggressive marketing and advertising of its products to develop attitude, create awareness and transmit information in order to gain a response from the target market. Their main advertising channels should include 'media' such as newspaper (such as posters, bus sides, Delhi metro sides). It should try to promote their brand with the SMS advertising also. Sudhir Hasija, Chairman of Karbonn mobile/smart phone, Headquartered in New Delhi indicated "We are very positive towards the acceptability of this next generation of affordable Smartphones and are keen to utilize these critical turnkey solutions to bring quality, budget Smartphone solutions to next-gen Indians". With an intention of becoming a truly Indian yet multinational company, Hasija is all set to make Karbonn a Rs. 8,000 Crore player by the end of the current fiscal.

Q. 2. COMPARING PRICING FACTOR OF INDIAN AND CHINESE HANDSET MANUFACTURING COMPANIES: In competitive markets, Pricing is one crucial element that will decide the fate of a mobile/smart phone instrument. Recent surveys suggested that Indian Mobile Phone manufacturing Companies have gained considerable market advantage and forayed into the MNCs (Multi National Corporations like Nokia, Samsung, Sony Erickson, LG, etc.) markets due to the pricing advantage. This is noticed especially under the Rs. 5000 category. The local companies and Chinese companies are able to give matching features at cheap prices and luring the consumers. Chinese players like Huawei, Xiaomi and ZTE are too exploring the boom in Indian markets big-time with phones in the range of Rs 6,000 or around. As Sanchit Gogia, Chief Analyst & CEO, Greyhound Research asserts "In India, only less than 10% population has access to Smartphones, with a price lower than \$100 or Rs 5,000, it is going to be a common man's Smartphone. That said, price alone does not drive demand. What is missing till now is education on the ground - once Google decides to sell via retail model, more on-the-ground education about AndroidOne will help promote the platform."

Q. 3. PRODUCT DIFFERENTIATION OR FEATURES INDEED PERFORMS A VITAL ROLE IN COMPETITIVE MARKET SECTOR. Product Differentiation or Features plays a main role in consumer decision making. This is clearly evident from the rise of sales of internet mobile/smart phones. Companies that have given access to the net with speed and accuracy are marching ahead in this segment. For example, Xiaomi Mi3 has Category-defying performance, unbelievably low price, excellent battery life, and decent build quality but it has Average camera performance and MIUI skin may not appeal to all. The most popular features other than calling are Music Player (MP3), Internet, Touch Screen, and Dual SIM. Local companies are able to give four SIMs. Most recently, Internet giant Google rolled out AndroidOne phones in India- Karbonn Sparkle V, Micromax Canvas A1, and Spice Dream UNO, priced at Rs 6,399. AndroidOne is an initiative designed to address a nagging problem among earlier entry-priced Android Smartphones, which are said to offer an inconsistent user experience. The emergence of new Indian and Chinese handset manufacturers, who offered smart phones at less than Rs 5000 with some new technical features accordingly, resulted in drop in the prices of handsets in the country. The year 2010 saw sliding market share for the industry leader Nokia, while the other manufacturers like Samsung, LG, HTC and Motorola rolling out new varieties of handsets.

Q.4. IMPROVING CUSTOMER SERVICE FOR HOME-GROWN HANDSET COMPANIES: Unfortunately, Micromax too suffers from the one big folly that ails Indian consumer technology companies—inferior customer support. A few retailers, on condition of anonymity, have said that the customer support of Micromax is bad (in as many words). Micromax's low cost and VFM (Value-for-Money) strategy has got it this far, but if it has to take on the biggies like Samsung and Nokia, customer service is one area the company has to immediately work on. This could be the deal maker or breaker, going forward. While the manufacturer's Limited Warranty sets forth the warranty responsibilities of BlackBerry Limited and its affiliates ("BlackBerry") regarding BlackBerry branded hardware products and accessories manufactured by or on behalf of BlackBerry. While Chinese handsets have no warrantee and guarantee just because of companies do not have their outlets and customer service centre. Its policy in terms of mobile/smart phones segmentation and other products is '*use and throw*' only. Therefore, Indian companies should reform in this sector and can take advantage from this Chinese policy.

CONCLUSION

It has to be observed that apart from pricing, marketing and branding, the following are some crucial areas that are immensely significant in Indian mobile/smart phone handsets industry in terms of defeating competitor markets to achieve its success: First, The key driver of change in the mobile/smart phone handset industry is technology. It is essential to develop unique software capabilities to bring innovative products, which cannot be easily imitated by competition. Second, the observation mainly records all user activities on their Smartphone. Although the main usages such as voice, SMS, MMS, data and applications are recorded, other minor usage such as Bluetooth, Disk storage space, Email, etc. are not well recorded. Although it is only minor usage, but these information are needed to analyze the market segmentation on the perspective of handset manufacturer. Moreover, Additional recommendation for further research is to analyze the interaction and correlation between actors in mobile/smart phones' ecosystem based on the behavioral usage of customers. It is very interesting to see in this observation that one actor in mobile ecosystem can cooperate with other actor to provide better services, therefore it is challenging to study in depth on this type of relation by using customer behavior as the basis of analysis in judging this relation. International phone reviewers have responded positively to Chinese discount Smartphones, favoring the friendly user experience provided at lower prices versus standard Smartphones available today. Boosted by this, Chinese companies Xiaomi, Coolpad, and Lenovo have targeted other developing economies outside of their home country, including India, Brazil and the Philippines. Therefore, India should think about it. Indian handset manufacturers also should show themselves to be aggressive and relatively successful players in the largely under-tapped low-cost Smartphone market with a great promotional strategy.

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YOUNG E-SHOPPERS' PERCEPTIONS ON LEADING ONLINE RETAILERS - WITH SPECIFIC REFERENCE TO E-SERVICE QUALITY AND E-RECOVERY DIMENSIONS

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ABSTRACT

Internet shoppers in India are growing day by day. Though low price and web presence were initially thought to be the drivers of success, service quality issues soon became pivotal in online retailing. When consumers could not complete transactions, products were not delivered on time or at all, e-mails were not answered, and desired information could not be accessed, the viability of web channels was threatened. Apart from e-service quality e-recovery measures are extremely important with online service quality because consumers are just one click away from switching to another e-retailer. Many researchers have focused on Web site interactive quality while ignoring other aspects such as outcome quality and recovery that could have just as much impact on quality perceptions of an online experience. The present study aims at understanding e-shoppers' perceptions on e-service quality and e-recovery dimensions of leading online retailers in India.

KEYWORDS

Internet shoppers, E-tailers, E-Service Quality, E-Recovery, Loyalty.

INTRODUCTION

The emergence of electronic retail market has been rapid in India since the beginning of year 2000. It dramatically expanded its reach (people/location) and range (variety) of information. Initially only companies such as Amazon distributed products and services solely through web channels. Now gradually many companies are creating web channels as sources for prepurchase information (cars, mobile phones) and as alternative ways to buy products. If these channels are to be viable, they must be perceived by consumers as effective and efficient. The retention of an online consumer is difficult and expensive. Online consumers can easily evaluate (and compare) the services offered by various providers and thus switch from one e-tailer to another with ease. Service quality has been shown to promote customer loyalty and retention (Imrie, Durden, and Cadogan 2000), which is important to any retailer, including online retailers. Apart from providing service quality marketer should be good at e-recovery too. Consumers place an important emphasis on the outcome of the service, and if an e-retailer fails to deliver the product or service in the manner desired, then previous evaluations of Web site interactivity will mean very little in the evaluation of e-service quality. Hence E-Service Quality as well as E-Recovery dimensions are equally important to acquire and retain e-shoppers.

REVIEW OF LITERATURE

Previous research on service quality in regards to the Internet has primarily focused on the interaction of the consumer and the Web site (Yoo and Donthu 2001). Such studies provide an adequate framework for measuring Web site interactivity but have failed to look at the broader picture. In fact e-service quality is more than just how a consumer interacts with a Web site. It actually relates to customers' perceptions of the outcome of the service along with recovery perceptions if a problem should occur. A recent study of online failures stated that consumers noted delivery problems as the most frequently stated problem (Holloway and Beatty 2003). Although consumers are concerned about Web site interactivity, the main concern for consumers is the delivery of the desired product or service. In addition, how a service provider responds to a failure is extremely important when a buyer and seller are physically separated. Holloway and Beatty's (2003) online failure study showed that the majority of consumers surveyed were dissatisfied with recovery attempts, and this dissatisfaction affected intentions to repurchase through a specific company's Web site. Research by Zeithaml, Parasuraman, and Malhotra (2002) states that expectations are not well formed in e-service quality. This adds further support that perceptions and reasoned action should be the basis for measuring e-service quality. Research also has demonstrated that 'service recovery' dimension has a direct relationship with factors such as trust, repurchase intention, commitment, and word of mouth, which all play a crucial role in success for e-retailers (Blodgett, Hill, and Tax 1997; Goodwin and Ross 1992; Mohr and Bitner 1995). A company must be able to deal with e-service failure problems when they occur because the resolution of these problems ultimately has an effect on repeat patronage and customer loyalty (Bitner, Brown, and Meuter 2000; Holloway and Beatty 2003).

OBJECTIVES OF THE STUDY

The study primarily aims at understanding e-shoppers' perceptions on some of the e-retail sites. And it also attempts to understand why they perceive the way they do, and understand impact of their perceptions on their loyalty. Most specifically the study objectives include the following:

1. To understand e-shoppers' perceptions on e-service quality of various online retailers.
2. To know how leading e-tailers' e-recovery dimension is rated by internet shoppers.
3. To determine how the above perceptions influenced their patronage with a website.

RESEARCH METHODOLOGY

The nature of study was exploratory, descriptive, and analytical. The study aims at finding customer perceptions on leading internet stores. Review of related literature on e-service quality, e-recovery dimensions, and internet store loyalty and also interactions with various online buyers and non-buyers have given an idea on factors to be considered for analytical study of measuring e-service quality and e-recovery dimensions. Primary data for the study is collected during Nov-Dec 2014. Target audience comprised post graduate students of leading business schools from Hyderabad, where majority do online shopping on a regular basis. Internet users, who have purchased products like fashion and accessories through e-tailers, at least once during the three months previous to the accomplishment of the survey were considered as the population for survey. Out of 234 filled up questionnaires 212 valid responses from e-shoppers were used for the study.

RESULTS AND FINDINGS

The primary data gathered through personal and mail surveys are analyzed in terms of simple percentages and mean scores are calculated for e-service quality and e-recovery dimensions of each online retailer chosen for the study. This helped to identify which retailer scored high on various chosen factors for the study. Respondents were asked to rate these parameters on a 5 point scale. Where 1 is poor, 2 average, 3 satisfactory, 4 good and 5 excellent.

TABLE1: RESPONDENTS' PERCEPTIONS ON E-SERVICE QUALITY OF FLIPKART

Efficiency	System Availability	Fulfillment	Privacy
3.605769	3.615384615	3.60805861	3.65812

TABLE2: RESPONDENTS' PERCEPTIONS ON E-SERVICE QUALITY OF AMAZON

Efficiency	System Availability	Fulfillment	Privacy
2.30405405	2.189189189	3.44787645	3.48648649

TABLE3: RESPONDENTS' PERCEPTIONS ON E-SERVICE QUALITY OF JABONG

Efficiency	System Availability	Fulfillment	Privacy
3.35	3.583333333	3.31428571	3.333333

TABLE 4: RESPONDENTS' PERCEPTIONS ON E-SERVICE QUALITY OF MYNTRA

Efficiency	System Availability	Fulfillment	Privacy
3.864583	3.854166667	3.73809524	3.25

- Above tables clearly depict that on web-site efficiency parameter except Amazon all other retailers scored between 3-4 on a 5 point scale. Which meant, these e-sites are simple to use, informative, loads their pages fast, and sites are well organized.
- System availability meant, the site is always available for business, the sites launches and runs right away, the site does not crash, and pages on site do not freeze. On this particular parameter too except Amazon all the other 3 sites were perceived to be good.
- Fulfillment meant that the e-retailer delivers orders when promised. All the 4 e-shops chosen for the study perceived to be good on fulfillment.
- Privacy and Security meant protection of information about e-shoppers' web-shopping behavior, site protects information about the customers' credit card and symbols and messages that signal the site is secure are present on e-retailers' website. All the chosen e-retailers did score more than 3 on 5 point scale, which meant customers are more than satisfied with the privacy and security provided by these websites.

TABLE 5: RESPONDENTS PERCEPTIONS ON E-RECOVERY DIMENSIONS OF FLIPKART

Responsiveness	Compensation	Contact
2.317647059	2.352941176	3.90196078

TABLE 6: RESPONDENTS PERCEPTIONS ON E-RECOVERY DIMENSIONS OF AMAZON

Responsiveness	Compensation	Contact
3.385714286	3.142857143	3.42857143

TABLE7: RESPONDENTS PERCEPTIONS ON E-RECOVERY DIMENSIONS OF JABONG

Responsiveness	Compensation	Contact
3.933333333	3.833333333	3.66666667

TABLE 8: RESPONDENTS PERCEPTIONS ON E-RECOVERY DIMENSIONS OF MYNTRA

Responsiveness	Compensation	Contact
2.73	2.53	2.28

The above four tables clearly depict that Jabong scores very high on responsiveness, compensation and contact the three important factors that induce e-recovery. And Amazon too is considered to be good at recovering its dissatisfied customers. But Flipkart and Myntra have scored low on e-recovery dimensions. To understand the impact of customer perceptions' of e-recovery dimensions on their repeat patronage, loyalty index of these e-shoppers is measured on a 5 point scale. They were asked to rate how likely will they spread positive word of mouth communication on a specific website, how likely will they recommend a site, how likely will they encourage friends, and how likely are they going to do future business with the website.

- Of the respondents 81% for Jabong, 79% for Amazon, 54% for Flipkart and 52% for Myntra were ready to spread positive word about their online shopping experience.
- More than three fourth of the respondents were ready to recommend Amazon and Jabong. But only approximately 40% of respondents are ready to recommend Flipkart and Myntra. And similarly a good majority is ready to encourage Amazon and Jabong over Flipkart and Myntra.
- 95% of Amazon, 91% of Jabong customers are ready to patronize with these sites, but only 66% of Flipkart customers and 62% of Myntra customers are ready to repurchase on these sites.
- There is a clear indication from the above facts that the higher the customers' satisfaction on e-recovery dimensions the greater the chances of customer loyalty with the website.

RECOMMENDATIONS

Mounting business and academic evidence demonstrated a widespread lack of Previous research on e-service quality have focused on Web site interactive quality while ignoring other aspects such as outcome quality and recovery that could have just as much impact on quality perceptions of an online experience. Based on present study the following recommendations can be made to these leading e-retailers:

1. Communication between the online retailers and its users is a major determinant of consumer trust. When an e-shopper faces a problem with outcome quality of his online experience, there should be a ready mechanism to fix the issue. The customer has to be heard. Online chat with the customer service executive, an immediate reply to the complaint made by him meant a lot to the dissatisfied customer. Jabong and Amazon customers are happy with these mechanisms. But Flipkart was considered to be not so responsive, when customer had an issue to complain.
2. Liberal return policies of Jabong were well acclaimed by customers. But Flipkart scores low on the same. Especially for goods like apparel, if there is a free return policy it would put the mind of any customer at ease as this enable the customer to treat the website like any regular offline store where he can return the product if it is not up to the expected standards.
3. For majority of online shoppers price is the most important factor in drawing them to a site. Flipkart prices were considered to be high for fashion and personal accessories. Just because the site is attractive does not mean e-shoppers are likely to come back. It is necessary to attract them with low prices when compared to competitors.

SCOPE FOR FUTURE RESEARCH

To improve the sample and chances of surveying more consumers in the internet population, future researchers might consider obtaining a national random sample. The sample chosen for study comprised of only students aged around 22-27 years. Expanding the sample to other generations would allow intergenerational comparisons to be made. Further research could explore the impact of variable such as personality traits on the customer's decision to with his or her current service provider.

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AWARENESS ABOUT AVAILABILITY OF EDUCATIONAL LOANS FOR HIGHER EDUCATIONAL PROGRAMMES AMONG THE PU STUDENTS OF BANGALORE CITY

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ABSTRACT

The objectives of this paper is to study the practices followed in selecting the beneficiary student for grant of education loan for pursuing higher studies in Bangalore; problems faced by applicants; background of the problematic borrowers and steps taken to overcome the problems in getting loans. This research paper uses statistical analysis. From the analysis it can be concluded that a student pursuing higher professional courses is more likely to get education loan. Similarly, banks prefer giving loans to students seeking admission in government owned/approved institution. However, there does not seem to be any discrimination between students with or without prior work experience, for getting education loan. This paper is useful to aspiring students

KEYWORDS

Approved institution, Banks, Education Loan, and Government owned.

INTRODUCTION

Education is the process of instruction aimed at the all round development of individuals, providing with necessary tools to participate in day to day activities of the world. It dispels ignorance and boosts moral values in the individuals. It forms the basis for lifelong learning and inspires confidence to face challenges; besides providing skills to become more self reliant and increases awareness. Education not only impacts the human development and economic growth, but is the fundamental requirement of democracy. Through education, people become more responsible and informed citizens, and can voice their concerns and issues in political system of their society. It is an essential element for democracy and eradicating poverty. It also helps people in improving productivity, thus playing greater roles in economic life and earning a better livelihood for themselves and the society. Therefore, education is the key, which allows people to move up in the world, seek better jobs and ultimately succeed in their life. In India, getting education has been a big problem since long. A small minority in the elite class get access to excellent education facilities; whereas the poor practically get no education at all. One main reason for inadequate access to education in India is the high cost of education and lack of access to funding higher education. This has further led to the students looking for funding their higher education from external sources, like government and private sector banks, to meet their high education expenses. But this is easier said than done. Not all the students are fortunate to get the benefit of educational loans from banks. This not being a profitable business idea, the banks are reluctant to extend the study loans.

REVIEW OF LITERATURE

Human Capital Theory and Students' Loans Barr (2009) argue that according to Human Capital theory expenditure on education is treated as an investment and not as a consumer item. An individual acquires this human capital in schooling and post-school investment and on the job training. Efforts are made in Tanzania to encourage cost sharing and loan scheme in order to increase number of educated people because it is believed that highly trained and skilled manpower is the pivotal element for real development and the government is undertaking this approach because it believes in human capital theory, (Ishengoma, 2004). Robbins (2009) also argues that organization can survive without other resources, but they cannot survive without people. For organizations to achieve good end result, much of the investment must be directed on human being. Students' loans will encourage more students to get education through increased enrollment, loan recovery should be emphasized in order to finance other needy and qualified students, guidelines and selection criteria should be effective for the success of the students' loans in financing higher education in Tanzania.

According to Somers et al (2006) more families are relying on students' loans to finance their children's higher education, which is especially true in Tanzania. Therefore students' loans finances in Tanzania is successful in its operations as it increases enrollment among students, there is presence of a sound guidelines and criteria also there is availability of revolving fund obtained through repayment of already issued students' loans.

Varghese (2006) continue to argue that Kenya has a long history of experimenting cost sharing in higher education, it started in 1952 when loans were given to students to study abroad, whereby students started getting bursaries and grants in 1963.

According to Woodhall (2002a) the government introduced the university students' loans scheme, managed by the ministry of education in 1974 to take care of the increased demand in higher education but there were no recovery due to lack of legal framework.

Johnstone (2006c) argue that the Kenyan government established the higher education loans board (HELB) in 1995 with mandate to disburse funds and recover the outstanding loans since 1952 so as to create a viable revolving fund, which could generate substantial turnover through interest to be lent to the needy students so as to ease pressure on the national educational budgets.

SCOPE OF THE STUDY

Education has become a costly affair recently. The problem of finance, which prevails among the students, is solved the financial institutions by granting the educational loan. The study has been approached from the point of view students/customers in Bangalore, who intended to avail the education loan. The study discusses on detail about the awareness among the students to borrow their money from financial institutions. The financial institution's is one of the biggest providers of the educational loan. The basic purpose of this study is to identify the availability of Educational loan and give suggestions for improving the bank services among the students.

OBJECTIVES OF THE STUDY

1. To study the students perception towards education loan with respects to their loan features.
2. To compare the students perception towards education loan with respect to their gender.
3. To know the reasons for taking the education loan in Bangalore city.
4. To study the personal profile of the respondents.
5. To understand the satisfaction level of the respondents in availing education loan from financial institutions.
6. To assess the role of medial in creating the awareness of higher educational loans.

METHODOLOGY FOR SAMPLE SELECTION AND DATA COLLECTION**SOURCES OF DATA**

The study is based on primary data collected from 200 students from various colleges, by the way of questionnaire. Random Sampling Technique was applied and Statistical tools like Percentage Analysis and Graphs were carried out. The findings are given in the following paragraphs.

HYPOTHESES

H1: There is no significant difference between the students perception towards education loan with respects to their loan features.

H2: There is no significant difference between male and female students perception towards education loan.

DATA ANALYSIS AND INTREPRETATION**TABLE 1: PERSONAL INFORMATION**

Particulars	Particulars	No. of students	% of students
No. of boys	140	140	70
No. of girls	60	60	30
Age	16-19 yrs	200	100

Source: Primary Data

Table 1 shows the distribution of the respondents based on number of boys and girls and their ages.

TABLE 2: TYPE OF COLLEGES

Type of college	No. of colleges	% of colleges
Arts and science college	20	33.33
Polytechnic college	15	25
Commerce college	25	41.67
TOTAL	60	100

Source: Primary Data

The above table no 2 reveals that, among the selected samples 33.33% of the students are in Arts and Science colleges, 25% of the students are in Polytechnic colleges and the remaining 41.67% of the students are in Commerce College.

TABLE 3: NATURE OF COLLEGE

Type of college	No. of colleges	% of colleges
Government college	15	37.50
Aided college	05	12.50
Private college	20	50
TOTAL	40	100

Source: Primary Data

The above table no 3 portrays that, among the selected sample students 37.50% of the students are from Government Colleges, 12.50% of them from Aided colleges and remaining 50% of the students study in Private Colleges.

TABLE 4: TABLE SHOWING THE INTEREST RATES FOR HIGHER EDUCATIONAL LOANS OFFERED BY VARIOUS BANKS IN INDIA

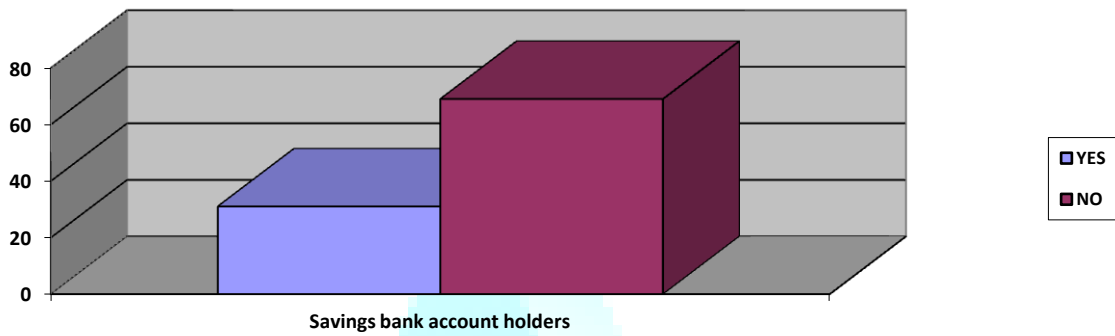
Sl. no	Name of the bank	Rate of interest (%)		
		Up to 4 lakhs	4 to 7.5 lakhs	Above 7 lakhs
1	State of Bank of India	13.35	13.60	11.60
2	Bank of Maharashtra	12.75	12.25	11.50
3	DHFL Bank	11.50	11.50	11.50
4	Bank of India	Boys:13.20 Girls:12.20	Boys:13.20 Girls:12.20	Boys:12.70 Girls:11.70
5	Catholic Syrian Bank	12.00	12.50	12.50
6	Corporation Bank	11.85	12.85	12.35
7	HDFC Bank	11.75-13.25	11.75-13.25	11.75-13.25
8	Indian Over Seas Bank	12.25	13.50	13.25
9	OBC Bank	12.75	13.25	12.00
10	Tamilnad Mercantile Bank	14.25	14.25	13.75
11	United Bank of India	12.00	12.75	12.00
12	Axis Bank	Boys:17.15 Girls:16.15	Boys:17.15 Girls:16.15	Boys:17.15 Girls:16.75
13	Central Bank of India	Boys:12.25 Girls:11.75	Boys:12.25 Girls:11.75	Boys:12.25 Girls:11.75
14	Dena Bank	11.80	11.80	11.80
15	IDBI Bank	11.25	11.25	11.25
16	Karnataka Bank	Boys:13.50 Girls:13.00	Boys:14.00 Girls:13.50	Boys:14.00 Girls:13.50
17	Punjab National Bank	13.25	14.25	12.25
18	UCO Bank	12.70	12.70	12.45
19	Bank of Baroda	12.75	12.75	12.00
20	Canara Bank	12.50	13.50	11.25
21	City Union Bank	Boys:15.50 Girls:15.00	Boys:16.50 Girls:16.00	Boys:16.50 Girls:16.00
22	Federal Bank	13.45	13.45	13.45
23	Karur Vysya Bank	Boys:14.00 Girls:13.50	Boys:14.00 Girls:13.50	Boys:14.50 Girls:14.00
24	Indian Bank	12.50	12.50	12.50
25	Union Bank of India	Boys:12.25 Girls:11.75	Boys:12.25 Girls:11.75	Boys:12.00 Girls:11.50

Source: <https://www.myloancare.in/education-loan-interest/> [Accessed on 11th July, 2015]

TABLE 5: TABLE SHOWING THE NUMBER OF STUDENTS HAVING SAVINGS BANK ACCOUNT

Particulars	No. of students	% of students
YES	62	31
NO	138	69
TOTAL	200	100

Source: Primary Data



From the table 5, it shows that only 31% of the PU students have a Savings bank account, which clearly implies that majority of them do not have an account.

TABLE 6: AWARENESS OF THE BANKS PROVIDING EDUCATIONAL LOANS FOR STUDENTS TO CONTINUE THEIR HIGHER EDUCATION

Particulars	No. of students	% of students
YES	116	58
NO	84	42
TOTAL	200	100

Source: Primary Data

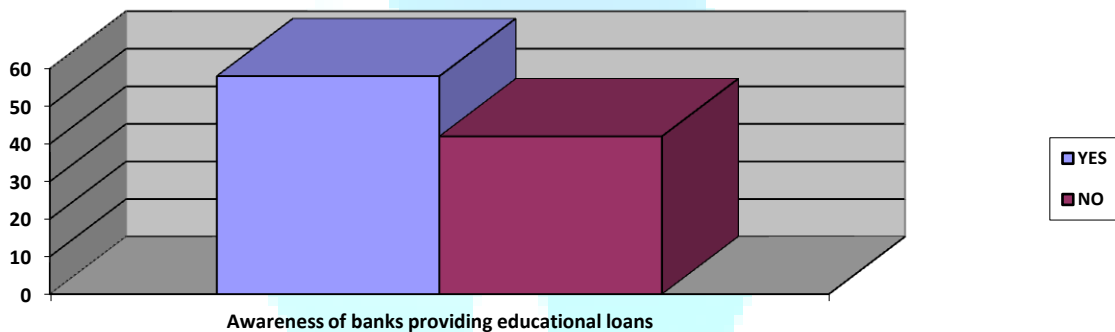


Table 6 shows though 58% of the students are aware, there need to be awareness created about availability of loans among the major student segment.

TABLE 7: AWARENESS OF ANY BANKS THAT PROVIDE EDUCATIONAL LOANS

Particulars	No. of students	% of students
YES	60	30
NO	140	70
TOTAL	200	100

Source: Primary Data

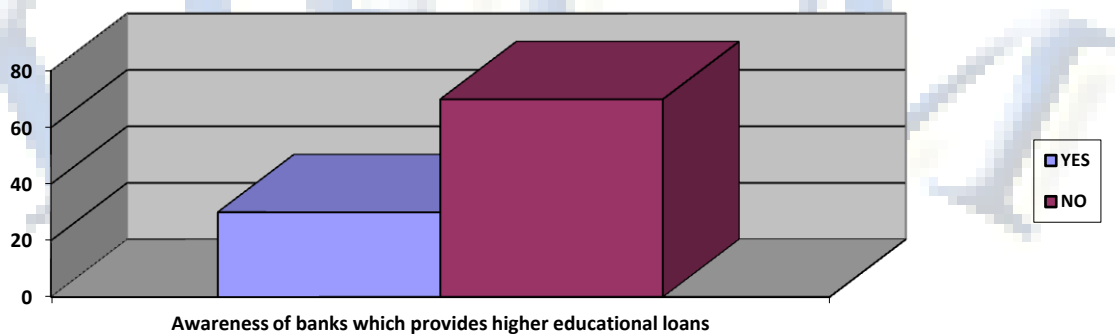


Table 7 shows that only 30% of the students have the required information about the banks providing loans. Majority of the students do not possess adequate information about the banks providing loans.

TABLE 8: AWARENESS OF THE SECURITY REQUIREMENTS TO AVAIL A BANK LOAN

Particulars	No. of students	% of students
Completely aware	08	04
Partially aware	82	41
Not aware	110	55
TOTAL	200	100

Source: Primary Data

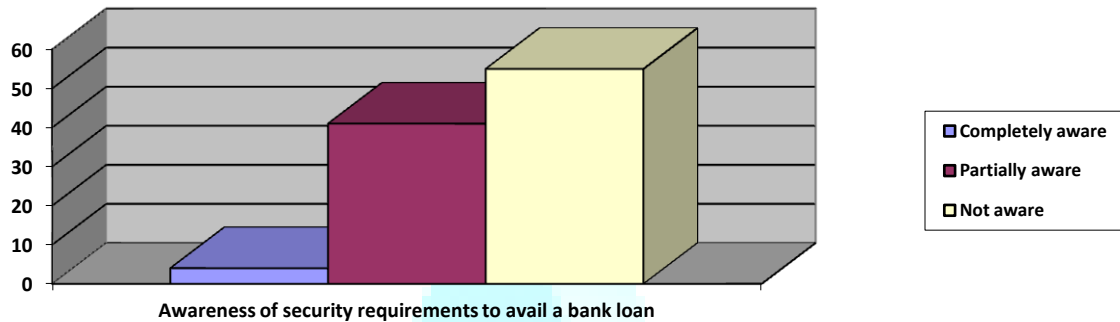


Table 8 shows that majority of the students have little information about the securities to avail the bank loan. So banks need to make an effort to emphasize more on providing relevant information regarding the securities.

TABLE 9: INFORMATION ABOUT THE PROMOTIONAL TECHNIQUES PROVIDED BY BANKS

Particulars	No. of students	% of students
News paper	26	13
Word of mouth	56	28
Pamphlets	98	49
Internet	20	10
TOTAL	200	100

Source: Primary Data

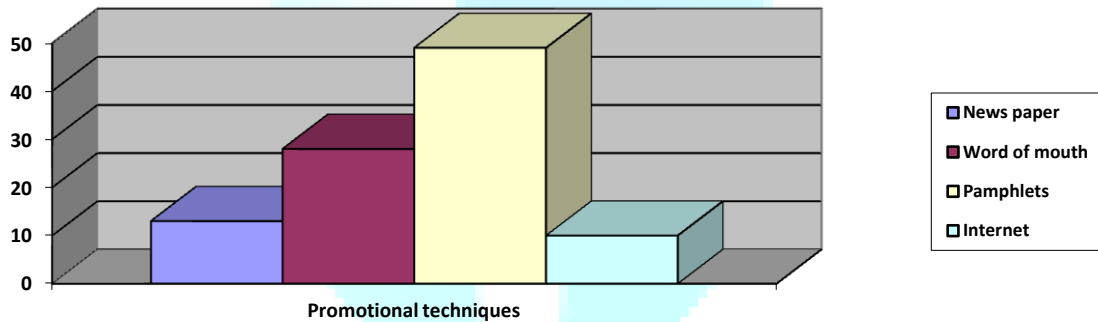


Table 9 implies the major source of promoting is through pamphlets and hence banks need to improvise more on this strategy. Apart from this they need to work on various other promotional strategies.

TABLE 10: REASONS FOR EDUCATIONAL LOANS

Particulars	No. of students	% of students
Financial constraints	48	24
Self Study	134	67
Family constraints	18	09
TOTAL	200	100

Source: Primary Data

Table 10 implies that 67% of the students opt for self study, which clearly implies that they want to be independent. Banks should take this as an opportunity to promote or come up with various loan schemes.

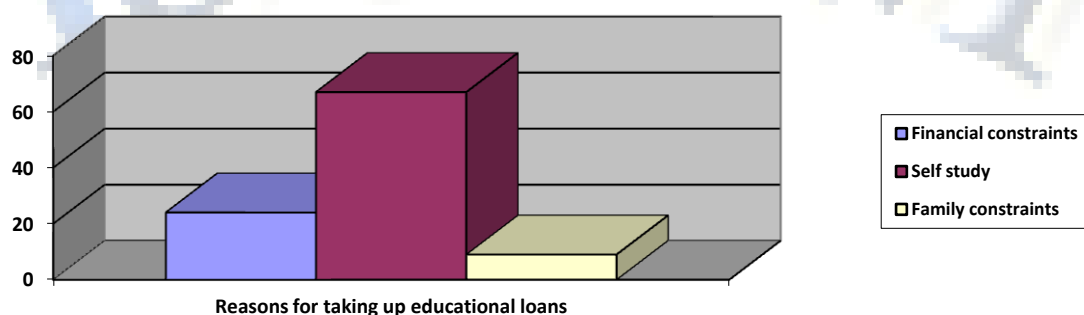


TABLE 11: INCOME LEVEL OF YOUR PARENTS PER ANNUM

Particulars	No. of students	% of students
Below 2 lakhs	86	43
2 lakhs to 5 lakhs	82	41
5 lakhs and above	32	16
TOTAL	200	100

Source: Primary Data

Table 11 shows that most of the students come from lower income levels and so would definitely opt for educational loans.

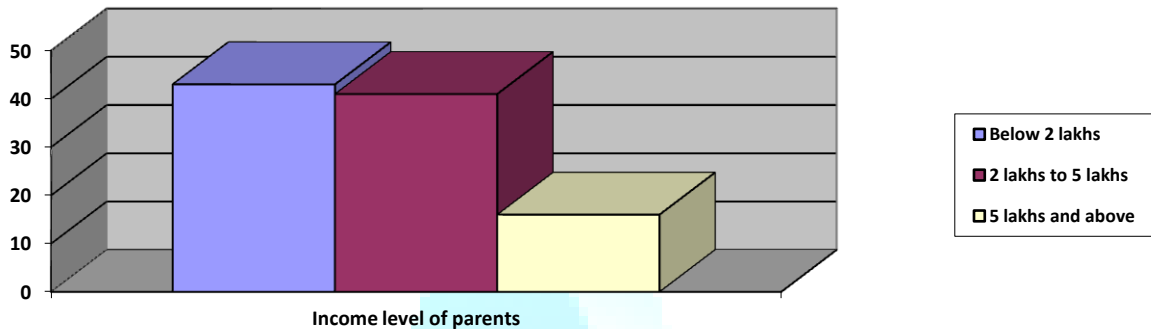


TABLE 12: TYPE OF BANKS PREFERRED BY THE STUDENTS TO AVAIL THE EDUCATIONAL LOAN

Particulars	No. of students	% of students
Private banks	34	17
Nationalized banks	152	76
Foreign banks	14	07
TOTAL	200	100

Source: Primary Data

Table 12 clearly shows that 76% of the students prefer nationalized banks compared to private banks. So private banks need to emphasize more on some loan schemes especially for students.

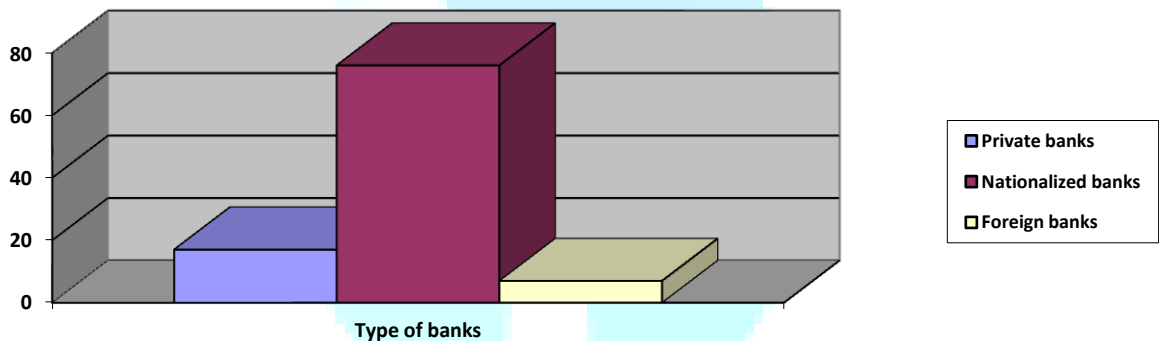


TABLE 13: AWARENESS OF THE INTEREST RATES ON EDUCATIONAL LOANS

Particulars	No. of students	% of students
YES	54	27
NO	146	73
TOTAL	200	100

Source: Primary Data

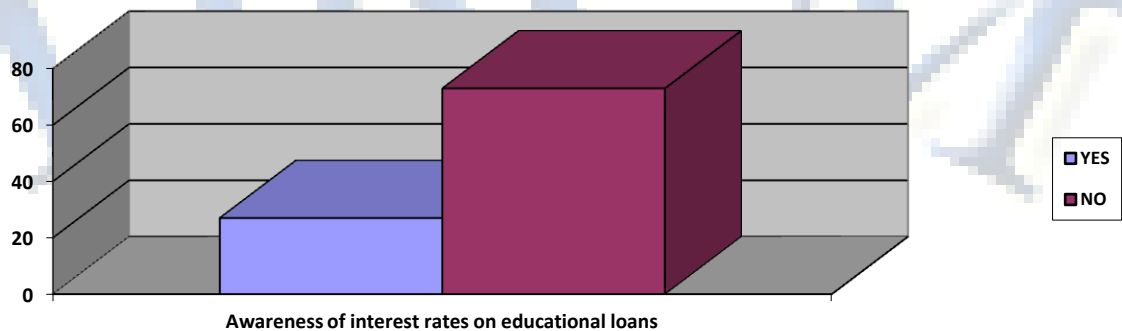


Table 13 shows that majority of the students are unaware of the interest rates on the loans. So banks need to educate on interest rates in their advertisements.

TABLE 14: AWARENESS OF THE REPAYMENT MODE OF LOAN

Particulars	No. of students	% of students
YES	62	31
NO	138	69
TOTAL	200	100

Source: Primary Data

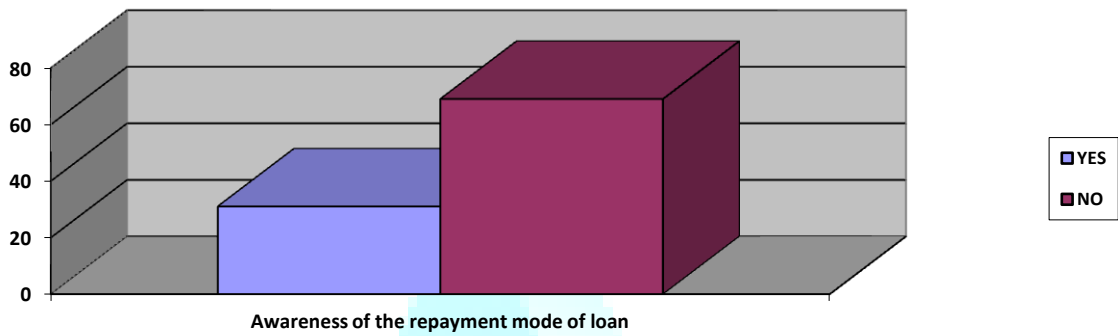


Table 14 shows that majority of the students are unaware of the repayment mode. Banks need to provide information on this.

TABLE 15: STUDENTS SHARING THE INFORMATION OF AVAILABILITY OF LOANS WITH THEIR FRIENDS

Particulars	No. of students	% of students
YES	160	80
NO	40	20
TOTAL	200	100

Source: Primary Data

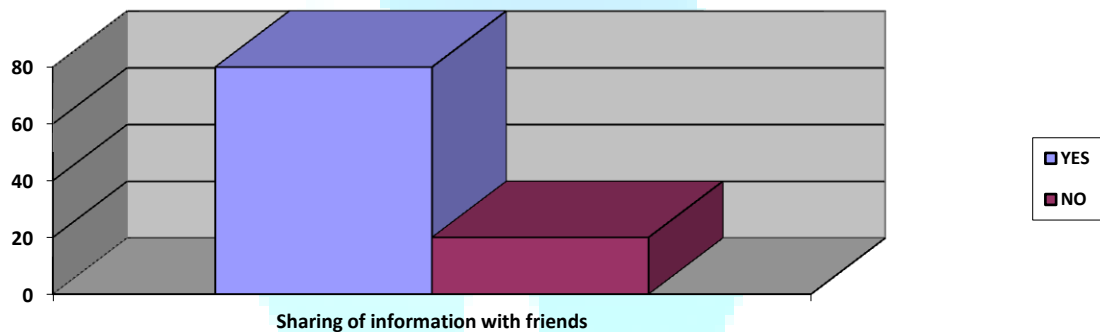


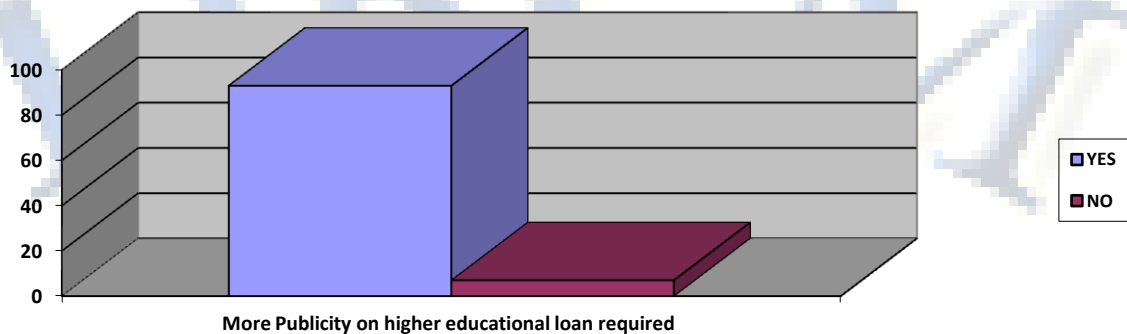
Table 15 shows that one of the major sources of promoting is through word of mouth and hence banks must have a good relationship with their customers. And they also need to provide good customer service to create a good will in the market.

TABLE 16: PUBLICITY ON THE HIGHER EDUCATIONAL LOAN FACILITIES BY BANKS

Particulars	No. of students	% of students
YES	186	93
NO	14	07
TOTAL	200	100

Source: Primary Data

Table 16 shows that only 7% are aware of the educational loans but majority of the students need more information about higher educational loan facilities.



FINDINGS

From the data collected, it may be concluded that:

1. Respondents from the city of Bangalore said that they always prefer bank whenever they require loan for education purpose.
2. Respondent shows that rate of interest highly attracted them. They prefer first of all, low interest rate.

3. There should be flexibility in mortgage.
4. Eligibility criteria should be based on need as well as merit.
5. Disbursement of loan should be starting after completion of loan or after joining a job, whichever is earlier.
6. Value addition services are also accepted by students. They attract the students for getting loan, because like other product and services customers prefer those products which offer extra benefit.

SUGGESTIONS

1. The procedure of getting loan should be made easy to students.
2. The rate of interest should be low.
3. To encourage higher studies disbursement should be flexible.
4. The banks should come up with various promotional tools and techniques.
5. The banks should provide more information regarding the securities and about the repayment mode to the customers.
6. The private banks needs to emphasize more on providing educational loans.

CONCLUSION

Financial resource crunch has often staved off the middle class Indian student from higher education. To add insult to injury, the fee hikes announced by premier institutes from time to time, have made quality education a distant dream for deserving youngsters with monetary disadvantage. Experts believe that getting a loan sanctioned by a bank, whether it is to pursue a degree abroad or from a premier institute in India is not difficult for a meritorious student. Banks have various education loan schemes for higher studies in India. They prefer giving loans to meritorious students in order to be doubly sure that the applicant will not turn into a defaulter. Thus, stringent checks about both the academic background of the student and the credibility of the institute that he or she is applying to are undertaken to avoid any trouble. Similarly, students seeking admission in unapproved institution has less chance of getting education loan. Banks do not seem to be discriminating too much between a student with prior work experience and a fresher. Available literatures reveal that default rate on education loan is a perennial problem across globe; especially, when the students leave the country for pursuing higher studies abroad, the risk of default increases further. Here, the student's annual family income plays an important role in determining, whether he is extended education loan or not. In such cases either of the parents is made the co-borrower, thus drastically reducing the chances of default. Further analysis revealed that private banks do not prefer giving education loan. Interest rate on these loans is very low, even lower than the prime lending rates. Low lending rates coupled with higher risks of default does not make it a sound business model; hence the reluctance. However, the government is bound by political agenda to increase expenditure on education sector and promote higher education. Hence, the public sector banks being under the control of government do not have an option, but to extend loans to students. This helps it, in working closely with the students and their parents to try and design appropriate education loan program for them. Thus, it can be concluded that a student is more likely to get education loan if he approaches a public sector bank. Additionally if the student has a higher family income and plans to pursue higher professional study from a government owned / approved institution the chances of getting educational loan is phenomenally higher.

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FACTORS THAT MAKE THE DIFFERENTIATION IN THE SERVICE SECTOR

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MYSORE

ABSTRACT

The promotion of economic activities offered by a business to its clients. Service marketing includes the process of selling telecommunications, health treatments, financial, hospitality, car rental, air travel, hair cut, counseling by lawyers and professional services. If we take any of the areas mentioned or otherwise, there will be services factor included in this. Some long years back, the service factor for only found more evidently in the industrial goods than fast moving consumer goods or perishable items. A few decades back of what services used to be for the high involvement products & that which has a low brand differentiation, has now started emerging even in the convenience goods & eatables. The growth in the competition & the technology saturation has given rise to the demand in the services factor in more or less every industry today. The differentiation was a part of the marketing before & also in the present context. But in the present marketing strategy, the organizations have to rely mostly in the way they offer services of their products in short & at large to the customers. As one of the popular saying goes "history repeats"- the companies have to sustain the present competition with service differentiation. The fact that the technology improvement goes hand-in-hand with service aspect, is evidently seen in the recent time because of fast changing requirement of customers expectation.

KEYWORDS

Service sector, service marketing.

INTRODUCTION

The historical perspective in the late-eighties and early-nineties, focused on creation and possession of wealth. Classical marketing executive's contended that goods were objects of value over which ownership rights could be established and exchanged. Ownership implied tangible possession of an object that had been acquired through purchase, barter or gift from the producer or previous owner and was legally identifiable as the property of the current owner. This barter exchange very slowly started with intangible things adding to the product.

Services marketing according to "American Marketing Management" is defined as the process of conceptualization of ideas goods & services which create exchange & that satisfy the individual & the organizational goals. India from the larger perspective has been fast changing & an ever growing market or economy. The features that the Indian market is concentrating more are the people, process & the physical evidence which are a very important factor for the success of the organization. The only reason being the ever changing requirement of customer's requirement & a cut-throat competition.

CONTENTS

The business at large and more so the marketing activities start with the product, price, place & promotion. These are called the 4 P's or the marketing mix. It is evidently seen that these 4 P's are good for the tangible products but the service sector requires professionalism in terms of the kind of training given to the people (employees), process (fastness) & the physical evidence (brochure), the main reason being the intangibility characteristics in services industry in the initial stages of creating awareness in marketing, the organization used to give advertisement & in today's world, no doubt that it is one of the major successful formula, but this might just not be sufficient to have competitive advantage. Therefore, the companies would have to concentrate on the kind of training that it imparts to the employees, the fastness in work that it has & to show the people with brochure as physical evidence. These 3 P's actually become important for the competition. As such understanding the minds of the customer is difficult because, customer's mind is a black box, cannot find out what's running in the minds of the customers as such. Therefore, it is said in services marketing that "instead of being a part of the problem, it is better to be a part of the solution". You should always make the first conversation comfortable so that half the battle is actually won in the beginning. Some of the examples are the hospital industry, the hotel industry, insurance sector, manufacturing sector etc.. Customer's requirement mainly depends on the literacy level, either from the previous usage & looking for further improvement or from the technology itself. Services have become a part and parcel of the everyday's ever changing demand and challenge for the organization. The categories mainly depend on the brand differentiation or the involvement. It is like a high involvement product with low differentiation requires the expertise of the company's personnel sensitizing the nuances of its working. This can be understood in the context of somebody how knows how to drive a car, looks to be good but when it comes to drive a premium segment car's like Audi, it requires the company executives to actually make the customer learn the sensitive issues connected to its working. The significance of this is so much, without which many of the features in the car might not be utilized. One of these features are like, if the driver is wearing the seat belt, then only the air bags on all the other seats open during any untoward incidents. If the seat belt is unplugged by the driver, the balloons don't open at all. This may look to be a small example of feature utilization but every thing happens, only when something goes wrong, till such time everything looks to be fine. This is one of the features, but there are many high intensity features like the micro-chip induction in the suspension for the sensitivity of the traverse of the dampers and its utilization. Some of the points mentioned above are so very important that it never takes the significance due to the characteristic of intangibility. Services are intangible economic activities offered by one party to another. Often time-based, performances bring about desired results to recipients, objects, or other assets for which purchasers have responsibility. In exchange for money, time, and effort, service customers expect value from access to goods, labor, professional skills, facilities, networks, and systems; but they do not normally take ownership of any of the physical elements involved. Even though the quality of the services cannot be defined or measured, an attempt should be made to ensure that a tracing of a good service is provided. At the same time, there should be a balance between how much of money is being spent on it and also the returns of investment, either in the form of straight away the money or it can also be in the form of customer loyalty. Marketing should look towards more of multiplication rather than addition. Even though addition of customers is important in the beginning, attracting the customers through service multiplies. Especially it looks to be evident in the hotel industry when connected to food, you are not sure of the quality of food that is being provided or the quantity. If we look at this little deeper, even the calories that is being served should also depend on the personality of the individual. India in the recent past has become diet conscious and the mix of the food items all depend on the preference of the customers like the north Indian thali or the south Indian thali which contains more of the chapathi and rice respectively. It is said that once lost customer is lost for ever, therefore concentration on the services will multiply the same.

According to the survey conducted, there can be many factors that are considered to find the satisfaction of the customers to that particular hotel starting from parking of the vehicle to the quantity. Typically two factors namely the quantity & the price in a small hotel located at Mysore is taken for the study & the inference is as follows:-

X represents number of people acknowledging for quantity & Y represents price in rupees. The data so collected is through questionnaire distributed to the customers in Mysore Karnataka. The same is depicted in the form of a tabular column.

TABLE 1

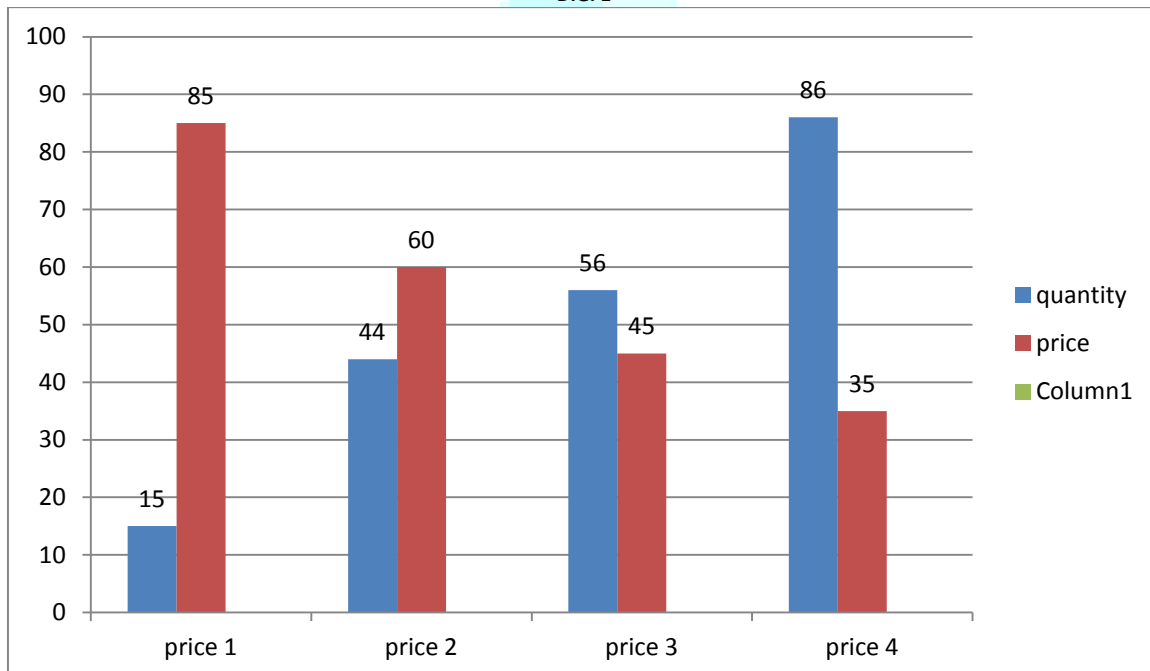
X Value	Y Value	X*Y	X*X	Y*Y
15	85	1275	225	7225
44	60	2640	936	3600
56	45	2520	3136	2025
85	35	2975	7225	1225
200	225	9410	12522	84075

Now, Substitute in the above formula given.

$$\begin{aligned} \text{Correlation}(r) &= \frac{N\sum XY - (\sum X)(\sum Y)}{\sqrt{[N\sum X^2 - (\sum X)^2][N\sum Y^2 - (\sum Y)^2]}} \\ &= \frac{(4)(9410) - (200)(225)}{\sqrt{[(4)(12522) - (200)^2][(4)(84075) - (225)^2]}} \\ &= \frac{37640 - 45000}{\sqrt{[50088 - 40000][336300 - 50625]}} \\ &= \frac{-7360}{\sqrt{10088 * 285675}} \\ &= -.134 \end{aligned}$$

The number above signifies that the quality & price does not have a strong correlation. Further it is that the permutations & combinations of quantity & price would take a deeper study, in the sense that few of the possibilities are one being customers in Mysore are looking at same quantity but may be at a lesser price or another possibility is that, they may be ready to pay little more higher but require a much better quality. The negative correlation in the calculation is a far stronger evidence for the same.

DIG. 1



According to the graph, the demographical characteristics are no different from that of the normal consumer behavior. As the price of the food increases, immaterial of the quality of food, the number of customers & the hotel preference is definitely selective. If we look at the last histogram, as the price reduced, the number of customers increase. But as all ways, the quality of the food is always questionable even though. As such, in any food related industry, it is very difficult to measure the justification of the quality of food & for the kind of price that is being paid. If we go little deeper into the subject of food, the quality of food is measured in terms of calories that is available for the price that we pay. But it is difficult to measure the calories. One other factor is that the price of perishable items fluctuates every day & the same cannot be changed in the menu so frequently. All that may differ mostly likely is that of the quantity of the food but even that also cannot be changed to such an extent, that it is noticeable. Having an understanding of its inventory, because vegetables being the perishable item, maintaining the consistency is far more a challenging task and many questions turned unanswered. That may be the reason for the graph showing its concentration of quantity and quality at the middle giving indications that, it is value for money. At the same time the correlation analysis shows that a negative relationship between quantity of food to price, meaning the two extremities of price being too high or price being low are not acceptable by the local customers. Else where, the market responses might be different with the graphical structure and behavior also. Therefore, customers here are not looking at quantity & price as a factor for their responses. In any case the hotel industry as such is quite lucrative and customers might probably be looking for some other factors. These are the indication of the change in the preference of the customers & the industry or the individuals business houses should react, so does the likes and preferences.

EXAMPLE

A) FEDERAL EXPRESS

Is a courier company delivering the post across the globe. One of the unique features of its operations are that as soon as the customers entry & an invoice is raised, an customer id & password is given, through which the customers can access & trace the actual location, path of the courier movement, including the signature of the person who took the delivery of the courier. According to statistics, 30% of the couriers never used to reach the designation. What if this 30% has a Pareto effect. The loss in this can be so huge that the multiplication factor reduces & there might be a day when there are hardly any takers for courier. Fed ex took this opportunity & made the best use & also a huge difference in terms of security & satisfaction.

B) AUTOMOBILE SECTOR

It is common now-a-days that customers are aware of the products, many a times much better than the companies executives, and it is also true that it's just not only sufficient to create awareness but also services are equally important. If we look at the statistics & analyses, today most of the automobile companies are spending money on services than marketing, such as offering free driving classes, pick & drop facilities of vehicles for engine overhauling, warranty coverage, free insurance, some accessories free etc. In this case, the importance is given more for the process, because customers would mostly want to see the procedure rather than the people or for that matter the physical evidence.

C) DOMINOS PIZZA

Dominos pizza has an edge over its competitors because of the kind of training that it has given to the employees, may be in the form of welcoming the customers during the time of taking orders. Another in its features, is the delivering the pizza with in 30 minutes, or else the delivery cost would be exempted. Rest assured that customer would get it with in the stipulated time. Hence the company has atleast 4-5 outlets in a city & it becomes easy to deliver within a stretch of 4 kilometers & might just take about half-an-hour.

D) TRANSPORT INDUSTRY

In the supply chain management, some companies like friendly logistics, Asia transportation management, Vijayananda road transports, DHL, TNT express, safe express, Blue Dart etc have connected with RFID (radio frequency identification) to its transport facility. As such, when the transport vehicles leave the station, it can be traced through the distance of which place it has reached after some time& when exactly it would reach the destination. In this case, it is the physical evidence in term's of the print out , which can be shown to the customers (retailers). It is like buying peace, when crores of business is happening. SCM has become more applied & important in the recent time.

E) TOURISM INDUSTRY

A tour package is less risky as compared to individual tourist places. In the recent past companies like Thomas &cook, BITS, Hot wheels etc., would take all the responsibilities of picking the customers from the spot, taking them to the tourist sports (accommodation included) & bringing them back to the same place has picked market & it is more of hassle free. Every procedure is taken care by the company. In other words, it is also called as package tour. Here all the 3 p's are of equal importance name the employee (people) have to be trained well to show courteness, the process should go smoothly & also they have to show the destination in the photo form.

CONCLUSION

The increase in the professionalism in almost every sector & especially the service sector has become so competitive, that unless otherwise, these features are added to the core working pattern, the success of the company will be at stake. The pattern of service emerging from this industry is in transition phase & will take some concrete shape in the days to come. Some of the organizations like the café coffee day has trained employees to treat the customers with salutation in the beginning because the punch line of CCD itself is "lot can happen over a cup of coffee", this is one such instance where, the important meeting of business people take place & thereby the chance of the same customers coming back to the shop also increases. In turn this helps in developing customer relationship management (CRM). In today's perspective, the companies are fighting hard to develop the loyalty of customers. At this point in time, it becomes even more important for the organizations to make the customers feel that "they are the king". By doing so, not only the loyalty increases but also the brand image of the organization also build up. The indications at least now seems more clear that the service factor simply cannot be neglected but some where a thin line has to be draw to ensure that marketing activities & operational factors have balance that is presently required. May be in the initial stages of marketing of what we call it to be the primitive age, the service factors such as instillation, maintenance etc were given less importance. But as and when the times passed, it started becoming clearer that the service factors surfaced more quickly than anticipated. Presently, the services factors have become evident and some of these factors on which the survey conducted showed that pricing as a factor could increase, but a quick serving of food with the right quantity and quality is taking the prime position. All these indication are clearer that the services factors in the near future will give the organization, the required competitive advantage. A faster adoption of these factors will help the companies to sustain for the short defined objectives and never the less the organizations can define the objectives for a long term. At the same time the companies should continue doing its core business with little modifications on the service factor, which is the call for the day.

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ADAPTABILITY OF QUALITY MANAGEMENT IN HUMAN RESOURCES OF PUBLIC TRANSPORT SYSTEM

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ABSTRACT

There arise regular complaints from the part of customers through the print and visual media about the service provided by the public transport system. With the growth in vehicle utilization, ownership and utilization private transport system also come into play. This results into heavy competition between private and public transport system. As a result public transport system starts to become a loss making company. This study is meant to check the adaptability of employees of state public transport with Quality management standards. Proper comparative study on the literatures and KSRTC system, analysis parameters got evolved into four parameters- Attitude of employees, Training and Education, Service quality & leadership quality and Improvement strategies. Conductors are the employees who are in direct contact with the customers for providing the service. So conductors are provided with well structured questions which contain the factors affecting the four parameters. Structured interview is done for those conductors who are reluctant to answer the questionnaire. Data is also obtained through direct observation and discussions with other office staffs. The main research objective is to analyse the four factors which helps to measure the adaptability of quality management in human resources in public transport system. The research methodology consists of preparing a detailed questionnaire based on the four factors that affect the quality management. Opinion of 100 conductors is taken to study the factors. The data obtained is analysed using software MS Excel and analysis has been done to draw result and conclusions. According to the results of the study, human resources that are in direct contact with customers in providing services are adaptable to quality management.

KEYWORDS

Public transport system, quality management.

INTRODUCTION

At the end of the 20th century, changes occurred in demographic patterns and employee expectations, shifts in societal demands, increased competition and fiscal constraints, and the requirements of adopting new technologies have made many traditional business practices obsolete. To meet these broad challenges, growing numbers of American businesses have adopted the principles of Quality Management (QM) to improve the responsiveness of their products and services. These adopted principles have influenced system changes that may increase customer and employee satisfaction, reduce costs, and improve productivity.

The transit industry faces many of these same challenges. The principles of QM appear to hold promise as a way to improve transit service, increase ridership, and fulfil transit's broad social mission. However, to date, only a few agencies have introduced innovative QM-based practices.

QM is a management philosophy concerned with people and work processes that focuses on customer satisfaction and improves organizational performance. QM requires an enterprise to systematically energize, manage, coordinate, and improve all business activities in the interest of customers. QM requires improvements throughout an organization to reduce waste and rework, to lower costs, and to increase productivity. Quality is no longer merely the province of service inspectors, the director of quality assurance, or the work supervisor. It can be defined, measured, and achieved, but such achievement requires that quality is built into all work processes and is understood and applied by all employees. Everyone is responsible for QM, especially senior management; all employees are involved in solving problems and improving performance, like many so-called "new ideas," the components of QM are not all new. Rather, QM is new because it embraces and enjoins many existing management and organizational philosophies. QM has its roots in many disciplines, including economics, industrial engineering, social psychology, mathematical statistics, and management science.

Public transport faces severe problems in almost all countries of the developing world, although the situation varies from one country to another. Perhaps most important, the lack of financial resources prevents necessary investments in maintaining and upgrading existing bus and building new ones. Likewise, many advanced technologies long available in Western Europe are simply not affordable in most developing countries. Public transport systems in the Third World are plagued by chronic corruption and inefficiency, overcrowded and undependable service, congested roadways that slow down buses, and an operating environment that is often chaotic and completely uncoordinated.

Those problems of public transport occur within the broader context of daunting urban transport problems in general. Air pollution, noise, congestion, and traffic fatality levels are often much more severe than those of developed countries. One might expect the much lower incomes in developing countries to assure a huge potential market of public transport riders. In fact, many city residents are so poor that they cannot afford even low fares, and routes are not designed to serve the poor at any rate. Thus, the poor in developing countries suffer even more than those in the Western World from low levels of mobility and accessibility, especially to jobs.

Buses in Indian cities are doubly disadvantaged by congested conditions. Buses themselves are seriously overcrowded, with some passengers forced to ride on the outsides of vehicles. In addition, however, buses must negotiate extremely congested, narrow streets, with no separate rights-of-way at all, having to fight with a mixed array of animal-drawn carts, minivans, cars, taxis, motorized two-wheelers, auto rickshaws, pedestrians, cyclists, and street vendors. Severe roadway congestion has slowed down most buses to a crawl during much of the day—as slow as 6 to 10 km per hour in many large cities.

Most of the Operations related problems are caused due to certain human related problems. Workers in these public transport systems, behave to the customers very badly. The union related activities, trade laws are enough to save them from these complaints. The government lacks enough methods to enquire and solve these problems. Many complaints arise from the experienced staffs that the newly recruited staffs are not up to the standards. Medias also drew attention in these areas. There also arouse many complaints about the Leadership Qualities. There lack enough person to guide the staff who are in direct contact with the customers, especially conductors in public transport system. This also creates many quality related issues. Continuous improvement strategies are absent in this sector due to all these factors.

So, in a nutshell the main root causes behind all these problems are as per following:

1. Attitude of the Staff

2. Lack of Proper Training and education
3. Lack of Leadership Qualities and deliverance of Quality less service
4. Lack of Continuous Improvement Strategies

LITERATURE REVIEW

Throughout the 1980s and 1990s, effective Quality Management represented a key competitive advantage and its concepts were developed in parallel with the evolution of new operations management ideas, the emergence of new quality-related techniques. QM evolution can be divided into five major phases or stages: (1) Inspection, (2) Statistical Process Control (3) Quality Assurance, and (4) Strategic Quality Management, and (5) competitive continuous improvement. Quality Management itself is a term referring to coordinated activities which direct and control the quality of product and services of an organization. QM typically includes the establishment of quality policy and objectives together with quality planning, control, assurance and improvement. Over two decades ago, Hodgetts et al. (1994) depicted modern organizations as those which made a fundamental shift from a Total Quality (TQ) paradigm towards a Learning Organization (LO) and later extended this theme, suggesting that organizations must sustain major improvements, maintain high performance and aim towards being an 'Excellent-Sustainable' organization. Prior to the '90s the organization could be described as "basic," i.e., it was focused on survival. The top management and a few employees dealt with the customer. For most employees, there was a distinct lack of awareness of the customer needs. The approach was top-down with instructions provided by top management that were executed by the rest of the company. There was no approach to improvement, the goal was to maintain status quo. Today, in many organizations, QM is employed in a broad context of organizational excellence and business development. Hence, current QM approaches tend to be systematic, holistic and company-wide, and linked to corporate strategy. Nevertheless, the main objective of QM implementation remains the continuous improvement of process management, hence advancing an organization's operating performance, developing Operational Effectiveness and organizational excellence, ultimately leading to enhanced stakeholder satisfaction. Hence, it was defined by Srivastava Lakhe, and Mohanty that recent stage, related to QM, emphasizes the importance of the flexible organization, responsive and able to adapt quickly to changes, responding to customer feedback and benchmarking against competitors.

The concept of Quality Management is defined as "everyone's mutual cooperation, in an organization, and the associated business processes, to produce valuable products and services that will match and, preferably, exceed the consumers' needs" (Dale, Van Der Wiele and Van Iwaarden, 2007: 4). Mcadam and Mckeown (1999) state that QM consists of a process of individual and organizational change, that aims at increasing the level of satisfaction of all the stakeholders of the organization.

The success of QM will result in improved employee involvement, improved communication, increased productivity, improved quality and less reworks, improved customer satisfaction, reduced costs of poor quality and improved competitive advantage (Antony et al., 2002). Saraph et al. (1989) argue that there are eight critical success factors (CSFs) for QM implementation such as: top management leadership, role of the quality department, training, product design, supplier quality management, process management, quality data reporting, and employee relations. Meanwhile, Black and Porter (1996) revealed ten major QM practices. They are people and customer management, supplier partnerships, communication of improvement information, customer satisfaction orientation, external interface management, and teamwork structures for improvement, operational quality planning, quality improvement measurement systems, and corporate quality culture. Antony et al. (2002) described 11 QM practices: management commitment, role of the quality department, training and education, employee involvement, continuous improvement, supplier partnership, product/service design, quality policies, quality data and reporting, communication to improve quality, and customer satisfaction orientation. Sureshchandar et al. (2002) expanded the practices even further and came out with 12 major practices comprising of top management commitment and visionary leadership, human resource management, technical system, information and analysis system, benchmarking, continuous improvement, customer focus, employee satisfaction, union intervention, social responsibility, service scapes, and service culture. Brah et al. (2000) in their study on QM and business performance in Singapore service sector has come out with 11 constructs of TQM implementation, which are top management support, customer focus, employee involvement, employee training, employee empowerment, supplier quality management, process improvement, service design, quality improvement rewards, benchmarking, and cleanliness and organization. The researcher had selected 4 factors from all these which have high significance when public transport system is considered. It includes

1. Attitude of the Workers
2. Training and Learning
3. Quality of service and Leadership qualities
4. Continuous Improvement

Attitude is the first and foremost factor that affects quality management. Allen and Meyer (1990) created attitude model for relating attitude with quality management, according to which the concept is composed of three dimensions: (1) *affective*, which consists of a connection, identification and involvement with the organization; (2) *continuance*, referring to the commitment based on the cost that the individual associates with leaving the organization and (3) *normative*, related to the feelings of obligation to stay in the organization.

Among the various concepts of service quality, two of the most widely accepted and used by researchers is the SERVQUAL model by Parasuraman et al. (1988) and the technical/functional quality framework by Gronroos (1983, 1990). Parasuraman et al. (1985) proposed a conceptual framework of service quality based on the interpretation of qualitative data from extensive explanatory research performed in four service businesses. The SERVQUAL instrument by Parasuraman et al. (1988) included two 22- item sections. The intent is to measure customer expectations of various aspects of service quality and customer perceptions of the service they actually received from the local service organization (Lassar et al., 2000). Parasuraman et al. (1988) in their research found that customers consider five dimensions in their assessment of service: reliability, responsiveness, assurance, empathy, and tangibles, which represent how the customers organize information on service quality (Cook and Verma, 2002). Apart from the expectations-performance methodology by Parasuraman et al. (1988), Cronin and Taylor (1994) claimed that a psychometrically superior assessment of service quality could be obtained through the SERVQUAL performance items alone. TQM is not only limited to product quality improvement. It also covers a wider aspect of quality in the service sector. Previous empirical studies regarding the linkage between TQM and organizational performance as well as quality have shown significant and positive results see Flynn et al. (1994), Ahire et al. (1996), and Terziovski and Samson (1999). The main focus of TQM as suggested by Ishikawa (1972), Crosby (1979), Deming (1982) and Juran (1988) is to improve overall quality including process quality and service quality (Litton, 2001). Successful TQM implementation will give benefits in improving quality and reducing rework as well as reduction in costs of poor quality such as scrap, rework, late deliveries, warranty, replacement, etc (Antony et al., 2002). Furthermore, Brah et al. (2002) supported the proposition that TQM implementation correlates with quality conformance. Cook and Verma (2002) found that according to the perceptions of bank employees, quality systems affects service quality that in turn relates to organizational performance. Effective TQM processes can generate marked improvements in both product and service quality which then results in increased customer satisfaction and organization's profitability (Litton, 2001). By establishing a motivated, customer oriented management philosophy and practice; internal service quality levels will be more favourable. It was also found that employees' possessing organizational knowledge and skills are important in delivering service quality in which high levels of employee morale and satisfaction were found dependent on the empowerment and involvement of employees (Gerald and Terziovski, 2003; Prajogo and Sohail, 2006).

American Quality Foundation and Ernst & Young, "The International Quality Study: Best Practices Report, an Analysis of Management Practices that Impact Performance," (1993) provides a better analysis on need of training for quality management. The IQS examined organizations in the automotive, banking, computer, and health care Industries within four leading industrialized nations--Canada, Germany, Japan and the United States. This report focuses on "best Training practices"--those management practices that lead to the best results and identifies three management practices that have significant impact on performance. One of the fundamental requirements before embarking on forming self quality management is training of all the employees in the team so that they are prepared for the empowerment. They should have wiliness to change. They should be able to manage a change. The team members should learn good qualities and they establish sound relationship with the other team members. This is more important for any teams. For the interest of the organization, all

teams members should work single minded to discharge their duties. The training of teams should be done in such way that all the members should understand their responsibilities, adjust them with the other members, motivate the others and they should have a motivational attitude.

Continuous improvement (CI) is a philosophy that Deming described simply as consisting of “Improvement initiatives that increase successes and reduce failures” (Juergensen, 2000). Another definition of CI is “a company-wide process of focused and continuous incremental innovation” (Bessant et al., 1994). Yet others view CI as either as an offshoot of existing quality initiatives like total quality management (TQM) or as a completely new approach of enhancing creativity and achieving competitive excellence in today’s market (Oakland, 1999; Caffyn, 1999; Gallagher et al., 1997). According to Kossoff (1993), total quality can be achieved by constantly pursuing CI through the involvement of people from all organizational levels.

RESEARCH METHODOLOGY

Research methodology is a method that can be used to solve the research problems. It helps in studying how research is done scientifically. Research methodology provides various steps that can be adopted by the researcher in studying research problems. Research methodology includes not only research but also considers the logic behind the methods. For capturing perception of employees, relevant data is collected by a questionnaire consisting of 24 questions .The questionnaire is distributed to 200 conductors of public transport system. This questionnaire was revised three times after the pilot study. While collecting data problems occurred such as:

1. Around 200 employees were asked to fill the questionnaire but only 100 responded positively
 2. Language of questionnaire was also problem for a few respondents. They were explained about the questions in Malayalam
- To improve response rate, a closed questionnaire was used consisting of structured statements. The data obtained by means of the perceptions, questionnaires were gathered by requesting respondents to express their level of agreement with the statements. To accomplish this five point Likert scale was used to mark the questions. It was as follows:

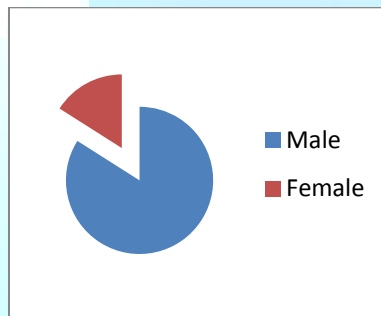
Strongly disagree, disagree, neutral, agree, and strongly agree.

DATA ANALYSIS

RESPONDENTS PROFILE

84% of the respondents are male and remaining 16% of them are female.

		TQM	Attitude of Employees	Education & Training	Continuous Improvement	Leadership Quality
TQM	Pearson Correlation	1	.987	.991	.994	.993
Attitude of Employees	Pearson Correlation	.987	1	.96	.969	.991
Education & Training	Pearson Correlation	.991	.96	1	.996	.975
Continuous Improvement	Pearson Correlation	.994	.969	.996	1	.976
Leadership & Quality	Pearson Correlation	.993	.991	.975	.976	1



Inference

From the above correlation matrix discloses that correlation between TQM and factors affecting TQM are highly positively correlated. Correlation between TQM and Attitude Of Employees is .987, correlation between TQM and Education & Training is .991, correlation between TQM and Continuous Improvement is .994, correlation between TQM and Leadership & Quality is .993

FINDINGS

- It was found that majority of the employees are male whose age range between 25 to 30 years.
- The employees feel that the salary given is fair.
- It is evident that team work is there between workers to achieve company’s goals.
- The study reveals that the employees are proud to work in the organization and hence tries their best to deliver quality of service.
- It was found that the organization gives opportunity to the employees to develop by giving proper Training and learning environment.
- The analysis shows that the organization gives enough importance to timely changes to increase quality of service.
- The analysis also reveals that the employees trust their executive level officers and their style of leadership
- It was found that the trainings they attended so far were relevant to their job needs .It also unveiled that the training programs in the organization were effective enough to enhance the skills of employees.
- It was also revealed that ,most of the employees are optimistic about the company

SUGGESTIONS

- Study reveals that the factors Attitude, Education, Training, Quality Service, and Leadership are suiting TQM standards. The problems are less when compared to human resources and high when compared to Engineering and Operations. So more care is needed for these departments. It was also observed that, Attitude towards the company worsens with increase in age. These need to tackle by providing a dynamic work environment.
- There is a high difference between the scheduled staff and available staff in every department. These lacunae should meet immediately by recruitment, training, promotions etc.
- Organization can motivate the individuals through proper counseling and guidance. Many employees expect more Training, Development programs, Learning Environment etc. Organization must evolve in such a way that it should satisfy the employees and customers at same time.
- Most of the employees believe that there is problem with the organization and that problem is not because of the quality of service. This clearly defines that the problems can be easily tackled by Employee involvement discussions and meetings.
- Most of the employees have positive attitude towards continuous improvement strategies, but not satisfied with present strategies. More and more employee involved continuous involved strategies are needed.
- Employees are to be appreciated for the honest and sincere work as it improves the job satisfaction of the employees. Many have complaints that superiors are not appreciating, when they perform.

CONCLUSION

The project, 'Adaptability of quality management in human resources of public transport system' aims to measure the adaptability of four pillars of QM, Attitude of employees, Training and Development, Continuous Improvement, Leadership Qualities among human resources of KSRTC. It has been seen that the study elaborates, that there is high degree of relation between the pillars of QM and employees, but attitude of workers towards the company decreases with increase in age. The problems in Corporation are less when compared to Human Resources and more when compared to Engineering and Operations. There is a high difference between the scheduled staff and available staff in every department. These lacunae should meet immediately. Most of the workers believe that the problems in the corporation are not because of quality of services. The workers are expecting more and more training and development programs.

LIMITATIONS

Though at most care was taken to eliminate the element of bias and imitations, the study has following limitations:

- The sample size taken for study was from one single depot won't represent the complete characteristics of the population, attitude of person change with geographic change.
- Time taken for the study was small.
- Lack of cooperation from employees.

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APPENDIX**QUESTIONNAIRE**

1. Gender a) Male b)Female
2. Age a) Below 25 b) 25-30 c) 30-35 d) 35 and above
3. I feel that my salary is fair for my responsibilities. a) Strongly Disagree b) Disagree c) Neutral d) Agree e) Strongly Agree
4. Employees work as a team to achieve company's goals. a) Strongly Disagree b) Disagree c) Neutral d) Agree e) Strongly Agree
5. I feel proud to work in the company and hence try my level best to provide quality of service. a) Strongly Disagree b) Disagree c) Neutral d) Agree e) Strongly Agree
6. Superiors never appreciate us whenever we do a good job. a) Strongly Disagree b) Disagree c) Neutral d) Agree e) Strongly Agree
7. I am doing the work with the same quality as I am delivering my responsibilities at home. a) Strongly Disagree b) Disagree c) Neutral d) Agree e) Strongly Agree
8. I do believe that a person must always be loyal to his or her organization. a) Strongly Disagree b) Disagree c) Neutral d) Agree e) Strongly Agree
9. Jumping from organization to organization does not seem at all Unethical to me . a) Strongly Disagree b) Disagree c) Neutral d) Agree e) Strongly Agree
10. Team members are having adequate skills to perform the job. a) Strongly Disagree b) Disagree c) Neutral d) Agree e) Strongly Agree
11. I am satisfied with the Up grading training provided here. a) Strongly Disagree b) Disagree c) Neutral d) Agree e) Strongly Agree
12. I am satisfied with Initial Training provided to me. a) Strongly Disagree b) Disagree c) Neutral d) Agree e) Strongly Agree

13. I am satisfied with the recruitment policy (PSC), company is following

a) Strongly Disagree † b) Disagree † c) Neutral † d) Agree † e) Strongly Agree

14. I receive good quality learning to help me perform my job better.

a) Strongly Disagree † b) Disagree † c) Neutral † d) Agree † e) Strongly Agree

15. Training given in this organization is benefitable.

a) Strongly Disagree † b) Disagree † c) Neutral † d) Agree † e) Strongly Agree

16. I tries to improve after every work.

a) Strongly Disagree † b) Disagree † c) Neutral † d) Agree † e) Strongly Agree

17. Company policies are not frequently revised here.

a) Strongly Disagree † b) Disagree † c) Neutral † d) Agree † e) Strongly Agree

18. Executive Level Officers compels to increase productivity after my every work.

a) Strongly Disagree † b) Disagree † c) Neutral † d) Agree † e) Strongly Agree

19. I have a mentor in the organization, whom I discuss often to improve my work.

a) Strongly Disagree † b) Disagree † c) Neutral † d) Agree † e) Strongly Agree

20. Timely changes for increasing Quality are not invited here.

a) Strongly Disagree † b) Disagree † c) Neutral † d) Agree † e) Strongly Agree

21. I really feel as if this institution's problems are not because of Quality of Service Provided by it.

a) Strongly Disagree † b) Disagree † c) Neutral † d) Agree † e) Strongly Agree

22. There are no barriers of communication while you are communicating with your superior about problems in Service providing.

a) Strongly Disagree † b) Disagree † c) Neutral † d) Agree † e) Strongly Agree

23. The supervision and the style of leadership is appreciable

a) Strongly Disagree † b) Disagree † c) Neutral † d) Agree † e) Strongly Agree

24. I am confident that my company will do well in future.

a) Strongly Disagree † b) Disagree † c) Neutral † d) Agree † e) Strongly Agree



EFFECTIVENESS OF TRAINING FOR HUMAN RESOURCE DEVELOPMENT: A CASE STUDY OF A PUBLIC SECTOR BANK IN ODISHA

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ABSTRACT

The role of banking sector is very essential to face global challenges as one of the most essential service sectors. Today, in India the service sector is contributing half of the Gross Domestic Production and the banking industry is a major contributor to it. The significant role of banking industry is indispensable to speed up the economic development. At the same time, global economic condition demands highly skilled workforce in banking sector to face competition from the private players. Indian nationalised banks need efforts to improve skills of manpower across the discipline in an inclusive manner. The workforce requires skill development programmes like effective training to encounter the emerging needs of global challenges. This paper aims to identify the different training needs for different levels of employees in public sector bank. Data analysis was conducted using Chi-Square test to study the significance of the statements in assessing effectiveness of training for human resource development. Mean and standard deviation were used to compare the level of satisfaction with regard to effectiveness of training among executive and non-executive employees. Results show that employees are not provided with human skill training to develop human relation competencies. It also reveals that employee participation in determining the training need is very low in public sector banks. Executive employees go with a clear understanding of the knowledge and skills they expected to acquire from training sponsored by the bank. Most of the employees feel discontented regarding the selection of external training programmes because enough information about their quality and suitability is not collected.

KEYWORDS

bank, human resource, training.

INTRODUCTION

Training is a set of activities which aims to facilitate learning of new knowledge, attitude, and skills among employees in the organisation to improve their work performance and contribute to the organisational achievements. Training is a planned effort to improvise the skills of human resource that will lead to the fulfilment of personal and organisational goals. According to Lynton and Pareek (2000) training is indispensable and becomes strategic if it takes into account long term organisational goals and objectives. Having goals such as development of new and better products, expanding to a global market, and developing a workforce with core competence are strategic. Organization takes decision for training intervention based on overriding business objectives. It may be as a result of new product or services lunched into the market, changes in business strategy or a result of increase in competition.

As the scope of training activities are increasing due to thick competition in business, so this is often being described as human resource development (HRD) process. Training programme for human resources development is very crucial decision in an organisation. Training is regarded as a means to achieve effective human resources development objectives of the concerned organisation. The effectiveness of HRD program depends on the degree of interest and participation of employees' and hence, reflects in the intended business outcome.

Organization takes decision for training intervention based on overriding business objectives. It may be as a result of new product or services lunched into the market, changes in business strategy or a result of increase in competition.

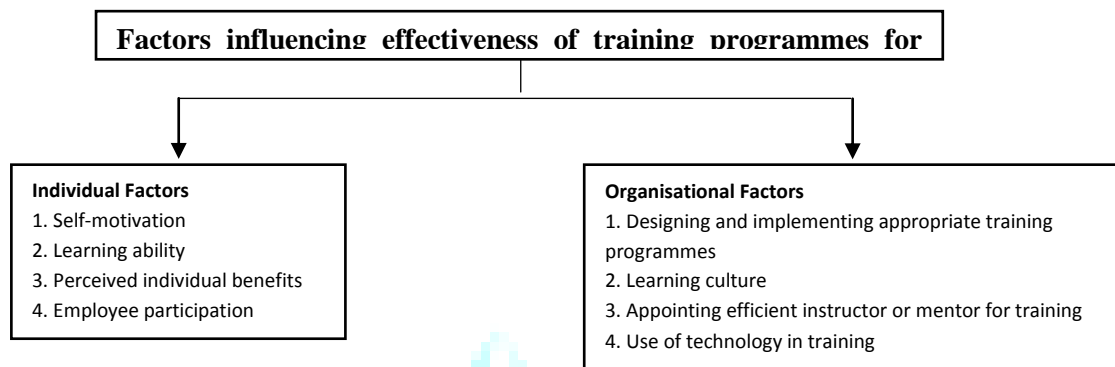
CONCEPT OF TRAINING IN HUMAN RESOURCE DEVELOPMENT

Training is a process of learning which is provided to employees to improve their performance in the job. It includes the usage and knowledge of tools, techniques, and crafts, or a system or method for performing the job in the organisation. Human resource development can be defined as a systematic learning experience, conducted in a specific time period, to improve the job performance and growth. HRD is a process of developing skills, competencies, knowledge and attitude of people in an organisation. HRD is an integral part of human resource management. Human resource management is more concerned with training for human resource development. The organisation has to understand the dynamics of human resource and attempt to cope with the changing situation with appropriate training programmes to develop the human resource.

In this knowledge era it is very important for the human resource managers to focus on bringing organisational and individual employee goals closer together. To achieve this, managers are required to make visionary decisions. It is the responsibility of the human resources professionals to optimise employee skills to create a more valuable, skilled workforce. The skill development and training for employees will lead towards desired human resource development.

FACTORS INFLUENCING EFFECTIVENESS OF TRAINING PROGRAMMES FOR HUMAN RESOURCE DEVELOPMENT

Factors influencing effectiveness of training programmes for human resource development can be divided in two different heads, namely, individual factors and organisational factors. The factors are depicted in the diagram below.



LITERATURE REVIEW

Rothwell & Sredl (1992) described training needs assessment as the initial movement toward developing human resources development program, the subsequent learning instruction are basically dependent on proper identification or assessment of the training needs. If the need assessment is inaccurate, the learners are most likely to drop out, no matter how motivated they may be.

Frank and Margerison (1978) in their work 'Training Methods and Organisation Development' have established that training concerned with skill development have resulted in improving the organizational effectiveness and overall performance of the workforce.

Wang (2002) explained training interventions in human resources development as an investment activity for the organization. It is necessary for employees to fully participate in the program for the investment to be meaningful productive and fruitful.

In the study 'Human Resource Development and Organizational Values', Hassan (2007) has examined the relationship between HRD practices and organizational values. He has established that HRD practices like training and development were positively related to organizational values of collaboration, creativity, quality, delegation and human treatment.

Harwitz (1999) has conducted an extensive study entitled 'The emergence of strategic training and development: the current state of play' to evaluate how HRD need arises from different business strategies and how it depends on the purpose as well as structure of the strategies. He concludes that a strategic approach to training and development necessitates increased level of theoretical rigour, more rigorous evaluation of effectiveness and resolution of responsibility for training.

According to Siebat, (2000) the delivery style of the facilitators' plays a vital role in retaining the learners to the completion of the training program.

Collisio (2000) in his study found the qualities of good instructor and facilitator for effective training programmes. The work revealed that he or she must be flexible and adaptable, responsive, accessible, having in-depth knowledge of the subject matter, courageous and open. Facilitators or instructors that are not equipped with these attributes are not likely to motivate and retain training participants to completion in both traditional and technology based training programmes.

Bose (2004) has conducted an empirical study titled 'E-government: infrastructure and technologies for education and training' to point out that national governments around the world have started committing substantial resources to creating the environment and infrastructure for doing business electronically with their citizens, businesses, and other government entities. However, to stay in tune with this internet economy, the skills and knowledge of their citizens and employees need to be continually updated and refreshed. E-learning provides the vehicle for this continuous education and training. The purpose of this research is to identify the infrastructure and e-learning technologies that are currently available for creating a comprehensive online education and training environment that supports development of government workforce.

According to Kirpatrick (1998), there are four levels of evaluating training programmes. These are the (1) reaction; (2) learning; (3) behavioural change; and (4) impact to organisation. The reaction level measures the participants' feedback right after the conduct of the training. Feedback are taken related to attainment of objectives, processes, methodologies, time, reading materials, resource persons/facilitators and other logistics of the training. On the other hand, participants' learning level determines what specific skills, knowledge or even what they learned is commonly asked at the end of the training period.

Purohit (1992) analysed that the process of human resource development would begin by imparting training for effective performance of a specific task and development of an individual perform that task. Having undergone a specific training program, an individual may be assessed in respect of an acquisition of desired skills to perform the identified task.

According to Hytönen (2002) the scope of HRD extends to a variety of activities from different forms of organized training to various development projects, special tasks and arrangements related to the management of an organisation as well as to everyday work. Nevertheless, even though HRD implies a broad range of developmental activities, formal training has had and still has the most visible role in the actualization of HRD.

In his work 'Management Development: Integrating Individual and Organizational Needs', Anderson (1993) has examined the contribution of training to both individuals and organisations in the process of management development. He suggested the concepts such as coaching, counselling, mentoring and action learning are the most important approaches to management development in their own right and in helping individuals in organisations to assimilate and apply learning that derived from more formal management development methods including management training.

John E. Mathieu (2006) in his study 'Individual and situational influences on the development of self-efficacy: Implications for training effectiveness' has proposed a model that included individual and situational antecedents of self-efficacy development during training. Initial performance and self-efficacy levels, achievement motivation and choice were examined as individual variables. Constraints, operationalized at both the individual and aggregate levels of analysis were examined as situational influences. The study concluded that there are positive linear relationships with training reactions and subsequent performance and an interactive relationship with performance when training reactions were considered as moderator.

OBJECTIVES OF THE STUDY

1. To investigate the effectiveness of training for human resource development in a public sector bank of Odisha.
2. The study focused to compare the level of satisfaction of executive and non-executive class employees in a public sector bank of Odisha.

HYPOTHESIS

H₀ – There is no significant relation between the level of employees and training programmes designed for them.

RESEARCH METHODOLOGY

The objectives of the study were set and research methodology was determined. Questionnaire containing ten different statements were distributed to employees of three different branches of a public sector bank.

The sampling unit of the present study consists employees of three different branches of a public sector bank in Odisha. Random sampling method was used to collect the data. Sample size of the study is 60.

24 out of the 60 respondents belonged to the executive class and 36 belonged to the non-executive class.

Primary data was collected from three different branches of a public sector bank. A structured questionnaire consisting of close ended questionnaire was used for the purpose of the study.

Data analysis was conducted using Chi-Square test to study the significance of the statements in assessing effectiveness of training for human resource development. Mean and standard deviation were used to compare the level of satisfaction with regard to effectiveness of training among executive and non-executive employees.

DATA ANALYSIS

1. Training programmes help in individual development as well as organisational goals at my organisation.

TABLE NO. 1.1

Class	Not at all agree	Somewhat agree	Can't say	Agree	Strongly agree	Total
Executive	1	4	2	9	8	24
Non-executive	3	7	3	12	11	36
Total	4	11	5	21	19	60

χ^2 (Calculated) = 0.539, df = 4, χ^2 (Tabulated) at 5% level of significance = 9.488

Table No. 1.1 presents the role of training in individual development as well as organisational achievements in the organisation. The χ^2 Calculated value 0.539 with a degree of freedom (df) = 4 is less than the χ^2 Tabulated 9.488 at 5% level of significance. It reveals that the role of training has an influence in individual development as well as organisational achievements in the organisation.

2. Induction training is given adequate importance.

TABLE NO. 1.2

Class	Not at all agree	Somewhat agree	Can't say	Agree	Strongly agree	Total
Executive	3	2	1	7	11	24
Non-executive	1	4	2	13	16	36
Total	4	6	3	20	27	60

χ^2 (Calculated) = 2.419, df = 4, χ^2 (Tabulated) at 5% level of significance = 9.488

Table No. 1.2 infers that induction training is given adequate importance in the organisation. The χ^2 (Calculated) value 2.419 with a degree of freedom (df) = 4 is less than χ^2 Tabulated value 9.488 at 5% level of significance. It infers that employees are satisfied with the induction training given in the organisation.

3. Induction training is periodically evaluated and implemented.

TABLE NO. 1.3

Class	Not at all agree	Somewhat agree	Can't say	Agree	Strongly agree	Total
Executive	4	2	2	8	8	24
Non-executive	3	4	3	15	11	36
Total	7	6	5	23	19	60

χ^2 (Calculated) = 1.261, df = 4, χ^2 (Tabulated) at 5% level of significance = 9.488

Table No. 1.3 represents regarding the periodical evaluation of induction training. The χ^2 Calculated value is 1.261 with a degree of freedom (df) = 4 is less than χ^2 Tabulated value 9.488 at 5% level of significance. The χ^2 reveals that it is evaluated periodically.

4. Employees are helped to acquire technical knowledge and skill through training.

TABLE NO. 1.4

Class	Not at all agree	Somewhat agree	Can't say	Agree	Strongly agree	Total
Executive	3	2	1	10	8	24
Non-executive	2	4	2	12	16	36
Total	5	6	3	22	24	60

χ^2 (Calculated) = 1.713, df = 4, χ^2 (Tabulated) at 5% level of significance = 9.488.

Table No. 1.4 represents regarding the role of training in creating technical knowledge and skill among employees. The χ^2 Calculated value 1.713 with a degree of freedom (df) = 4 is less than χ^2 Tabulated value 9.488 at 5% level of significance. The χ^2 test of independence shows that there is a significant relationship between the variables.

5. There is an adequate emphasis on developing managerial capabilities of management staff through training in human skills.

TABLE NO. 1.5

Class	Not at all agree	Somewhat agree	Can't say	Agree	Strongly agree	Total
Executive	4	5	3	6	6	24
Non-executive	10	9	5	7	5	36
Total	14	14	8	13	11	60

χ^2 (Calculated) = 2.213, df = 4, χ^2 (Tabulated) at 5% level of significance = 9.488

Table No. 1.5 shows regarding the role of training in developing managerial capabilities of management staff in human skills. The χ^2 Calculated value 2.213 with a degree of freedom (df) = 4 is less than χ^2 Tabulated value 9.488 at 5% level of significance. The χ^2 test of independence shows that there is a significant relationship between the variables.

6. Human relation competencies are adequately developing in this organisation through human skill training.

TABLE NO. 1.6

Class	Not at all agree	Somewhat agree	Can't say	Agree	Strongly agree	Total
Executive	5	7	4	4	4	24
Non-executive	12	11	3	7	3	36
Total	17	18	7	11	7	60

χ^2 (Calculated) = 2.573, df = 4, χ^2 (Tabulated) at 5% level of significance = 9.488

Table No. 1.6 infers regarding the significance of human skills in developing human relation competencies. The χ^2 Calculated value 2.573 with a degree of freedom (df) = 4 is less than χ^2 Tabulated value 9.488 at 5% level of significance. The χ^2 test of independence shows that there is a significant relationship between the variables.

7. Employees in my organisation participate in determining the training need.

TABLE NO. 1.7

Class	Not at all agree	Somewhat agree	Can't say	Agree	Strongly agree	Total
Executive	7	5	3	5	4	24
Non-executive	15	10	4	4	3	36
Total	22	15	7	9	7	60

χ^2 (Calculated) = 2.471, df = 4, χ^2 (Tabulated) at 5% level of significance = 9.488

Table No. 1.7 represents regarding the participation of employees in determining the training needs. The χ^2 Calculated value 2.471 with a degree of freedom (df) = 4 is less than χ^2 Tabulated value 9.488 at 5% level of significance. It infers that employees in the organisation participate in determining the training needs.

8. Employees sponsored for training go with a clear understanding of the knowledge and skills they expected to acquire from training.

TABLE NO. 1.8

Class	Not at all agree	Somewhat agree	Can't say	Agree	Strongly agree	Total
Executive	3	5	4	8	6	24
Non-executive	9	10	7	5	5	36
Total	12	15	11	13	11	60

χ^2 (Calculated) = 3.942, df = 4, χ^2 (Tabulated) at 5% level of significance = 9.488.

Table No. 1.8 infers regarding the a clear understanding of the knowledge and skills they expected to acquire from training. The χ^2 Calculated value 3.942 with a degree of freedom (df) = 4 is less than χ^2 Tabulated value 9.488 at 5% level of significance. It shows that employees sponsored for training go with a clear understanding of the knowledge and skills they expected to acquire from training.

9. The quality of in organisation's training programmes in this organisation is excellent.

Class	Not at all agree	Somewhat agree	Can't say	Agree	Strongly agree	Total
Executive	2	3	3	10	6	24
Non-executive	4	4	2	18	8	36
Total	6	7	5	28	14	60

χ^2 (Calculated) = 3.111, df = 4, χ^2 (Tabulated) at 5% level of significance = 9.488

Table No. 1.9 presents the quality of in organisation's training programmes in this organisation. The χ^2 Calculated value 3.111 with a degree of freedom (df) = 4 is less than the χ^2 Tabulated 9.488 at 5% level of significance. It reveals that the quality of in organisation's programmes in the organisation is satisfactory.

10. External training programmes are carefully chosen after collecting enough information about their quality and suitability.

Class	Not at all agree	Somewhat agree	Can't say	Agree	Strongly agree	Total
Executive	8	7	2	4	3	24
Non-executive	11	10	7	5	3	36
Total	19	17	9	9	6	60

χ^2 (Calculated) = , df = 1.667 4, χ^2 (Tabulated) at 5% level of significance = 9.488.

Table No. 1.10 represents regarding the selection of external training programmes according to their quality and suitability . The χ^2 Calculated value 1.667 with a degree of freedom (df) = 4 is less than χ^2 Tabulated value 9.488 at 5% level of significance. The χ^2 test of independence shows that external training programmes are carefully chosen after collecting enough information about their quality and suitability.

Hypothesis No.	Broad description of Hypothesis	Tools applied	Status of hypothesis upon testing (Accepted/Rejected)	Interpretation	Implications
H_0	<i>H₀ – There is no significant relation between the level of employees and training programmes designed for them.</i>	χ^2 (Chi-Square)	Rejected	No same training programme can serve the purpose of all categories of employees.	Organizations need to design different training programmes for different employees in order to succeed.

Comparison between the levels of satisfaction on effectiveness of training among executive and non-executive class employees.

TABLE NO. 2.1

Statements	All level mean	Standard Deviation	Executive Level Mean	Standard Deviation	Non-Executive Level Mean	Standard Deviation
1. Training programmes help in individual development as well as organisational goals at my organisation.	3.666	1.273	3.791	1.189	3.583	1.320
2. Induction training is given adequate importance.	4	1.224	3.875	1.393	4.083	1.089
3. Induction training is periodically evaluated and implemented.	3.683	1.322	3.583	1.440	3.75	1.233
4. Employees are helped to acquire technical knowledge and skill through training.	3.9	1.260	3.75	1.330	4	1.201
5. There is an adequate emphasis on developing managerial capabilities of management staff through training in human skills.	2.95	1.499	3.208	1.442	2.777	1.511
6. Human relation competencies are adequately developing in this organisation through human skill training.	2.55	1.371	2.791	1.383	2.388	1.339
7. Employees in my organisation participate in determining the training need.	2.4	1.404	2.75	1.479	2.166	1.301
8. Employees sponsored for training go with a clear understanding of the knowledge and skills they expected to acquire from training.	2.86	1.359	3.208	1.290	2.638	1.357
9. The quality of in organisation's training programmes in this organisation is excellent.	3.61	1.239	3.625	1.218	3.611	1.253
10. External training programmes are carefully chosen after collecting enough information about their quality and suitability.	2.433	1.333	2.458	1.413	2.416	1.277

FINDINGS

Training has been associated with developing performance of bank employees. So, the banking sector can prepare an encouraging environment for advanced training programmes. It will lead to expansion of knowledge, enhancement of positive attitude and improvisation of job skills among the employees. To enhance the effectiveness of training in public sector banks the further findings may focus some light:

- Majority of the bank employees agree that training has a positive effect on human resource development.
- The executive class employees of public sector banks are less satisfied than the non-executive class employees with regard to induction training provided in the bank.
- Induction training is properly evaluated and implemented in banks.
- Non-executive employees are facilitated with training in a better manner than the executive employees to acquire technical knowledge and skill through training.
- There is an adequate emphasis on developing managerial capabilities of executive class employees through training in human skills.
- Employees are not provided with human skill training to develop human relation competencies.
- Employee participation in determining the training need is very low in public sector banks.
- Executive employees go with a clear understanding of the knowledge and skills they expected to acquire from training sponsored by the bank.
- Most of the employees feel discontented regarding the selection of external training programmes because enough information about their quality and suitability is not collected.

SUGGESTIONS

Based on the findings of the study the following conclusion and suggestions were drawn:

- Executive class employees should be facilitated with better induction training and technical skills.
- There should be more focus on developing human relation competencies through human skill training programmes.
- More involvement of employees should be invited for training need assessment.
- Non-executive employees sponsored for training should be provided with clarity in information to understand the knowledge and skills they are expected to acquire from training.
- Initiatives should be taken to select the external training programmes carefully after collecting enough information about their quality and suitability in the organisation.

CONCLUSION

It can be concluded that the actual barrier to the effectiveness of training comes from the human resource development functions. A well designed training programme will create better opportunities for learning. Training programme provides comfortable climate that helps to increase the satisfaction of the employees. Training programmes need to be designed differently as per the needs of different employees based on the length of their experience as well as on the basis of their grades by giving equal emphasis on both executives and non-executives.

LIMITATIONS

The present study has been conducted based on the response received from 60 executives and non-executives working in a public sector bank in Odisha. The findings of the study may not have universal applicability for organisations not included in the study.

SCOPE FOR FURTHER RESEARCH

The findings of this study may not have universal applicability since the study is confined to a definite period and to a public sector bank in Odisha. Hence to arrive at any general conclusion, the hypotheses formulated in this research need further testing by way of additional research in the field of training and organization development in different periods and in different banks of the same industry as well as of other industries. An inter industry study in the field will also be useful.

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ANNEXURE

QUESTIONNAIRE

About Yourself

This section asks for some details on you, which will help to classify your answer.

1. Designation: Executive Non-Executive
2. Age group [Put a tick (√) mark according to your age]
 (i) 20>30 Years (ii) 30>40 Years (iii) More than 40 Years
3. Educational Qualification [Put a tick (√) mark according to your educational qualification]
 (i) Graduate (ii) Post Graduate (iii) Technical or professional graduate [Specify Degree (s) _____]
4. There are 10 statements in the following table. Please mark satisfied or dissatisfied with the same on a five point scale of, 1 = Strongly Dissatisfied; 2 = Dissatisfied; 3 = Can't Say; 4 = Satisfied; 5 = Strongly Satisfied; **(Single Coding Only)**.

Statements	Scale
1. Training programmes help in individual development as well as organisational goals at my organisation.	1-----2-----3-----4-----5
2. Induction training is given adequate importance.	1-----2-----3-----4-----5
3. Induction training is periodically evaluated and implemented.	1-----2-----3-----4-----5
4. Employees are helped to acquire technical knowledge and skill through training.	1-----2-----3-----4-----5
5. There is an adequate emphasis on developing managerial capabilities of management staff through training in human skills.	1-----2-----3-----4-----5
6. Human relation competencies are adequately developing in this organisation through human skill training.	1-----2-----3-----4-----5
7. Employees in my organisation participate in determining the training need.	1-----2-----3-----4-----5
8. Employees sponsored for training go with a clear understanding of the knowledge and skills they expected to acquire from training.	1-----2-----3-----4-----5
9. The quality of in organisation's training programmes in this organisation is excellent.	1-----2-----3-----4-----5
10. External training programmes are carefully chosen after collecting enough information about their quality and suitability.	1-----2-----3-----4-----5



EMPLOYER BRANDING: EMPLOYER OF CHOICE

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ABSTRACT

As war for talent is growing companies easily loose qualify talent by being perceived as undesirable place to work . Employer Branding--defined as the process of placing an image of being a "great place to work" in the minds of potential employees--influence the firms' success in increasing the quantity and quality of applicants and retaining their current employees Employer branding is important as employers wish to recruit and retain skilled employees Since firms operate in an environment of intense global competition, a strong employer brand emerged as the key to winning this war for talent Employer Branding is recent buzz in corporate world . The term was first used in early 1990s, published in journal of business management & since become widely adopted by global management community. The present paper briefly provides overview of employer branding ,its importance & strategies companies should adopt to make their company desirable to work for. The data required for the study has been collected from secondary sources.

KEYWORDS

Employer Branding, strategies, war for talent.

INTRODUCTION

Since firms operate in an environment of intense global competition, a strong employer brand emerged as the key to winning this war for talent. The term Branding which is an marketing term recently received lot of attention in the field of Human Resource Management (HRM) and is generally explained as improving the image of an employer .This concept has been called Employer Branding' and was first coined by Ambler and Barrow (1996), who described it as the —package of functional, economic, and psychological benefits provided by employment, and identified with the employing company. Employer Branding is recent buzz in corporate world . The employer branding brings forth an image which shows the organization as a first-class employer. Employer branding is the strategy companies use to appeal to the wanted potential and current talent. Employer branding differentiates the company's characteristics as an employer from its competitors. In general, a brand can be defined as a name, term, sign, symbol, design or a combination of them, meant to identify the goods or services of one seller or group of sellers and to differentiate them from competitors' goods or services (Kotler and Keller, 2009). An employer brand offers the same benefits to employees as a product brand offers to consumers, including developmental and/or useful activities (functional), material or monetary rewards (economic) and feelings such as belonging, direction and purpose (psychological) Employer branding applies marketing principles to human resource (HR) activities in relation to current and potential employees.

BENEFITS OF EMPLOYER BRANDING

The main role of brands is typically to add value. In addition, strong employer brands may help to lower costs Recruitment is the most notable area in which costs can be reduced. The cost of replacing employees can be higher than the cost of expanding the organization .A company with a strong employer brand can even offer lower salaries than companies with weaker employer brands do for similar positions.

FIG. 1



When the personnel turnover in a company is lower than that of its competitors', it will offer a remarkable advantage in terms of the cost base. Hence, organizations with strong employer brands have higher employee retention Additionally, higher employee engagement provides higher overall performance and reduces costs.

PROCESS OF EMPLOYER BRANDING

Van Mossevelde (2010) has stated that employer branding is a five step process :

- Resarch- The position of current employer in employment market is important to understand & then action plan need to define . Resarch on current employee and employment market will help to understand how company employment experience is perceived .Resarch will help in knowing how employer is perceived by target group, learning what is needed & wanted from employer by targrt group & discovering the employer's position with regard to its competition.

FIG. 1



- Define EVP- EVP is set of association & offering provided by organization in return to skill & capabilities an employee bring to organization . It provide potential and current employee a reason to work for an employer & reflects the competitive advantage of company.
 - Develop communication Strategy-The third stage is the development of a communicational strategy which is based on resarch findings & well defined evp . HR, Marketing or communication can use EVP to emphasize the most attractive factor & be consistent in employer communication.
 - Express EVP with RT. Words & image- fourth step of this process is to express EVP .
 - Implementation & review – Final step of employer branding process is to implement & all steps & to observe closely what works or needs adjustment .
- The significance of employer branding continues to increase in the future, as companies strive to gain a competitive advantage by attracting top talent and creating an image as an attractive employer.

CONCLUSION

As war for talent is growing companies easily loose qualify talent by being perceived as undesirable place to work .Employer Branding--defined as the process of placing an image of being a "great place to work" in the minds of potential employees--influence the firms' success in increasing the quantity and quality of applicants and retaining their current employees Employer branding is important as employers wish to recruit and retain skilled employees Since firms operate in an environment of intense global competition, a strong employer brand emerged as the key to winning this war for talent Employer Branding is recent buzz in corporate world . The term was first used in early 1990s, published in journal of business management & since become widely adopted by global management community. The present paper briefly provides overview of employer branding ,its importance & strategies companies should adopt to make their company desirable to work for. The data required for the study has been collected from secondary sources.

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HUMAN RIGHTS OF AN ACCUSED PERSON UNDER CRIMINAL JUSTICE SYSTEM IN INDIA

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ABSTRACT

The Constitution of India as well as the International Commissions, Treaties and Covenants on Human Rights attaches great importance to the protection of life and personal liberty of an individual and emphasis on the respect for human dignity. The basic laws i.e. substantive and procedural, stress the need to strictly observe the human rights in the administration of criminal justice in its true letter and spirit. Presumption of innocence of an accused is a legal presumption and should not be destroyed at the very threshold through the process of media trial and that too when the investigation is pending. In that event, it will be opposed to the very basic rule of law and would impinge upon the protection granted to an accused under Article 21 of the Constitution. The present system of administration of justice is very complicated and it has become very difficult for a common man to reap out of it. In Indian perspective, Non-Governmental Organizations (NGOs) are playing commendable roles in responding to the mass voices of weak, meek, poor, suppressed, downtrodden and exploited people and has emerged as a powerful protective shield of assistance in the field of legal battle to the needy persons. It is remarkable to note that the positive role which the Non-governmental organization (NGOs) in India can play in furthering the cause of human rights has been duly recognized both by the protection of Human Rights Act, 1993 and the National Human Rights Commission (NHRC). The Commission also encourages and utilizes the NGOs for organizing Seminars, training programmes and in spreading human rights awareness.

KEYWORDS

human rights, criminal justice.

INTRODUCTION

It has become a fashion to talk of rights, rights and only rights by every strata of human thinking. But there is a need to peruse deep into and beyond the labyrinth of rights. Therefore, in a welter of rights, the rights of an accused form a kernel of entire human rights discourse at the infancial beginning of 21st century. Rights of the accused and transgression thereof are pervading all the geo-political entity jurisdiction ever since the inception of human habitation on this beautiful planet. No doubt there have been certain jurisdictions wherein the rights of accused have been preserved, promoted and protected. All the revealed regimes and divine discourses have been utopian unanimous and united on the basic rights of accused. As early as in 1215, *Magna Carta* under Section 37 had provided a broil of protection of an accused regarding his rights and against any arbitrary arrest, detention and confinement contrary to the procedure established by law. Dr. Martin Luther King (Jr) said that - "Injustice anywhere is a threat to justice everywhere"

In India, the misuse of power and process in the hands of law-enforcing agencies is quite rampant. It has been observed since long time, that the people who were entrusted with powers had vehemently abused it. Protections of human rights are of cardinal importance in the process of criminal justice at all stages of investigation, trial and punishment. An accused person cannot be condemned merely because a charge is leveled against him, rather a large number of Constitutional and procedural rights have been given to him for his due protection. As a matter of fact the laws of India specially the Constitutional, evidentiary and procedural laws have made elaborate provisions for safeguarding the basic rights of the accused with a view to protecting his dignity as a human being and giving him the benefit of a just, fair and impartial trial.

MEANING OF HUMAN RIGHTS

Human Rights are those minimal rights that every individual must have against the State or other public authority by virtue of being a member of the human family irrespective of any other consideration. These are the rights that are inherent in all the citizens, because of their being human ones. Article 10 of the International Covenant on Civil and Political Rights (ICCPR) mandates that- "All persons deprived of their liberty shall be treated with humanity and with respect for the inherent dignity of the human person". Likewise the United Nations Standard Minimum Rules for Protection of Prisoners also provided basic guidelines for the treatment of prisoners and reaffirmed the tenet that prisoners do retain their fundamental rights even while in custody.

According to J. Donnelly "Human Rights are those held simply by virtue of being a person. To have a human right one need not do anything special, other than to be born as human being"¹ R.J. Vincet argued human rights are founded in the human nature. He said, "they are the rights that everyone has, and everyone equally, by virtue of their very humanity. They are grounded in our appeal to human nature."² According to David Selby, "human rights pertain to all persons and are possessed by everybody in the world because they are human beings, they are not earned, bought or inherited, nor are they created by any contractual undertaking. "On the other hand, A.A. Said define human rights as those rights that are concerned with the dignity of individual, the level of self esteem that secures personal identity and promote human community."³

In the words of Subash C. Kashyap, "the fundamental norms governing the concept of human rights is that of the respect for human personality and its absolute worth. Human rights may be said to be those fundamental rights to which every man or woman inhabiting any part of the world should be deemed to be entitled merely by virtue of having been born a human being."⁴

WHO IS AN ACCUSED

Administration of criminal justice is concerned with a crime, which means an act deemed by law to be harmful to society in general even though its immediate victim happens to be an individual. Those who commit such acts (crime) are prosecuted by the State so that if found guilty and convicted by the court, they may be punished according to law of the State. As in every administration of criminal justice, a trial is conducted which revolves around the accused, an important question may be asked as to who can be called as an "accused".

As per **Black Law Dictionary** the term accused is defined as "the generic name of the defendant in a criminal case". In the **Law Lexicon's Dictionary** the word Accused has been defined as "A person against whom an allegation has been made that he has committed an offence, or who is charged with an offence". On the basis of these two definitions, it may be said that as soon as a person is alleged formally to commit a crime, he comes in the category of accused.

A person against whom a formal accusation of the commission of an offence has been made can be a person accused of an offence. The word offence has been defined in Section 3(38) of General Clauses Act, as "any act or omission made punishable by any law for time being in force" In *Maqbool Hussain v. State of Bombay*,⁵ The Supreme Court held that an accused is a person against whom an allegation is made, that he had committed an offence, and the court confined such allegations upto the FIR. In *M.P. Sharma v. Satish*,⁶ it was held that the expression "person accused of an offence" means a person against whom a FIR is lodged and who is included in the category of accused therein.

RIGHTS OF ACCUSED UNDER INDIAN LAWS

Universal Declaration of Human Rights, 1948, has recognised certain basic human rights of an individual, including an accused. The Indian Constitution, in tune with the international endeavours, provided four basic principles to govern the criminal justice system, viz, (1) presumption of innocence, (2) prevention of ex-post facto operation of criminal law (3) protection against double jeopardy and (4) due process concept. Besides the Constitution, The Code of Criminal Procedure, 1973 and Indian Evidence Act, 1872, also deal with the protection of human rights of the accused person. In our criminal justice system, the legal ethics is quite established "let the thousand of criminals be let out, but a single innocent should not be punished". Following this principle the judiciary requires all cases to be proved beyond reasonable doubt.

CONSTITUTIONAL PROVISIONS RELATING TO THE RIGHTS OF THE ACCUSED

- Right against conviction or enhanced punishment under an Ex-post facto Law-Article 20(1).
- Right of protection against double jeopardy-Article 20(2)
- Right against self-incrimination- Article 20(3).
- Right of Privacy-Article 20(3) and Article 21.
- Right to be informed of the grounds of arrest and right to bail-Article 22(1) and (2).
- Right against unlawful arrest-Article 22(1) and (2).
- Right to consult and be defended by a lawyer of his own choice-Article 22(1) and (2).
- Right to production before a Magistrate within 24 hours-Article 22(1) and (2).
- Right to a fair pre-trial detention-Article 21.
- Right to life and liberty-Article-21.
- Right to free legal aid-Article 39-A.
- Right to Constitutional Remedies under Articles 32 and 226.
- Right to Equality and protection against arbitrariness –Article 14.
- Right to Freedom-Article 19.

PROCEDURAL PROVISIONS RELATING TO THE RIGHTS OF THE ACCUSED

- Protection against arbitrary or unlawful arrest-Sections 41, 55 and 151 of Cr.P.C.
- Protection against arbitrary or unlawful searches-Sections 93, 94, 97,100 and 165 of the Code.
- Protection against arbitrary or illegal detention in custody-Sections- 56, 57 and 76 of the Code.
- Right to be informed of the grounds, immediately after arrest-Sections 50, 55 and 75 of the Code.
- Right of the arrested persons not to be subjected to unnecessary restraint-Section 49 of the Code.
- Right to consultation of lawyer of his own choice as well as right to get legal aid at the expense of the State in certain cases-Sections 303, 304 of the Code.
- Right to be produced before Magistrate within 24 hours of his arrest- Sections 57 and 76 of the Code.
- Right to be released on bail if arrested –Sections 436, 437 and 439; also Sections 50 (2) and 176 of the Code.
- Right to get copies of the documents and statements of witnesses on which the prosecution relies-Sections 173 (7), 207, 208 and 238 of the Code.
- Right to have the benefit of the presumption of innocence till guilt is proved beyond reasonable doubt-Sections 101-104 of Indian Evidence Act, 1872.
- Right to insist that evidence be recorded in his presence except in some special circumstances-Section 273; also 317 of the Cr.P.C.
- Right to have a due notice of the charges- Sections 218, 228(2), 240 (2), etc. of the Code.
- Right to test the evidence by cross-examination-Section 138 of Evidence Act.
- Right to have an opportunity for explaining the circumstances appearing in evidence against him at the trial-Section 313 of the Cr.P.C.
- Right to have himself medically examined for evidence to disprove the commission of offence by him or for establishing commission of offence against his body by any other person- Section 54 of the Code.
- Right to produce the defence witnesses –Section 243 of the Code.
- Right to be tried by an independent and impartial judge-Sections 479, 327 and 191 etc, of the Code. (The Scheme of Separation of Judiciary as envisaged in Cr.P.C.).
- Right to fair and speedy investigation and trial –Section 309 of the Code.
- Right to obtain a receipt when properties are seized- Sections 100 (6) and (7) of the Code.
- Right to be heard about the sentence upon conviction-Section 235 (2) and 248 (2) of the Code.
- Right of release of a convicted person on bail pending appeal-Section 380 of the Code.
- Right to appeal in case of conviction –Sections 351, 374, 379, 380 of the Code.
- Right to invoke the power of High Court under Section 482 of the Code.
- Right to get copy of the judgment when sentenced to imprisonment- Section 363 of the Code.

JUDICIAL APPROACH TOWARDS PROTECTION OF RIGHTS OF ACCUSED

Article 21 of the Constitution of India confers on every person the right to life and personal liberty and the Supreme Court has interpreted the Article very broadly to include an array of rights that have helped to strengthen the Indian Criminal Justice System. The expansive interpretation of Article 21 by the Judiciary has led to the inclusion of several rights within the right to life and personal liberty and their elevation to the status of a fundamental right. A wide range of rights, like the right to compensation in case of violation of Article 21, the right of undertrials against unreasonable and arbitrary handcuffing, rights of prisoners, right against custodial violence, the right to a fair and speedy trial, right to free legal aid, the right to consult with the legal advisor, the right against any form of torture or cruel, inhuman or degrading treatment, the right to privacy, the right against police atrocities and illegal arrest and detention, etc., have been held to be a part of Article 21 of the Constitution.

The right to fair trial is at the heart of the Indian criminal justice system. The Supreme Court has held that a fair trial is a part of the fundamental right to life and personal liberty under Article 21 of the Indian Constitution. In *Maneka Gandhi case*⁷ where the Supreme Court held that the "procedure prescribed by law has to be fair, just and reasonable, and not fanciful, oppressive or arbitrary," the ambit of Article 21 and the procedural rights necessary for its realisation have been expanded by the Supreme Court. The most important aspect of the *Maneka Gandhi* case is the interpretation afforded to "procedure established by law" under Article 21.

In *Charles Sobraj v. Superintendent, Central Jail, Tihar*⁸, the Supreme Court has pronounced, "Prisoners retain all rights enjoyed by free citizens except those lost necessarily as an incident of confinement". Therefore, prisoners are not stripped of all of their fundamental rights merely by virtue of their status as detainees. It would be relevant to state that the prohibition extends, not only to physical, but also mental torture. Not allowing an individual to sleep, bright lights, continuous questioning for a long period of time, all constitute compulsion and fall within prohibited third degree methods.⁹

The Apex Court in *Pradeep Kumar Verma v. State of Bihar*,¹⁰ required the authorities to do needful in the matter urgently to ensure speedy disposal of cases, if the people's faith in the judiciary was to remain. Though no general guideline can be fixed regarding speedy trial by the Court and that each case has to be examined on its own facts and circumstances, but it is the bounded duty of the Court and the prosecution to prevent unreasonable delay.¹¹

In *Khatri v. State of Bihar*,¹² the right to free legal aid was held to be implicit in the guarantee under Article 21 as an essential ingredient of a reasonable, fair and just procedure. The State Government cannot avoid its Constitutional obligation to provide free legal services to a poor accused by pleading financial or administrative inability. Speaking for the majority in *Sunil Batra (II) v. Delhi Administration*,¹³ Krishna Iyer, J., in his inimitable style held that "prisons are built with stones of law and so it behoves the Court to insist that, in the eye of law, prisoners are persons, not animals, and punish the deviant guardians of the prison system where they go berserk and defile the dignity of the human inmate."

In *Smt. Selvi & Ors. v. State of Karnataka*,¹⁴ the Supreme Court has held that nobody can be compelled to undergo Narco analysis, brain mapping, or lie detector tests and that any statements made during these procedures are not admissible as evidence and made it clear that forcible use of these tests is unconstitutional. "It is well-known that Rule of Law sustains democracy and it is equally true that to a bold and independent judiciary is assigned the task of maintaining the Rule of Law. Impartiality and independence of judiciary depends on high standards of conduct followed by judges. Only if the highest possible standards are adhered to, the faith of the common in the judiciary be maintained. It is, therefore, imperative that the actions of judges are transparent and constitutionally sound. The judiciary cannot afford to adopt an uncritical attitude towards itself. We judges, at all levels, must make ourselves accountable and ensure that our actions are transparent and are within the parameters set by the Constitution. The judiciary must follow the standards of morality and behavior which it sets for others, and as a matter of fact before laying down standards of behavior for others the judiciary must demonstrate that the same standards apply to it and are being followed by it. Constant evaluation of the functioning of the institution needs, therefore, to be encouraged if the high esteem conferred on the judiciary is to be justified".¹⁵

ROLE OF NGO'S IN PROTECTION OF HUMAN RIGHTS

Human rights NGO's play an important role in upholding human rights, as envisaged under the United Nations Declarations of Human Rights and other human rights instruments. They put pressure on Government and compel them to enforce human rights of persons and be vigilant in order to prevent infringement of these rights. Further, these organizations have helped in bringing instances of human rights violations to the notice of the State/government, so that they can take action in that regard.¹⁶

Non-Governmental Organizations (NGOs) are playing important role in responding the mass voice of weak, meek, poor, suppressed, downtrodden and exploited people and emerged as a powerful protective shield of assistance in the field of legal battle to the needy persons. In this context, activated, sensitized, dynamic and dedicated approach of some prominent NGOs is worthy to appreciate. For example, Peoples Union for Democratic Rights (PUDR), Legal Aid Services, People's Union for civil liberties (PUCL), Common Cause A Registered Society etc. have invoke the Judicial process by way of Public Interest Litigation (PIL) and by letter writing to Apex Court of India and other highest authorities and in this way, these NGOs have played a tremendous role in imparting justice to thousands of arrested persons as well as under trials prisoners.

The Free Legal Aid Committee, Hazaribagh brought to the notice of the Court through a letter about the illegal detention of certain prisoners in the Hazaribagh jail for two or three decades without any justification. At the time of their detention prisoners were declared insane but afterwards they became sane but due to the inaction of authorities to take steps to release them, they remained in jails for 20 to 37 years. It was held that the prisoners remained in jail for no fault of theirs but because of callous and lethargic attitude of the authorities and therefore entitled to be released forthwith. The Court has emphasized that there should be an adequate number of institutions for looking after the mentally sick persons and the practice of sending lunatic, or persons of unsound mind into jail for safe custody is not desirable, because jail is hardly a place for treating such persons.¹⁷

Another judgment of far reaching importance is *Rudul Shah Case*¹⁸ when he was kept in jail for 14 years, even after his acquittal by a criminal Court, where his right of personal liberty guaranteed by Article 21 was breach by jail administration. He was acquitted by the Court of Sessions, Muzaffarpur, Bihar, on June 30, 1968, but was released from jail only on October 16, 1982. This was done only when a habeas corpus petition was moved on his behalf in the Supreme Court. The fact situation revealed „a sordid and disturbing State of affairs for which the responsibility lay squarely on the Administration. The Court also asked the Patna High Court to find out if there were any other detenuue suffering a fate similar to *Rudul Shah*'. The State authorities failed to place before the Court any satisfactory material for his continued detention for such a long period. The Court felt that not awarding damages in instant case would be doing merely lip services to fundamental Right to liberty which the State Government has so grossly violated, and directed to Bihar Government to pay Rs 35,000/- as compensation to Rudul Shah who had to remain in jail for 14 years.

The NHRC, like national human rights institutions in other countries, is an outcome of the process of universalization of human rights institutions. The United Nations, ECOSOC and UN Commission of Human Rights have been trying since 1946, to persuade nation-States including India to established National Human Rights Institutions, as it is widely believed that the translation of international human rights standards into reality is possible only with the establishment of such institutions. The guidelines suggested in the "Paris Principles", therefore became the basis of the formation of India's National Human Rights Commission. NHRC as a monitoring body over deaths and other violence in Police custody, has been emphasizing on scientific, professional and human approach to be adopted by police personnel towards persons detained for investigations with a view to reduce custodial crime, the Commission has taken many steps to provide human rights training to the police personnel. It has made extensive recommendations, aimed at reforming certain aspects of the administration of the criminal justice system so as to make it more sensitive to human rights considerations.

CONCLUSION

The Constitution of India as well as the International Commissions, Treaties and Covenants on Human Rights attaches great importance to the protection of life and personal liberty of an individual and emphasis on the respect for human dignity. The basic laws i.e. substantive and procedural, stress the need to strictly observe the human rights in the administration of criminal justice in its true letter and spirit. Presumption of innocence of an accused is a legal presumption and should not be destroyed at the very threshold through the process of media trial and that too when the investigation is pending. In that event, it will be opposed to the very basic rule of law and would impinge upon the protection granted to an accused under Article 21 of the Constitution.

The present system of administration of justice is very complicated and it has become very difficult for a common man to reap out of it. In Indian perspective, Non-Governmental Organizations (NGOs) are playing commendable roles in responding to the mass voices of weak, meek, poor, suppressed, downtrodden and exploited people and has emerged as a powerful protective shield of assistance in the field of legal battle to the needy persons. It is remarkable to note that the positive role which the Non-governmental organization (NGOs) in India can play in furthering the cause of human rights has been duly recognized both by the protection of Human Rights Act, 1993 and the National Human Rights Commission (NHRC). The Commission also encourages and utilizes the NGOs for organizing Seminars, training programmes and in spreading human rights awareness.

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