INTERNATIONAL JOURNAL OF RESEARCH IN COMMERCE, IT & MANAGEMENT

IJRCM

A Monthly Double-Blind Peer Reviewed (Refereed/Juried) Open Access International e-Journal - Included in the International Serial Directories

Indexed & Listed at:

Ulrich's Periodicals Directory ©, ProQuest, U.S.A., EBSCO Publishing, U.S.A., Cabell's Directories of Publishing Opportunities, U.S.A., Google Scholar, Indian Citation Index (ICI), J-Gage, India [link of the same is duly available at Inflibnet of University Grants Commission (U.G.C.)], Index Copernicus Publishers Panel, Poland with IC Value of 5.09 (2012) & number of libraries all around the world.

Circulated all over the world & Google has verified that scholars of more than **6114 Cities** in **195 countries/territories** are visiting our journal on regular basis.

Ground Floor, Building No. 1041-C-1, Devi Bhawan Bazar, JAGADHRI – 135 003, Yamunanagar, Haryana, INDIA

http://ijrcm.org.in/

CONTENTS

CALL FOR MANUSCRIPTS

We invite unpublished novel, original, empirical and high quality research work pertaining to the recent developments & practices in the areas of Computer Science & Applications; Commerce; Business; Finance; Marketing; Human Resource Management; General Management; Banking; Economics; Tourism Administration & Management; Education; Law; Library & Information Science; Defence & Strategic Studies; Electronic Science; Corporate Governance; Industrial Relations; and emerging paradigms in allied subjects like Accounting; Accounting Information Systems; Accounting Theory & Practice; Auditing; Behavioral Accounting; Behavioral Economics; Corporate Finance; Cost Accounting; Econometrics; Economic Development; Economic History; Financial Institutions & Markets; Financial Services; Fiscal Policy; Government & Non Profit Accounting; Industrial Organization; International Economics & Trade; International Finance; Macro Economics; Micro Economics; Rural Economics; Co-operation; Demography: Development Planning; Development Studies; Applied Economics; Development Economics; Business Economics; Monetary Policy; Public Policy Economics; Real Estate; Regional Economics; Political Science; Continuing Education; Labour Welfare; Philosophy; Psychology; Sociology; Tax Accounting; Advertising & Promotion Management; Management Information Systems (MIS); Business Law; Public Responsibility & Ethics; Communication; Direct Marketing; E-Commerce; Global Business; Health Care Administration; Labour Relations & Human Resource Management; Marketing Research; Marketing Theory & Applications; Non-Profit Organizations; Office Administration/Management; Operations Research/Statistics; Organizational Behavior & Theory; Organizational Development; Production/Operations; International Relations; Human Rights & Duties; Public Administration; Population Studies; Purchasing/Materials Management; Retailing; Sales/Selling; Services; Small Business Entrepreneurship; Strategic Management Policy; Technology/Innovation; Tourism & Hospitality; Transportation Distribution; Algorithms; Artificial Intelligence; Compilers & Translation; Computer Aided Design (CAD); Computer Aided Manufacturing; Computer Graphics; Computer Organization & Architecture; Database Structures & Systems; Discrete Structures; Internet; Management Information Systems; Modeling & Simulation; Neural Systems/Neural Networks; Numerical Analysis/Scientific Computing; Object Oriented Programming; Operating Systems; Programming Languages; Robotics; Symbolic & Formal Logic; Web Design and emerging paradigms in allied subjects.

Anybody can submit the **soft copy** of unpublished novel; original; empirical and high quality **research work/manuscript** ***anytime*** in ***M.S. Word format*** after preparing the same as per our **GUIDELINES FOR SUBMISSION**; at our email address i.e. infoijrcm@gmail.com or online by clicking the link **online submission** as given on our website (***FOR ONLINE SUBMISSION, CLICK HERE***).

GUIDELINES FOR SUBMISSION OF MANUSCRIPT

1. **COVERING LETTER FOR SUBMISSION:**

DATED: _____________

THE EDITOR

IJRCM

Subject: **SUBMISSION OF MANUSCRIPT IN THE AREA OF ____.**

(e.g. Finance/Mkt./HRM/General Mgt./Engineering/Economics/Computer/IT/ Education/Psychology/Law/Math/other, please specify)

DEAR SIR/MADAM

Please find my submission of manuscript titled '____' for likely publication in one of your journals.

I hereby affirm that the contents of this manuscript are original. Furthermore, it has neither been published anywhere in any language fully or partly, nor it is under review for publication elsewhere.

I affirm that all the co-authors of this manuscript have seen the submitted version of the manuscript and have agreed to inclusion of their names as co-authors.

Also, if my/our manuscript is accepted, I agree to comply with the formalities as given on the website of the journal. The Journal has discretion to publish our contribution in any of its journals.

NAME OF CORRESPONDING AUTHOR	:
Designation/Post*	:
Institution/College/University with full address & Pin Code	:
Residential address with Pin Code	:
Mobile Number (s) with country ISD code	:
Is WhatsApp or Viber active on your above noted Mobile Number (Yes/No)	:
Landline Number (s) with country ISD code	:
E-mail Address	:
Alternate E-mail Address	:
Nationality	:

* i.e. Alumnus (Male Alumni), Alumna (Female Alumni), Student, Research Scholar (M. Phil), Research Scholar (Ph. D.), JRF, Research Assistant, Assistant Lecturer, Lecturer, Senior Lecturer, Junior Assistant Professor, Assistant Professor, Senior Assistant Professor, Co-ordinator, Reader, Associate Professor, Professor, Head, Vice-Principal, Dy. Director, Principal, Director, Dean, President, Vice Chancellor, Industry Designation **etc**. ***The qualification of author is not acceptable for the purpose***.

NOTES:

a) The whole manuscript has to be in ***ONE MS WORD FILE*** only, which will start from the covering letter, inside the manuscript. ***pdf. version is liable to be rejected without any consideration***.

b) The sender is required to mention the following in the **SUBJECT COLUMN of the mail**:

New Manuscript for Review in the area of (e.g. Finance/Marketing/HRM/General Mgt./Engineering/Economics/Computer/IT/ Education/Psychology/Law/Math/other, please specify)

c) There is no need to give any text in the body of the mail, except the cases where the author wishes to give any **specific message** w.r.t. to the manuscript.

d) The total size of the file containing the manuscript is expected to be below **1000 KB**.

e) Only the **Abstract will not be considered for review** and the author is required to submit the **complete manuscript** in the first instance.

f) ***The journal gives acknowledgement w.r.t. the receipt of every email within twenty-four hours*** and in case of non-receipt of acknowledgment from the journal, w.r.t. the submission of the manuscript, within two days of its submission, the corresponding author is required to demand for the same by sending a separate mail to the journal.

g) The author (s) name or details should not appear anywhere on the body of the manuscript, except on the covering letter and the cover page of the manuscript, in the manner as mentioned in the guidelines.

2. **MANUSCRIPT TITLE:** The title of the paper should be typed in **bold letters**, **centered** and **fully capitalised**.

3. **AUTHOR NAME (S) & AFFILIATIONS:** Author (s) **name**, **designation**, **affiliation** (s), **address**, **mobile/landline number** (s), and **email/alternate email address** should be given underneath the title.

4. **ACKNOWLEDGMENTS:** Acknowledgements can be given to reviewers, guides, funding institutions, etc., if any.

5. **ABSTRACT:** Abstract should be in **fully Italic printing**, ranging between **150** to **300 words**. The abstract must be informative and elucidating the background, aims, methods, results & conclusion in a **SINGLE PARA**. ***Abbreviations must be mentioned in full***.

6. **KEYWORDS:** Abstract must be followed by a list of keywords, subject to the maximum of **five**. These should be arranged in alphabetic order separated by commas and full stop at the end. All words of the keywords, including the first one should be in small letters, except special words e.g. name of the Countries, abbreviations etc.

7. **JEL CODE:** Provide the appropriate Journal of Economic Literature Classification System code (s). JEL codes are available at www.aeaweb.org/econlit/jelCodes.php. However, mentioning of JEL Code is not mandatory.

8. **MANUSCRIPT:** Manuscript must be in ***BRITISH ENGLISH*** prepared on a standard A4 size ***PORTRAIT SETTING PAPER***. *It should be free from any errors i.e.* ***grammatical, spelling*** *or* ***punctuation.*** *It must be thoroughly edited at your end*.

9. **HEADINGS:** All the headings must be bold-faced, aligned left and fully capitalised. Leave a blank line before each heading.

10. **SUB-HEADINGS:** All the sub-headings must be bold-faced, aligned left and fully capitalised.

11. **MAIN TEXT:**

THE MAIN TEXT SHOULD FOLLOW THE FOLLOWING SEQUENCE:

INTRODUCTION
REVIEW OF LITERATURE
NEED/IMPORTANCE OF THE STUDY
STATEMENT OF THE PROBLEM
OBJECTIVES
HYPOTHESIS (ES)
RESEARCH METHODOLOGY
RESULTS & DISCUSSION
FINDINGS
RECOMMENDATIONS/SUGGESTIONS
CONCLUSIONS
LIMITATIONS
SCOPE FOR FURTHER RESEARCH
REFERENCES
APPENDIX/ANNEXURE

The manuscript should preferably be in ***2000 to 5000 WORDS***, But the limits can vary depending on the nature of the manuscript.

12. **FIGURES & TABLES:** These should be simple, crystal **CLEAR**, **centered**, **separately numbered** & self-explained, and the **titles must be above the table/figure**. **Sources of data should be mentioned below the table/figure**. *It should be ensured that the tables/figures are referred to from the main text*.
13. **EQUATIONS/FORMULAE:** These should be consecutively numbered in parenthesis, left aligned with equation/formulae number placed at the right. The equation editor provided with standard versions of Microsoft Word may be utilised. If any other equation editor is utilised, author must confirm that these equations may be viewed and edited in versions of Microsoft Office that does not have the editor.
14. **ACRONYMS:** These should not be used in the abstract. The use of acronyms is elsewhere is acceptable. Acronyms should be defined on its first use in each section e.g. Reserve Bank of India (RBI). Acronyms should be redefined on first use in subsequent sections.
15. **REFERENCES:** The list of all references should be alphabetically arranged. ***The author (s) should mention only the actually utilised references in the preparation of manuscript*** and they may follow Harvard Style of Referencing. **Also check to ensure that everything that you are including in the reference section is duly cited in the paper**. The author (s) are supposed to follow the references as per the following:

- All works cited in the text (including sources for tables and figures) should be listed alphabetically.
- Use (**ed.**) for one editor, and (**ed.s)** for multiple editors.
- When listing two or more works by one author, use --- (20xx), such as after Kohl (1997), use --- (2001), etc., in chronologically ascending order.
- Indicate (opening and closing) page numbers for articles in journals and for chapters in books.
- The title of books and journals should be in italic printing. Double quotation marks are used for titles of journal articles, book chapters, dissertations, reports, working papers, unpublished material, etc.
- For titles in a language other than English, provide an English translation in parenthesis.
- ***Headers, footers, endnotes*** *and* ***footnotes*** *should* ***not be used*** *in the document.* However, **you can mention short notes to elucidate some specific point**, which may be placed in number orders before the references.

PLEASE USE THE FOLLOWING FOR STYLE AND PUNCTUATION IN REFERENCES:

BOOKS

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

CONTRIBUTIONS TO BOOKS

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

JOURNAL AND OTHER ARTICLES

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

CONFERENCE PAPERS

- Garg, Sambhav (2011): "Business Ethics" Paper presented at the Annual International Conference for the All India Management Association, New Delhi, India, 19–23

UNPUBLISHED DISSERTATIONS

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

ONLINE RESOURCES

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

WEBSITES

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

EVALUATION OF INVESTMENT PERFORMANCE OF SELECT MUTUAL FUNDS: A CASE OF WILLIAM SHARPE, TREYNOR AND JENSEN PARAMETERS

Dr. RAMESH.O.OLEKAR
PROFESSOR & CHAIRMAN
PG DEPARTMENT OF STUDIES & RESEARCH IN COMMERCE
VIJAYANAGAR SRI KRISHNADEVARARAY UNIVERSITY
BALLARI

MAHESH. AGASARA
Ph. D. RESEARCH SCHOLAR
PG DEPARTMENT OF STUDIES & RESEARCH IN COMMERCE
VIJAYANAGAR SRI KRISHNADEVARARAY UNIVERSITY
BALLARI

ABSTRACT
Mutual fund industry today is one of the most preferred investment options all over the world. It plays crucial role in the economic development of a country. Mutual funds active involvement can be seen by their dominant presence in the money market as well as capital market. Recently they entered the area of the service sector in an admirable manner. A Mutual fund is an entity in the form of a trust, which pools the money of the small investors and invests the same in the different investment avenues. Such investment may be in the form equity shares, debt securities, money market instruments, government securities, fixed deposits, precious metals, etc. Their investment securities are professionally managed on behalf of the investors, also known as the unit holders.

KEYWORDS
mutual fund, equity oriented, portfolio, performance index.

JEL CODE
M12

INTRODUCTION
Indian capital market has been growing in investment environment in past two decades. Increased competition and increase in integration of global financial markets are the order of the day. By considering this ever changing financial landscape, a number of investment opportunities are available for investors, to channelize their savings, are such preferred investment option is Mutual funds. Mutual funds have emerged has the fastest growing institution, providing several linkages with the real economy. Since Mutual funds are a relatively recent phenomenon in India. It provides a means of participation in stock market for people who on their own cannot successfully construct and manage an investment portfolio. Mutual fund pool money from a cross section of investors by issuing units, construct a diversified portfolio of stocks, bonds and other investments, and invest the same in the capital market. But before they can mobilize resources and invest them in the capital market, they have to be registered with the regulating authority of the country. Them it takes long time, so the Investors are shifted his savings minds into the Mutual funds. The primary objective of all Mutual funds is to provide better returns to investors by minimizing the risk associated with capital market investment. Naturally, the degree of risk associated benefits differs. Therefore Mutual fund has been growing tremendously in India. Performance evaluation of Mutual fund is important for investor and portfolio managers as to an opportunity to the investors to assess the performance of portfolio managers as how much return has been generated and what risk level has been assumed in generating such returns.

REVIEW OF LITERATURE
Pradeep Mamgain (2016) "A study on the Growth and Prospects of Indian Mutual Fund Industry". This study tells about the Indian Mutual fund industry, is a fast growing industry in the financial sector. Mutual Fund schemes have become the most preferred investment avenue in the recent years. For taken into consideration the high returns, liquidity, safety, professional management and comparative low risk, investors prefer the Mutual fund route for their investment planning. The objective of the research is to give a direction to the investors and fund managers for investing in potential high-performing schemes.
Rais Ahmad, Abuzar Nomani (2015) "Comparative Analysis of Risk, Return and Diversification of Mutual Fund". Mutual Funds over the years have gained immensely in their popularity. Apart from the many advantages that investing in Mutual funds provide like diversification, professional management, the ease of investment process has proved to be a major enabling factor. Mutual Funds have become a widely popular and effective way for investors to participate in financial markets in an easy, low-cost fashion, while muting risk characteristics by spreading the investment across different types of securities, also known as diversification. It can play a central role in an individual's investment strategy. The present investigation is aimed to examine the performance of safest investment instrument in the security market in the eyes of investors. Five Mutual fund large cap scheme have been selected for this purpose through popular models given by Sharpe, Treynor and Jensen. The findings of the study will be helpful for the researchers and financial analysts to analyze various securities or funds while.
Mohamed Sivakumar, K.Srinivas Reddy (2013) "Performance Evaluation of Mutual funds in India with special reference to selected financial intermediaries". Mutual fund companies are financial intermediaries providing financial services to small investors through mobilization of funds, when the investors invest in a Mutual fund they are buying shares or units of the Mutual fund and become a shareholder of the fund. Mutual funds are one of the best investments ever created because they are very cost efficient and very easy to invest in. The study examines the performance of Mutual funds based on their fund return, risk and performance ratios.
Dr.R.Narayanasamy, V. Rathnamani (2013) "Performance Evaluation of Equity Mutual Funds". This study mainly focused on the performance of selected Equity large cap Mutual fund schemes in terms of risk- return relationship. And speaks the close monitoring and evaluation of Mutual funds has become essential. Therefore, choosing profitable Mutual funds for investment is a very important issue. The main objectives of this research work is to analysis financial performance of selected Mutual fund schemes, examine the return from the selected Mutual fund and know whether the Mutual funds are able to provide Reward to variability and volatility. The findings of this research study will be help full to investors for his future investment decisions.

STATEMENT OF THE PROBLEM
Mutual Fund Industry is one of the most preferred Investment option all over the world. Because it plays a crucial role in the economic development and increases the standard of living of the investors. Mutual funds active involvement can be seen their dominant presence in the money market as well as capital market. Recently they entered the area of the service in an admirable manner. But people or investor's doesn't know the knowledge of the Mutual fund and its different

schemes. The present study attempts to identifying the performance of Equity oriented Mutual fund in addition to that what is the performance of selected Mutual fund in context to their risk and return during the period of ten years period from 2006-2015 by taking NAV of that stock or selected Mutual fund.

By this study reveals the magnitude of risk and return of the selected Mutual fund. It helps to the investor which portfolios have to be selected to earn return.

OBJECTIVES OF THE STUDY

1. To understand the basic concept of Mutual fund and its benefits as an investment avenue.
2. To determine the risk and returns associated with Equity Mutual fund.
3. To evaluate the investment performance of selected Mutual funds with risk adjustment, by using the theoretical parameters as suggested by William Sharpe, Treynor and Jensen.

RESEARCH METHODOLOGY

This head highlights the collection of data required for this study. The present study fully depends on secondary data. The secondary data is collected from external source includes Net Asset values of annual reports of HSBC AMCs (2006-2015) & L&T AMCs (2006-2015) and as well as from books, newspapers, magazines Internet, etc.

TOOLS &TECHNIQUES

Risk-adjusted performance measures have been used for evaluating the portfolio performance of equity Mutual fund schemes. The techniques used for analysing the data are presented briefly below as follows: - 1. Sharpe's ratio, 2. Treynor's ratio, 3. Jensen's ratio.

SCOPE OF THE STUDY

The performance of equity Mutual fund schemes is examined in this study for 10 years period from 2006-2015 and present study is restricted to Equity Mutual fund. The data will be analyzed on the information obtained from Asset Management Companies.

PORTFOLIO EVALUATION OF EQUITY MUTUAL FUND

Return is a key aspect of performance, but portfolio exposure to risk must also be taken into account. A risk adjusted return is the numerical value of a risk assessment calculation applied to an investment. The return produced by an investment, resulting in a ratio. The risk adjusted returns can be applied to individual securities, a portfolio of securities, or a fund. Different forms of risk measurement provide investors with diverse methods of evaluating the risk adjusted return. Comparing investments using a risk adjusted return method helps the investor decide which investment is more suited to purpose and risk tolerance. Since both risk and return are important, these two factors are to be combined into an index. The various persons like Sharpe, Treynor, Jensen and others have been developed a models for portfolio performance by adjusting the return for the riskiness of the portfolio. These methods are called as "Risk Adjusted Return Methods". The various methods are:-

SHARPE PERFORMANCE INDEX/ RATIO

It is the Reward to variability ratio given by William.F. Sharpe in 1966. It is expressed as the excess return per unit of risk, where risk is measured by the standard deviation of the rate of return. It is the most widely used performance measure in practice. It uses the standard deviation as the measure of total risk. Higher the Sharpe's index translates into a higher performance and vice-versa. The ratio is defined as follows:-

$$S = \left(\frac{R_p - R_f}{\sigma_p}\right)$$

(Or) Sp = Risk Premium/standard Deviation Where: Sp = Sharpe's ratio for fund P
Rp = Average Return on Portfolio
Rf = Risk free rate of return
σp = Standard deviation of the portfolio
Risk Premium = Rp-Rf

The ratio is based on the fact that preferred portfolios lies on the most counter clock-wise ray in the expected return and standard deviation space, i.e., the slope of the ray is maximized and is denoted by Sharpe ratio. The ratio views at the decision from the angle of the investor who chooses Mutual fund that represents the majority of his investments. Sharpe index measures risk premium of a portfolio, relative to the total amount of risk in the portfolio. Sharpe index summarizes the risk and return of a portfolio in a single measure that categorizes the performance of funds on the risk-adjusted basis. This risk premium is the difference between the portfolio's average rate of return and the riskless rate of return. The standard deviation of the portfolio indicates the risk. The index assigns the highest values to assets that have best risk-adjusted average rate of return.

TREYNOR'S PERFORMANCE OF INDEX

It is Reward to Volatility ratio given by Jack Treynor in 1965 and is expressed as a ratio of returns to systematic risk (beta). To understand the Treynor index an investor should know the concept of characteristic line. The main purpose of drawing characteristic line is to know the relationship between a given markets return and the funds return. The Funds performance is measured in relation to the market performance. The ideal funds return raises at a faster rate than the general market performance when the market is moving upwards and its rate of return declines slowly than the market return, in the decline. It measures portfolio risk in terms of beta, which is weighted average of individual security beta. The higher the ratio better is the performance. The ratio is defined as:-

$T_n = (R_p\text{-}R_f) / \beta_p$ (or) T_n = Risk premium/Beta

Where: - T_n =Treynor index
R_p = Return on Portfolio
R_f = risk free rate of return
B_p = Beta co-efficient of portfolio

This measure is based on the fact that preferred portfolios on the most counter clock wise ray in the expected return beta space, i.e., the slope of the ray is maximized and is expressed as Treynor's ratio. It measures portfolio risk in terms of beta that is the weighted average of individual security betas. The ratio is relevant to investors for whom; the fund represents only a fraction of their total assets. The higher the beta better is the performance. It looks at return relative to beta, an index of systematic risk. It ignores the unsystematic risk. The only difference between Sharpe's measure and Treynor's measure is in the denominator.

JENSEN'S PERFORMANCE INDEX

The absolute risk adjusted return measure was developed by Michael. C. Jensen in 1968 and commonly known as Jensen measure. Jensen measure is also known as 'Differential return'. It is mentioned as a measure of absolute performance because a definite standard is set and against that the performance is measured. The formula for Jensen model is as follows:-

αp =Rp – E (Rp)

$E(R_p) = R_f + \beta_p (R_m\text{-}R_f)$

Where
αp = the differential return of a portfolio
Rp = Actual return from portfolio
Rf = risk free rate of interest
βp = beta of the portfolio (systematic risk)

Rm	= Expected return of a market index
E (Rp)	= Expected return from portfolio

The actual or realized return is compared with the expected return from the portfolio. The differential return indicates the performance of the portfolio. Where αp has a positive value, it indicates a superior return. The portfolio has earned more than the risk free rate of return. Then it shows the manager's ability to increase the return. When αp has a negative value, it indicates that the performance of the portfolio is worse than the expected one. The measure is derived from Capital Asset Pricing Model (CAPM).This involves running a regression with excess return on security and that on the market acting as dependent and independent variables respectively, where excess return is computed with reference to return on a risk free return. Significantly positive alpha indicates superior performance.

RETURN

Return on a typical investment consists of two components. The basic is the periodic cash receipts (or income) on the investment, either in the form of interest or dividends. The second component is the change in the price of the assets-commonly called the capital gain or loss. This element of return is the difference between the purchase price and the price at which the assets can be or is sold; therefore; it can be a gain or a loss. The return has been calculated as under:-

PORTFOLIO RETURN: $R_{it}=NAV_t-NAV_{t-1} / NAV_{t-1}$

Where R_{it} is the difference between Net Asset values for two consecutive days divided by the NAV of the preceding day.

MARKET RETURN: $R_{mt} = M.ind_t - M.ind_{t-1} / M.ind_{t-1}$

Where R_{mt} is the difference between markets indices of two consecutive days divided by the market index for the preceding day.

R = (P1-P0) +D/P0*100

Where

R	= Expected rate of return
P0	= Initial investment price of the securities at beginning.
P1	= Price of the security after completion of the holding period.
D	= Dividend

RISK

Risk is neither good nor bad. Risk means variation in the returns possibility of incurring lose in a financial transactions is called as "Risk" in holding securities is generally associated with the possibility that realized returns will be less than expected returns. The difference between the required rate of returns on Mutual fund investments and the risk free return is the risk premium. "Risk can be measured in terms of beta and standard deviation". The total variability in returns of a security represents the total risk of that security. There are two elements of total risk. They are:-

1. Systematic Risk
2. Unsystematic risk

Therefore, Total Risk=Systematic Risk + Unsystematic Risk

1. **STANDARD DEVIATION**

It is used to measure the variation in individual returns from the average expected returns over a certain period. Standard deviation is used in the concept of risk of a portfolio of investments. Higher standard deviation means a greater fluctuation in expected return. The formula for the calculation of standard deviation is as follows:-

$$\sigma = \sqrt{\frac{\sum x^2 - \frac{(\sum x)^2}{N}}{N}}$$

2. **BETA**

Beta measures the systematic risk and shows how prices of securities respond to the market forces. The value of beta changes in the stock due to change in the market. It is calculated by relating the return on a security with return for the market. By convention, market will have beta 1.0. Mutual fund is said to be volatile, more volatile or less volatile. If beta is greater than 1 the stock is said to be riskier than market. If beta is less than 1, the indication is that stock is less risky in comparison to market. If beta is zero then risk is the same as that of the market. Negative beta is rare. The systematic risk (Beta) can be measured in the following formula:-

- **Correlation method:**-Under correlation method the formula used for the calculation of Beta is as:

$\beta i = rim\ (\sigma i)\ (\sigma m) \div \sigma^2 m$

a] $rim= n\sum xy - (\sum x)(\sum y) / \sqrt{n\sum x^2 - (\sum x)^2} \sqrt{n\sum y^2 - (\sum y)^2}$

b] $\sigma^2 m = n\sum x^2 - \sum x^2 / n^2$

c] $\sigma_m = \sqrt{variance}$

d] $\sigma_i = \sqrt{n\sum y^2 - (\sum y)\ 2/n^2}$

Where: - βi =Beta (It is an index/indicator of the systematic risk)

r_{im} =Correlation co-efficient between the returns of stock and market Index.

σ_i =S.D of the returns of ith stock.

σ_m =S.D of the returns of the market index.

$\sigma^2 m$ =variance of the returns of the market index.

n =number of observations

∑xy = product of X and Y

∑y =total of y

Beta can be identified by the way of 3 points i.e.

1. B=1:1 – Average/moderate risk security
2. B>1 _ High risk security/stock
3. B<1 _ Low risk security/stock

- **REGRESSION METHOD**

$B= n\sum xy - (\sum x)(\sum y) / n\sum x^2 - (\sum x)^2$

Where

n	= number of observations
XY	= product of X and Y
X	= Sum total of X values
Y	= Sum total of Y values

3. **ALPHA**

The size of the alpha exhibits the stocks unsystematic return and its average return independent of market return. If the fund produces the expected return at the level of risk assumed, the fund would have an alpha equal to zero. A positive alpha indicates that the manager produced return greater than expected for the risk taken. Alpha is calculated by comparing the fund's actual performance with the risk adjusted expected return. The formula for the calculation of Alpha is as follows:

$\alpha = (R_p - R_f) - \beta\ (R_m - R_f)$

Where

α = Alpha

R_p = Return from portfolio

R_f = Risk free rate of return

R_m = Average market return

B = beta co-efficient of portfolio

RESULTS AND DISCUSSION

TABLE NO. 1: AVERAGE RETURN FOR SELECTED SCHEME OF TWO AMC AND BENCHMARK VALUES

Average Return of selected Equity Funds (In percentage)			
		Asset Management Companies	
Year	**NSE 200**	**L&T Equity Fund**	**HSBC Equity Funds**
2006	32.98	39.16	30.44
2007	43.6	46.21	76.98
2008	-64.58	-63.6	-70.85
2009	66.56	65.75	73.88
2010	14.35	24.75	28.95
2011	-28.76	-22.13	-18.76
2012	28.57	25.98	35.11
2013	5.65	4.78	176.49
2014	30.99	50.2	46.21
2015	-0.64	-0.08	10.42
Average	**12.87**	**17.10**	**38.89**
Deviation		**4.23**	**26.02**
over/Under		**UNDER**	**OVER**
Rank		**2**	**1**

The above table clear that HSBC Equity fund has performed well as compared to L&T Equity fund in this category (Excess return of 26.02 percent greater than its counterpart fund). L&T Equity fund has the excess return is 4.23 and Benchmark average return is 12.87. The funds which over performed the benchmark index are L&T Equity fund and HSBC Equity fund. In this, ultimate analysis, it can inferred that, two chosen Large cap Equity category fund have succeeded in imitating the performance of underlying index, whereas, L&T Equity fund failed when compare to HSBC Equity fund.

TABLE NO. 2: STANDARD DEVIATION FOR SELECTED SCHEME OF THE TWO AMC's & BENCHMARK VALUES

S.D OF SELECTED MUTUAL FUND (in percentage)			
		ASSET MANAGEMENT COMPANIES	
YEAR	NSE 200	L & T EQUITY FUND	HSBC EQUITY FUND
2006	0.26	0.24	0.26
2007	0.23	0.21	0.22
2008	0.44	0	0.31
2009	0.32	0.27	0.26
2010	0.15	0.14	0.15
2011	0.2	0.16	0.15
2012	0.15	0.13	0.13
2013	0.17	0.16	2.53
2014	0.13	0.12	0.15
2015	0.16	0.15	0.15
Average	0.158	0.158	0.431
Deviation		0	0.273
over/Under		UNDER	OVER
RANK		**2**	**1**

The above table reveals that HSBC Equity fund has highest average value of standard deviation (0.431 percent) average value of standard deviation of L&T Equity fund is equal to its benchmark, average standard deviation implying neither over performance nor under performance. Hence, HSBC Equity fund is having higher total volatility whereas L&T Equity fund has least total volatility during the study period as measured by Standard Deviation. Hence, it is advisable for HSBC Equity fund and L&T Equity funds to think in terms of diversification of risk.

TABLE NO. 3: SYSTEMATIC RISK (BETA) FOR SELECTED SCHEME OF TWO AMCS

BETA OF SELECTED MUTUAL FUND		
	ASSET MANAGEMENT COMPANIES	
YEAR	**L & T EQUITY FUND**	**HSBC EQUITY FUND**
2006	0.21	0.28
2007	0.06	0.07
2008	0.02	0.004
2009	-0.1	-0.04
2010	0.04	0.05
2011	-0.04	-0.01
2012	-0.08	0.03
2013	0.07	-1.45
2014	0.01	0.65
2015	-0.12	-0.05
AVERAGE	0.007	-0.0466
Rank	**1**	**2**

The above table portrays the information about Beta values of selected schemes belonging to Large Cap category for the study period. It is generally known fact that, higher the value of beta higher will be responsiveness of a given fund to the changes in the market index and vice-versa. A fund having higher beta may do well in a general up-trend whereas may not do so during the down-trend. Hence, a fund with lower beta may not exhibit attractive performance but it may save investors from extreme loss during the down trend. A Beta value of 1.0 of a fund implies neither over responsiveness nor under responsiveness to the changes in the market.

TABLE NO. 4: SHARPE'S VALUES FOR SELECTED TWO AMC'S EQUITY MUTUAL FUND AND BENCHMARK VALUES

Sharpe's value for selected Equity Fund (In percentage)			
		Asset Management Companies	
Year	Sharpe market ratio	L&T Equity Fund	HSBC Equity Funds
2006	0.32	0.27	0.06
2007	0.44	0.38	0.76
2008	-0.64	-0.39	-0.77
2009	0.65	0.76	0.81
2010	0.18	0.08	-0.01
2011	-0.29	0.13	-0.7
2012	0.27	-0.08	-0.22
2013	0.04	-1.27	0.02
2014	0.31	0.29	-0.002
2015	-0.06	-5.66	-0.48
Average	0.12	-0.55	-0.05
Deviation		-0.29	0.21
over/Under		UNDER	OVER
Rank		**2**	**1**

The above table is observed that, two AMC's belonging to large cap Equity category have shown on an average mash-up of over performance and underperformance as compared to average performance of benchmark index. However, the extent of Performance differs from L&T and HSBC Equity fund. HSBC Equity fund have shown over performance (0.21 percentage) followed by L&T Equity fund scheme has marginal Underperformance as compared to benchmark index (-0.29 percent). Hence L&T Equity Fund has failed to generate adequate excess return in commensurate with their total risk (s) as compared to benchmark index.

TABLE NO. 5: TREYNOR's VALUES FOR SELECTED TWO AMC'S EQUITY MUTUAL FUND AND BENCHMARK VALUES

Treynor's value for selected Equity Fund (In percentage)			
		Asset Management Companies	
Year	Treynor market ratio	L&T Equity Fund	HSBC Equity Funds
2006	0.28	0.13	0.08
2007	0.35	-0.66	0.06
2008	-3.42	-4.2	-19.01
2009	1.25	1.28	2.11
2010	0.05	-0.9	-1.24
2011	1.25	1.66	7.32
2012	-0.85	1.28	-2.32
2013	2.15	-10.7	0.1
2014	-4.25	-8.24	0.44
2015	1.25	0.67	1.7
Average	**-0.19**	**-0.19**	**-1.08**
Deviation		**0**	**-0.89**
over/Under		**Over**	**Under**
Rank		**1**	**2**

It is surprising to observe from the above table that, L&T equity Mutual performance is equal to the treynor market index value. However, the extent of underperformance of HSBC Equity fund (-0.89) compare to the Treynor benchmark index Hence, both funds have failed to generate sufficient excess return in commensurate with their systematic risk (?) as compared to benchmark index. It implies to some extent, fund managers have failed to incorporate appropriate changes into the composition of their portfolio to trim well their performance to the changing conditions in the market. Hence, there is an urgent need to update and upgrade portfolio composition of Equity schemes to make them to fair well.

TABLE NO. 6: JENSEN's ALPHA VALUES (α) FOR SELECTED AMC'S EQUITY FUND

Jensen alpha values for selected Fund (in %)		
	ASSET MANAGEMENT COMPANIES	
YEAR	L & T EQUITY FUND	HSBC EQUITY FUND
2006	0.36	0.16
2007	0.44	0.99
2008	-0.56	-0.61
2009	0.85	0.96
2010	0.21	0.25
2011	-0.3	-0.26
2012	0.19	0.33
2013	-0.03	-0.06
2014	0.41	0.34
2015	-0.09	-0.02
AVERAGE	**0.148**	**0.208**
Rank	**2**	**1**

The analysis is clear from the above table that, two AMC's equity funds are success to generate return as per CAPM model given their beta values. Alpha is an index of management skills of fund managers. Though, HSBC Equity fund manager have experienced than the L&T equity fund manager. In case of HSBC Equity fund (0.208 percent), followed by L&T Equity fund (0.148 percent).

FINDINGS

1. It is found that HSBC Asset Management Companies Equity Mutual fund performance is 38.89% over a period of 10 years (annual average return), which is higher than the L & T AMC Equity fund and market index NSE 200.
2. L & T AMC'S Equity Mutual fund performance is 17.10%, which has lesser annual average return than the HSBC Equity fund's performance, but higher than the market Index NSE 200's performance.
3. HSBC'S equity fund standard deviation is 0.431 which is higher than the L & T's Equity fund i.e., 0.158.
4. L & T AMC'S Equity fund's standard deviation is same as market index NSE 200 i.e., 0.158. So, deviation between L&T AMC and market index is zero.
5. HSBC AMC'S Beta is negative i.e., -0.47 and L&T AMC'S is 0.007. The systematic risk of HSBC is negative which is rare in the market.
6. It is noticed that the fund managers are found possessing good managerial skills as compared to overall market condition in terms of Jensen's measure (α).
7. According to Treynor's measure it is found that, the fund manager's skill of L&T and HSBC are good towards to beat the market performance.
8. It is found that L&T Equity fund have experienced underperformance as compared to the market according to Sharpe's measure.
9. It is observed that Mutual fund industry offers different products to the different income level and risk tolerance people to increase their economic conditions.

SUGGESTIONS

1. L & T Equity Mutual fund has less return comparing to HSBC Equity fund, so suggestion is given to L & T fund manager to take a good decision while choosing the portfolio investments.
2. L & T Mutual fund made a mistake of putting all their funds in one or a few baskets, ignoring the strategy of diversification. So, get more returns it follows the strategy of diversification.
3. Beta of the both AMC's is less than one it represents less systematic risk so, it should maintain for upcoming years.
4. As per the SEBI (Mutual funds) Regulations, every fund house has to share their information pertaining to different schemes at regular intervals. Accordingly, some fund houses send the relevant information either in weekly or quarterly basis. It is better for fund managers to ensure complete transparency in the disclosure of complete information to gain the confidence of the investors.
5. L & T and HSBC Mutual fund companies have periodically keep reviewing objectives of the investments and try to keep company asset in balance.
6. The fund manager of two AMC's should analyze the level of risk, savings pattern of investors, market conditions and period of time while initial to invest the money.
7. SEBI & AMFIs are regulated and controlling the Mutual fund AMC's to protect the interest of the investors.

CONCLUSION

The Mutual funds are one of the best investment source available for Indian small investors to make an investment, if thoroughly assessed it may give big returns with little savings. The above performance ratios are very much helpful for the evaluator to assess the fund's performance. The Researcher concluded that the performance of the two selected Equity fund scheme chosen for the study is found unsatisfactory as against their underlying benchmark index. Majority of the fund managers of various schemes felt their fingers being burnt due to inadequate risk-adjusted return in tune with their risk. However, the degree of underperformance, diversification and risk exposure may differ from scheme to scheme. The fund management of HSBC is good comparing to L & T Mutual fund. Hence, it can be concluded that, the efficiency of L & T fund managers needs to be improved to sense the changing market environment and incorporate appropriate portfolio trimming strategies in order to ensure superior performance.

REFERENCES

1. Allen D.E. and M.N.Tan, (July 1999)) "The test of the persistence in the performance of UK managed Fund". (Journal for Business finance & Accounting 26 (5) & (6)
2. Bruce N. Lehmann and David M. Modest, (June 1987),"Mutual fund performance Evaluation: Comparison of Benchmarks and Benchmark Comparison", The journal of finance, Vol XLII, No.2 Dr.R.Narayanasamy, V. Rathnamani, (April. 2013) "Performance Evaluation of Equity Mutual Funds". (International Journal of Business and Management Invention ISSN Volume 2 Issue 4, PP. 18-24).
3. Manak C Gupta, (Nov 1974)) "The Mutual fund Industry and its comparative performance". (The journal of Financial and quantitative analysis Vol, 9, PP-891
4. Mark Grinblatt and Sheridan Titman, ((Sept, 1994)), "A study of monthly Mutual fund return and Performance Evaluation Techniques". (The Journal of financial and quantitative analysis, Vol. 29, No. 3, PP 419-444)
5. Mohamed Sivakumar, K.Srinivas Reddy, (Feb-2013), "Performance Evaluation of Mutual funds in India with special reference to selected financial intermediaries"., IOSR Journal of Business and Management (IOSR-JBM) ISSN Volume 7, Issue 2, PP 34-40.
6. Raghavendra Rao Rentala, (NOV 2012),"Analytical study of Indian Mutual fund ELSS schemes with retrospect to risk- return trade off strategies", SSIJBMR Vol 2, ISSUE 6 ISSN.
7. Pradeep Mamgain, (February- 2016), "A study on the Growth and Prospects of Indian Mutual Fund Industry", ISSN Volume -II Issue- IX.
8. Rais Ahmad, Abuzar Nomani, (2015), "Comparative Analysis of Risk, Return and Diversification of Mutual Fund". Journal of Economics and Business Research, ISSN No. 1, pp. 69-83.
9. Ambika Prasad Dash**,** "Security Analysis and Portfolio Management", I. K. International Publishing House Pvt. Ltd (2013, 2nd Edition.

PROFITABILITY DETERMINANTS OF SCHEDULED COMMERCIAL BANKS IN INDIA

A. R. RIHANA BANU
ASST. PROFESSOR
DEPARTMENT OF COMMERCE
AVINASHILINGAM INSTITUTE FOR HOME SCIENCE & HIGHER EDUCATION FOR WOMEN
COIMBATORE

Dr. G. SANTHIYAVALLI
PROFESSOR
DEPARTMENT OF COMMERCE
AVINASHILINGAM INSTITUTE FOR HOME SCIENCE & HIGHER EDUCATION FOR WOMEN
COIMBATORE

ABSTRACT
The Indian banking industry plays an important role in the economic development of the country and is considered to be the most dominant segment of the financial sector. The structure of the Indian Banking Industry is growing wider with the development of products and services. The financial stability and profitability pose to be a great challenge to the banks in the highly competitive global era. This paper attempts to identify the determinants of the earnings of the banks. A sample of 40 banks was selected and the study period covers from 1999-2000 to 2014-2015. Correlation Analysis and Step-wise Multiple Regression Analysis were used to analyze the data and it was found that the quality advances and the effective business operations improve the earnings of the banks.

KEYWORDS
profitability, advances, business operations.

JEL CODE
A10

INTRODUCTION
The Indian banking industry plays an important role in the economic development of the country and is considered to be the most dominant segment of the financial sector. Its role is crucial in the attainment of macro-economic objectives and acts as a catalyst for socio-economic transformation by channelizing the savings to investments that have potential to yield returns and encourages the economic growth. The scheduled commercial banks having a massive share in the business operations further diversified their activities to cater to the needs of trade and industry.

The structure of the Indian Banking Industry has been vibrant since the reforms in 1991. The financial sector reforms stirred the banking industry from a regulated arrangement to a deregulated market economy and have brought many private and foreign banks into the Indian banking scenario. The economic development through liberalization and globalization augmented the intermediation role of the banks. The expansion of international integration enabled Indian banks to explore global markets and deregulation induced banks to explore new business opportunities. This increased the scope and significance of the Indian banking industry. The WTO agreement in 2002 is another best part where the economy grew exponentially not just by number but also by magnitude. Many innovative financial products were introduced in the domestic financial market due to the increasing international trade and competitive edge among the banks. But still maintaining the earnings and financial stability pose to be a great challenge to the banks in India.

LITERATURE REVIEW
Nicolae Petria, *et al.* (2015) assessed the main determinants of banks' profitability in EU27 over the period 2004-2011. The authors divided the factors that influence bank profitability into two large groups: bank-specific (internal) factors and industry specific and macroeconomic (external) factors. As proxy for banks profitability, the return on average assets (ROAA) and the return on average equity (ROAE) were considered. The empirical findings stated that credit and liquidity risk, management efficiency, the diversification of business, the market concentration/competition and the economic growth have influence on bank profitability, both on ROAA and ROAE. Further, an interesting and valuable result proved was the positive influence of competition on bank profitability in EU27. **Sara Kanwal and Muhammad Nadeem (2013)** investigated the impact of macroeconomic variables on profitability of public limited commercial banks in Pakistan from 2001-2011, based on vital contribution of the commercial banks to economic progress of Pakistan. Pooled Ordinary Least Square (POLS) method was used to examine the effect of 3 major external factors; inflation rate, real gross domestic product (GDP) and real interest rate on profitability indicators like return on assets (ROA), return on equity (ROE) and equity multiplier (EM) ratios in 3 separate models. The empirical findings indicated a strong positive relationship of real interest rate with ROA, ROE and EM. Secondly, real GDP was found to have an insignificant positive effect on ROA, but an insignificant negative impact on ROE and EM. Inflation rate, on the other hand, had a negative link with all 3 profitability measures. Overall, the selected macroeconomic factors were found to have a negligible impact on earnings of commercial banks. **Vincent Okoth Ongore and Gemechu Berhanu Kusa (2013)** studied the moderating effect of ownership structure on bank performance. The authors analyzed the parameters using linear multiple regression model and Generalized Least Square on panel data. The result showed that bank specific factors significantly affect the performance of commercial banks in Kenya, except for liquidity variable. However the overall effect of macro-economic variables was unconvincing at 5% significance level. The moderating role of ownership identity on the financial performance of commercial banks was insignificant. Therefore, the study concluded that the financial performance of commercial banks in Kenya is driven mainly by board and management decisions, while macro-economic factors have insignificant contribution. **Yong Tan and Christos Floros (2012)** scrutinized the effect of GDP growth on bank profitability in China over the period 2003 to 2009. The one-step system GMM estimator was used to test the persistence of profitability in the Chinese banking industry. The empirical findings showed that cost efficiency was positively related to bank profitability, while lower profitability was due higher taxes paid by banks. In addition, there was a negative relationship between GDP growth and bank profitability. The results also showed that the profitability in the Chinese banking industry was significantly affected by the level of non-performing loans, and Chinese banks with higher levels of capital were found to have lower profitability. Finally, the authors found that the departure of banks from a perfectly competitive market structure in the Chinese banking industry was relatively small. **Sehrish Gul, et al. (2011)** examined the relationship between bank-specific and macro-economic characteristics over bank profitability by using data of top fifteen Pakistani commercial banks over the period 2005-2009. The pooled Ordinary Least Square (POLS) method was employed to investigate the impact of assets, loans, equity, deposits, economic growth, inflation and market capitalization on major profitability indicators, i.e., return on asset (ROA), return on equity (ROE), return on capital employed (ROCE) and net interest margin (NIM) separately. The empirical results have found strong evidence to show that both internal and external factors have a strong influence on the profitability.

STATEMENT OF THE PROBLEM

The operating environment of the banking industry underpinned by globalization, deregulation and advancement in information technology resulted in intense competitive pressures. To withstand the mounting challenges, the banks diversified their businesses through the organic growth of existing business and through acquisitions. This exposed the banking sector to newer risks and posed grim regulatory challenges. Therefore, the regulatory and supervisory policies have been refined from time to time, to meet the emerging challenges. In spite of exclusive measures taken by the bank, the earnings and financial stability pose to be a great challenge to the banks in India. Thus, it is required to find the determinants of the profitability of the banks.

OBJECTIVE OF THE STUDY

The primary objective of the study is to find the determinants that influence the profitability of the Scheduled Commercial Banks in India.

RESEARCH METHODOLOGY

The research is descriptive in nature. The data for the study were gathered from the secondary sources. The study was carried from 1999-2000 to 2014-2015 wrapping 16 years in total. Out of 90 scheduled commercial banks, a sample of 40 banks was selected based on the advances provided by the banks amounting to a minimum of Rs. 1500 billion as on 31-03-2014. Few banks were omitted due to the non-availability of continuous data, negative capital adequacy and the banks that were not commercial banks throughout the study period.

FINDINGS OF THE STUDY

The objective to stumble on the determinants that affect the profitability of the banks was examined considering the industrial ratios as internal indicators and macro-economic variables as external indicators during the study period from 1999-2000 to 2014-2015. All the ratios that measure the financial performance of the banks are internal indicators and, GDP and average inflation rate are considered as external indicators. GDP was taken into account, since it influences the economic activity and in turn impacts the operations of the banks. The average inflation rate was considered, as that impacts the lending activity of the banks and is important for the banks, because they typically deal in nominal financial instruments. The Net Interest Margin, Return on Assets, Return on Equity, being the important indicators of profitability are the dependent variables.

To identify the variables influencing earning efficiency the following multivariate techniques have been employed:

i) Correlation Analysis, and

ii) Step-wise Multiple Regression Analysis

i) CORRELATION ANALYSIS

Correlation Analysis is used to ascertain the relationship between the dependent and independent variables. The correlation co-efficient of the independent variables, with the earning efficiency indicators identifies the most significant variables that affect the profitability of the banks. The correlation matrix has been formed to establish the correlation coefficient of internal and external indicators with the dependent variables.

The correlation of the internal and external variables with the dependent variables Net Interest Margin, Return on Assets, Return on Equity of the select Scheduled Commercial Banks during the study period is presented in Table 1.

TABLE 1: CORRELATION OF INTERNAL AND EXTERNAL VARIABLES WITH PROFITABILITY INDICATORS

Variables	Net Interest Margin		Return on Assets		Return on Equity	
	r	p	r	p	r	P
Capital Adequacy Ratio	-.466	.040*	.430	.055	.090	.375
Debt - Equity Ratio	.360	.094	-.176	.266	.322	.121
Ratio of Advances to Assets	-.569	.013*	.043	.439	-.451	.046*
Investments in Government Securities to Assets	.637	.005**	.281	.155	.622	.007**
Investments in Government Securities to Investments	-.319	.123	.398	.071	-.047	.434
Return on Investments	.471	.038*	-.285	.152	.190	.249
Return on Advances	-.258	.176	-.416	.061	-.266	.169
Net NPA to Advances	.426	.057	-.321	.122	.152	.295
Priority Sector Advances to Total Advances	.125	.329	.294	.144	.202	.235
Interest Income to Total Assets	.065	.408	-.421	.059	-.134	.317
CASA	.576	.012*	.260	.174	.686	.002**
Total Advances to Total Deposits	-.382	.080	.047	.434	-.390	.075
Business per Employee	-.536	.020*	-.086	.380	-.522	.023*
Profit per Employee	-.421	.059	.185	.255	-.263	.172
Intermediation Cost to Total Assets	.709	.002**	-.164	.280	.299	.140
Burden to Total Assets	.277	.159	-.779	.000**	-.759	.001**
Net Interest Margin	1.000	-	.056	.422	.838	.178
Return on Assets	.056	.422	1.000	-	.891	.000**
Return on Equity	.256	.178	.860	.000**	1.000	-
Non-interest Income to Total Assets	.355	.097	.480	.035*	.257	.000**
Operating Profits to Total Assets	.368	.089	.791	.000**	-.314	.000**
Cash- Deposit Ratio	-.086	.380	.037	.448	.212	.178
Term Deposits to Total Deposits	-.446	.048*	-.332	.113	-.145	.127
Liquid Assets to Total Assets	.359	.094	-.245	.189	.277	.224
Liquid Assets to Demand Deposits	.060	.415	-.412	.063	.176	.303
Liquid Assets to Total Deposits	.490	.032*	-.119	.336	-.243	.159
GDP	.071	.401	.355	.097	.256	.265
Average Inflation Rate	-.670	.003**	.106	.354	.860	.191

Source: Computed data

**Correlation is significant at the 0.01 level ($p<0.01$) *Correlation is significant at the 0.05 level ($p<0.05$)

It is understood from Table 1 that Investment in Government Securities to Assets and Intermediation Cost to Total Assets were positively correlated and the average inflation rate was inversely correlated at 1% level of significance to Net Interest Margin. Return on Investments, CASA and Liquid Assets to Total Deposits were observed to have positive correlation with Net Interest Margin, while Capital Adequacy Ratio, Ratio of Advances to Assets, Business per Employee and Term Deposits to Total Deposits recorded a negative correlation at 5% level of significance.

The variables Return on Equity and Operating Profits to Total Assets were observed to have high positive correlation with Return on Assets while Burden to Total Assets established highly negative correlation, statistically significant at 1% level of significance. The Non-Interest Income to Total Assets was found to have positive correlation with Return on Assets at 5% level of significance.

Investment in Government Securities to Assets, CASA, Return on Assets and Non-Interest Income to Total Assets were found to have highly positive correlation, while an inverse correlation was observed in Burden to Total Assets and Operating Profits to Total Assets with Return on Equity, statistically significant at 1% level of significance. Ratio of Advances to Assets and Business per Employee were negatively correlated with Return on Equity at 5% level of significance.

ii) STEP-WISE REGRESSION ANALYSIS

The Step-wise Regression analysis was applied to study the best combination of independent (predictor) variables that would predict the dependent (predicted) variable. To study the influence of internal and external variables in relation to the earning efficiency variables like Net Interest Margin, Return on Assets and Return on Equity, the forward selection method of stepwise regression analysis was used to form the best model by entering one independent variable with the strongest positive and negative correlation at each step. The addition of the variables is repeated till the model is found to be fit. The internal variables include all the variables measuring each component of the financial performance in the study, while the external variables consist of annual GDP and average inflation rate.

a) Step-Wise Multiple Regression Analysis for Net Interest Margin

The model summary for the dependent variable Net Interest Margin using step-wise regression analysis from 1999-2000 to 2014-2015 of Scheduled Commercial Banks is presented in Table 2.

TABLE 2: MODEL SUMMARY OF NET INTEREST MARGIN

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	0.709	0.502	0.464	0.15048	0.502	13.124	1	13	0.003
2	0.863	0.745	0.703	0.11204	0.243	11.449	1	12	0.005
3	0.908	0.824	0.776	0.09737	0.078	4.888	1	11	0.049
Model 1 : (Constant), Intermediation cost to Total Assets									
Model 2 : (Constant), Intermediation cost to Total Assets, Liquid Assets to Total Assets									
Model 3 : (Constant), Intermediation cost to Total Assets, Liquid Assets to Total Assets, Debt-Equity Ratio									

Source: Computed data

It is inferred from the model summary of Net Interest Margin that, by including the variables Intermediation cost to Assets, Liquid Assets to Assets and Debt Equity ratio in model 3, the R value increased from 0.709 in model 1 to 0.908 in model 3 indicating highest correlation among the variables. The Adjusted R square increased from 0.464 in model 1 to 0.776 in model 3 and f value is found to be statistically significant at 5% level.

TABLE 3: STEP-WISE MULTIPLE REGRESSION ANALYSIS FOR NET INTEREST MARGIN

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
3	(Constant)	2.497	0.371		6.723	0.000
	Intermediation cost to Total Assets	1.168	0.179	1.819	6.533	0.000
	Liquid Assets to Total Assets	-0.070	0.028	-0.694	-2.497	0.030
	Debt-Equity Ratio	-0.089	0.040	-0.601	-2.211	0.049
Dependent Variable: Net Interest Margin						

Source: Computed data

Table 3 shows variables that determine the Net interest Margin. The standardized β coefficient value for Intermediation cost to Assets is 1.168, Liquid Assets to Assets is -0.070 and Debt-Equity is -0.089. Intermediation cost to Assets will affect the Net interest margin by 1.168 units stating that the rise in operating expenses inversely influences the profitability of the banks. Liquid Assets to Assets impacts the dependent variable at -0.070 units, stating that the liquid assets should be utilized for business operations effectively, besides meeting their Statutory Liquidity Ratio (SLR) at 20 percent. The decrease in the Debt-Equity will increase the dependent variable at 0.089 units, as the reduction in the interest expenses increases the Net interest margin of the banks.

The equation formed for the dependant variable Net Interest Margin is

$Y_1 = 2.497 + 1.168\ X1_1 - 0.070\ X2_1 - 0.089\ X3_1$

where,

Y_1 = Net Interest Margin
$X1_1$ = Intermediation cost to Assets
$X2_1$ = Liquid Assets to Assets
$X3_1$ = Debt – Equity Ratio

b) Step-wise Regression Analysis for the dependant variable Return on Assets

The model summary for the dependent variable Return on Assets using step-wise regression analysis from 1999-2000 to 2014-2015 of Scheduled Commercial Banks is presented in Table 4.

TABLE 4: MODEL SUMMARY OF RETURN ON ASSETS

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	0.860	0.740	0.720	0.08261	0.740	37.027	1	13	0.000
2	0.987	0.974	0.970	0.02723	0.234	107.630	1	12	0.000
3	0.992	0.984	0.979	0.02254	0.010	6.515	1	11	0.027
Model 1: (Constant), Return on Equity									
Model 2 : (Constant), Return on Equity, Advances to Assets									
Model 3 : (Constant), Return on Equity, Advances to Assets, Net Interest Margin									

Source: Computed data

It is indicated from the model summary of Return on Assets that by including the variables Return on Equity, Advances to Assets and Net Interest Margin in model 3, the R value increased from 0.860 in model 1 to 0.992 in model 3 signifying maximum correlation among the variables. The Adjusted R square increased from 0.720 in model 1 to 0.979 in model 3 and f value is found to be highly significant at 99% confidence level in model 1 and model 2 while it is significant at 5% in model 3.

TABLE 5: STEP-WISE MULTIPLE REGRESSION ANALYSIS FOR RETURN ON ASSETS

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
3	(Constant)	-.693	0.150		-4.625	0.001
	Return on Equity	0.051	0.002	1.105	25.559	0.000
	Advances to Assets	0.012	0.001	0.610	12.005	0.000
	Net Interest Margin	0.091	0.036	0.120	2.553	0.027
Dependent Variable: Return on Assets						

Source: Computed data

Table 5 portrays the variables that impact the Return on assets. The β coefficient value for Return on Equity, Advances to Assets and Net Interest Margin are 0.051, 0.012 and 0.091 respectively. The Return on Equity will have an effect on Return on Assets by 0.051 units, stating that the efficient use of net worth in high earning investments will increase the dependent variable. Advances to Assets will increase 0.012 units of dependent variable which signifies that more the advances provided by the bank, more will be its Return on Assets. Net Interest Margin will increase the dependent variable at 0.091 units, stating more of interest income generated by the banks will enhance the Return on Assets.

The proposed equation for the dependant variable Return on Assets is

$Y_2 = -0.693 + 0.051X1_2 + 0.012X2_2 + 0.091X3_2$

where,

Y_2 = Return on Assets
$X1_2$ = Return on Equity
$X2_2$ = Advances to Total Assets
$X3_2$ = Net Interest Margin

c) Step-wise Regression Analysis for the dependent variable Return on Equity

The model summary for the dependent variable Return on Equity (EE3) using step-wise regression analysis from 1999-2000 to 2014-2015 of Scheduled Commercial Banks is presented in Table 6.

TABLE 6: MODEL SUMMARY OF RETURN ON EQUITY

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	0.891	0.794	0.778	1.59143	0.794	50.192	1	13	0.000
2	0.957	0.916	0.902	1.05826	0.122	17.399	1	12	0.001
3	0.976	0.952	0.939	0.83255	0.036	8.388	1	11	0.015
Model 1: (Constant), Operating Profits to Assets									
Model 2: (Constant), Operating Profits to Assets, Cash-Deposit Ratio									
Model 3: (Constant), Operating Profits to Assets, Cash-Deposit Ratio, Return on Assets									

Source: Computed data

It is understood from the model summary of Return on Equity that, by including the variables Operating Profits to Assets, Cash- Deposit Ratio and Return on Assets in model 3, the R value increased from 0.891 in model 1 to 0.976 in model 3 stating highest correlation among the variables. The Adjusted R square increased from 0.778 in model 1 to 0.939 in model 3 and the f value is statistically significant at 1% level of significance in model 1 and at 5% level of significance in model 3.

TABLE 7: STEP-WISE MULTIPLE REGRESSION ANALYSIS FOR RETURN ON EQUITY

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
3	(Constant)	-21.015	1.841	-	-11.418	0.000
	Operating Profits to Assets	3.410	0.932	0.321	3.657	0.004
	Cash-Deposit Ratio	0.359	0.130	0.135	2.755	0.020
	Return on Assets	14.222	1.864	0.657	7.629	0.000
Dependent Variable: Return on Equity						

Source: Computed data

Table 7 shows the variables that contribute to the Return on Equity. The standardized β coefficient value for Operating Profits to Assets is 3.410, stating that the rise in operating profit of the banks will improve their Return on Equity. The standardized β coefficient value for Cash-Deposit Ratio is 0.359, indicating that cash used by the banks for their effective operations and investments, besides meeting their Cash Reserve Ratio (CRR) at 4 percent will improve the profitability of banks. Return on Assets will increase the dependent variable at 14.222, signifying that the quality assets and efficient use of assets will enable the banks to generate more earnings.

The equation proposed for the dependent variable Return on Equity is

$Y_3 = -21.015 + 3.410X1_3 + 0.359X2_3 + 14.222X3_3$

where,

Y_3 = Return on Equity
$X1_3$ = Operating Profits to Assets
$X2_3$ = Cash Deposit Ratio
$X3_3$ = Return on Assets

CONCLUSION

The advances provided by the banks is of prime importance in improving its profitability. As far as the business operations of the banks are considered, the earnings of the banks are highly dependent on its basic function of lending. Further, the disbursements made by the banks must be secured in order to avoid adverse loan impairment. Thus, the strategies worked out by the banks must be able to balance the risks in the business operations and must increase their operating profit.

REFERENCES

1. Nicolae Petria, Bogdan Capraru and Iulian Ihnatov. (2015). "Determinants of banks' profitability: evidence from EU 27 banking systems". Procedia Economics and Finance 20 :518 – 524
2. Sara Kanwal and Muhammad Nadeem. (2013). "The impact of macroeconomic variables on the profitability of listed commercial banks in Pakistan". European Journal of Business and Social Sciences. 2.9:186-201.
3. Sehrish Gul, Faiza Irshad and Khalid Zaman. (2011). "Factors Affecting Bank Profitability in Pakistan". The Romanian Economic Journal. 14.39:61-87.
4. Vincent Okoth Ongore and Gemechu Berhanu Kusa. (2013). "Determinants of Financial Performance of Commercial Banks in Kenya". International Journal of Economics and Financial Issues. 3.1:237-252.
5. Yong Tan and Christos Floros. (2012). "Bank profitability and GDP growth in China: a note". Journal of Chinese Economic and Business Studies. 10.3: 267–273.

WEBSITES

6. www.investopedia.com
7. www.investopedia.com/ask/answers/052515/what-debt-equity-ratio-common-bank.asp
8. www.rbi.org.in
9. www.statisticssolutions.com
10. www.worldbank.org.in

PERSONAL EFFECTIVENESS OF SALES MANAGERS IN PHARMACEUTICAL INDUSTRY: A STUDY

ZEB O. WATURUOCHA
PRINCIPAL CONSULTANT
CENTER FOR EMOTIONAL LITERACY AND LEADERSHIP (CELL)
#591/A, NORTH EAST, N.R. MOHALLA, MYSORE

ABSTRACT

Pharmaceutical sales managers are hard-pressed to perform, not only to increase revenue but also to increase market share. Stiff competition, organisational issues, inter-departmental and inter-personal issues, demand to do more with less, achieve higher sales within less time frame, ensure higher margins in spite of cut-throat pricing competition, proliferating number of stakeholders and many channels to cover, put premium on their achievements. This situation reflects in the way of their communication with subordinates. Personal Effectiveness a person's ability to engage his/her motivational power and cognitive capabilities to confront and address challenges and use real time opportunities as they present themselves. This study aims at scoring the personal effectiveness scores of pharmaceutical sales managers with a view to identifying the dominating category and to suggest methods and processes to enhance their personal effectiveness. The study administered the Personal Effective Scale developed by Udai Pareek to 135 sales managers of 4 pharmaceutical companies with large presence in India. The scale measures three categories of Personal Effectiveness – Self-disclosure, Openness to Feedback and Perceptiveness – and classifies the responses under 8 headings - Effective, Insensitive, Egocentric, Dogmatic, Secretive, Task-obsessed, Lonely empathic and Ineffective. The result according to the study is that only 16.3% are found to be 'effective' i.e. are making effective use of the three categories of Personal Effectiveness. On the other hand, 14% of respondents are found to be 'ineffective', i.e. not making effective use of any of the categories. We also noted that while 64% are high on self-disclosure and 57% are high on Openness to feedback, only 52% are high on Perceptiveness. While these findings (scores) do not vary significantly, we suggest that Pharma organisations take intentional steps towards helping its managers to increase their personal effective scores. We admit that the pressure to perform is high in this sector and that this pressure impacts the way feelings and concerns are expressed which in turn has direct impact on the receiver. We suggest that well-articulated behaviour training programme form part of the training of sales managers in the pharmaceutical industry, which is mostly dominated with skills and methods of selling.

KEYWORDS

openness to feedback, self-disclosure, perceptiveness, personal effectiveness.

JEL CODE

D91

INTRODUCTION

The Pharmaceutical industry is hard-pressed with complex issues ranging from healthcare reforms, technological changes and innovations, government policies, globalisation, the patent cliff, downward trending economy, falling R&D budgets, etc. The fact is that these challenges seem to deepen every day with no signs of abatement. The assumption that investing and placing new emphasis on innovation will support effective adaptation to change and uncertainty in the industry does no longer seem valid. Pharmaceutical sales managers are hard-pressed to perform, not only to increase revenue but also to increase market share. The pressure to perform is not restricted to any particular industry but the bad news is that it will not nose-dive.

While lots of efforts and attention are made towards our physical and environmental health, there seem to be a neglect of our mental health. The pharma industry is one of the industries that invests a lot of money in training its field/sales force because they are the real face of the organisation and they are the financial and market generators for the company.

The demand is to do more with less, achieve higher sales within less time frame, ensure higher margins in spite of cut-throat pricing competition, proliferating number of stakeholders and many channels to cover. In addition, stiff competition, organisational issues, inter-departmental and inter-personal issues, even the relationship between the head office and offshore centres affect the effectiveness of the sales force. While the above is true of the external environment, our experience is that organisational effectiveness is majorly a function of personal effectiveness. We define Personal Effectiveness as when a person is the best of what he/she is by engaging his/her motivational power and cognitive capabilities to confront and address challenges and use real time opportunities as they present themselves.

It was in working with over 1300 employees of several pharma companies with about 80% of them being field sales managers, area managers, zonal managers or by whatever description, that my interest in understanding what's really going on in this industry aroused. Over a period of 2-3 years, I was able to work closely with a good number of workers from organisations that belong to the pharmaceutical industry. A major concern of the firms that initiated the process was 'attrition' and we were invited to intervene with a view to reducing attrition.

We commenced this work by organising two different workshops, one for each category of managers. After two such workshops, and listening to what each category had to say about the other, we risked bringing them together in one workshop. The result of this combined session was phenomenally revealing. Most importantly, the gossiping that happened in the categorised workshops did not happen in this combined meeting. As this combined workshop went on, we started observing the fall in the tone of voice of the senior managers while the voice of the junior managers seemed louder. This attracted our attention and on analysis, the question that came to mind was 'how do they relate to each other at the professional level' and 'how far is this relationship responsible for the way they perceive and treat each other and its impact on the result. People started saying things they always wanted to say and the process enabled them to experience the impact their way of communication had on others.

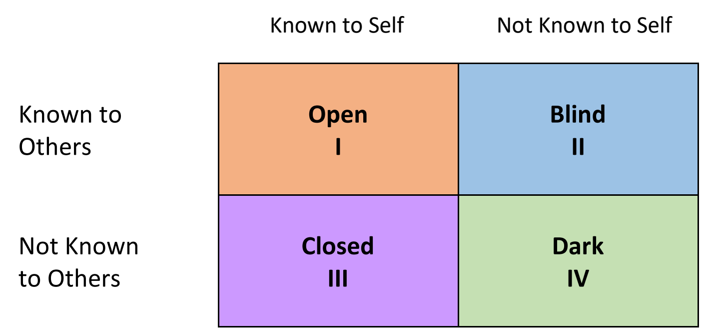
It was in this process that the idea to start measuring the Personal Effectiveness of these participants started developing. Self-awareness is the first component of personal effectiveness, in other words, if one would be effective, one has to become aware of one's own pattern of behaviour. There are several tools to measure personal effectiveness and self-awareness, however, our objective was to find out the pattern of behaviour and communication prevalent among these participants. What became apparent was that people were not aware of how their behaviour impacted the other person especially their subordinates. During the sessions also, we observed what and how people were talking to each other and the responses that followed during interactions. This prompted the idea of helping people to understand how they are being received by the others. The interest in this study generated in the first company enabled us to study the same in all other pharmaceutical companies that engaged our services during the same period.

NEED FOR THE STUDY

Our experience in working with organisations has taught us to believe that among the leadership competencies, self-awareness, recognition and acceptance of diversity, compassion and sensitivity, balancing personal and professional challenges, problem solving, managing self and others, developing and maintaining good working relationships, effective communication, etc. are crucial. It is in this belief that this study was construed and carried out.

As the exercise involved what people know about themselves and what others experience about them in transaction, the Johari Window tool was found most appropriate for such an exercise. The Johari Window model is a simple and useful tool for illustrating and improving self-awareness, and mutual understanding between individuals within a group. The model was designed by American psychologists Joseph Luft and Harry Ingham in 1955, while researching group dynamics at the University of California Los Angeles. The model has four windows (Fig 1) with the first one described as the Open Window indicating the importance of openness in personal effectiveness. Openness has two aspects: self-disclosure (sharing with others what they know about themselves and others know the same also) and the use of feedback (being open to understand what others think about them or how their behaviour impacts others). There is also perceptiveness or sensitivity to others' feelings and to non-verbal cues that are also important. (1)

FIG. 1



"Source Pareek Udai and Surabhi Purohit (2011) Training Instruments in HRD and OD TMH New Delhi

I. The **open window** is that part of the individual which is known to the individual and known to others also. The good thing about this window is that it is a 'no friction zone' because what the individual knows about himself are what people are telling him/her. For example, name, marital status, gender, native place, number of brothers and sisters, educational qualification, etc.
II. The **Blind Window** is that of an individual's behaviour that impacts others favourably or unfavourably but the individual is not aware of it. This area, if handled well is also a zone of 'no friction'. However, in most cases, what is conveyed back to the individual is a 'judgment' by way of feedback rather than the 'impact', the later pushes the individual to 'defend' or 'justify' through explanation.
III. The **Closed Window** represents the aspects of an individual's behaviour which is known only to the individual but not known to others. It can be in the form of a hidden agenda, intention or something thing the individual keeps to him/herself. Interestingly, many reactions come from this area when anything that seem to connect with the hidden side of the individual is pointed out irrespective of the fact that the individual is not the point of reference.
IV. The **Dark Window** is the area of the individual that is either known to the individual nor to others. It is not an area that is not within the conscious control of the individual.
In this study, the model has been introduced as it is important for PE and each area increases in proportion to the decrease in other areas. For example, as the blind and closed areas decrease, the open area increases in the same proportion.

OBJECTIVES OF THE STUDY

The objectives of this study are
1. To calculate the PE scores under the three categories of PE:
i. Self-disclosure to know the extent of the individual's ability to disclose some of the hidden items of the Closed Window (aka the Secret Window).
ii. Openness to Feedback to understand the extent to which an individual is willing to listen to understand the impact of his/her behaviour on others or the extent to which the individual's behaviour encourages other individuals to provide feedback.
iii. Perceptiveness which represents the intuitive ability of an individual to be able to be sensitive when dealing with others.
2. To examine the PE of sales managers in the pharmaceutical industry with a view to identify which category of PE that is dominant and less dominant among them.
3. To suggest methods and processes to enhance the PE of pharma representatives.

METHODOLOGY

The methodology used in this paper includes the administration of the Personal Effective Scale (PES) developed by Prof. Udai Pareek (2) of Blessed Memory to 175 participants of a multi-national pharma company who attended the behavioural training facilitated by the author between 2012-2015. A total of 135 responses were considered complete for the purpose of the study. The instrument has 15 questions (5 for each) of the 3 dimensions – Self-Disclosure, Openness to Feedback and Perceptiveness measured by the instrument. The reliability of the instrument is 0.90 according to Prof. Udai Pareek. Each participant worked independently and was encouraged to read the statement, understand and respond on a 5-point Likert scale as to the extent the statement applied to them. The responses were then categorised into 11 or less than 11 as 'Low' and scores above 11 were considered 'high'.
Combining the scores for the three dimensions, each participant was categorised on eight categories, ranging from effective to ineffective. The eight categories are presented on Table 1 as follows:

TABLE 1: CATEGORIES OF PERSONAL EFFECTIVENESS

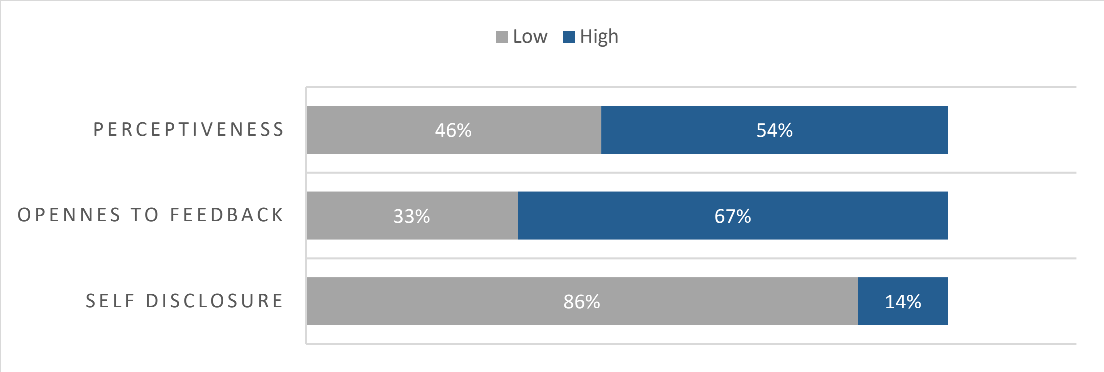
Category		Self-Disclosure	Openness to feedback	Perceptiveness
1	Effective	High	High	High
2	Insensitive	High	High	Low
3	Egocentric	High	Low	Low
4	Dogmatic	High	Low	High
5	Secretive	Low	High	High
6	Task-obsessed	Low	High	Low
7	Lonely Empathic	Low	Low	High
8	Ineffective	Low	Low	Low

The study employed Microsoft excel (MS 2007) for data analysis to determine the Mean, Standard Deviation with normal curve of each of the three dimensions in order to understand the Mean range for each category with 95% Confidence Interval (CI).

RESULT

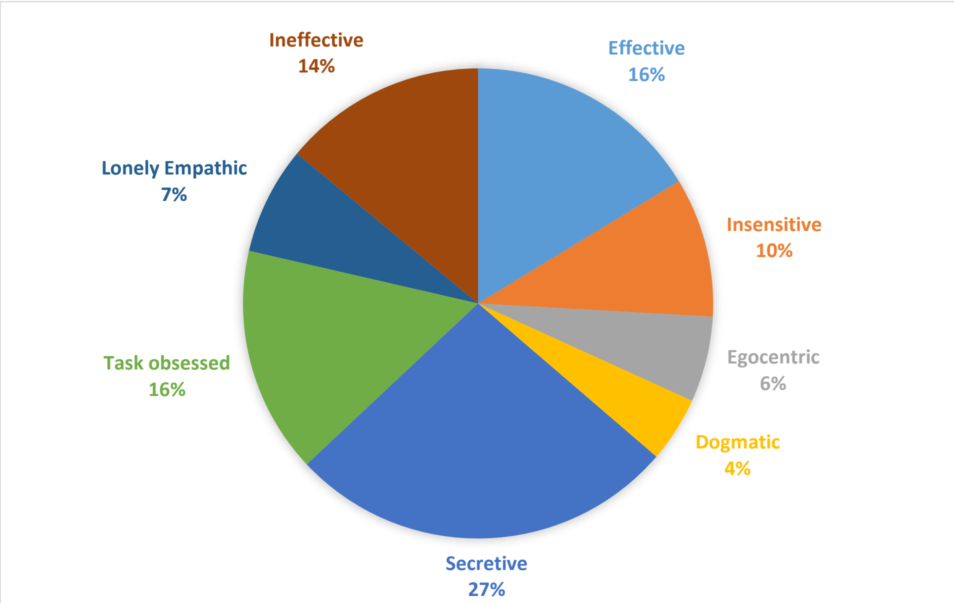
The result obtained from the analysis showed that 67% and 54% of the participants were 'high' on openness to feedback and perceptiveness respectively. On the other hand, only 14% of the respondents were 'high' on self-disclosure. This result is shown in Fig. 2 below:

FIG. 2: DISTRIBUTION OF RESPONDENTS BY THEIR SCORES <11 AND > 11 ON THE THREE DIMENSIONS OF PERSONAL EFFECTIVENESS



Further tabulation and analysis of the data collected revealed that 27% of respondents were 'secretive' i.e. low self-disclosure with low perceptiveness (insensitiveness), 16% were 'effective' 16% were 'task obsessed' i.e. low self-disclosure and low perceptiveness. While 14% were 'ineffective' i.e. low self-disclosure, low openness to feedback and low perceptiveness, 10% were 'insensitive' i.e. high on self-disclosure and openness to feedback but low in perceptiveness, and 7% were 'lonely empathic' i.e. low self-disclosure with low openness to feedback but high perceptiveness. Further, 6% were found to be 'egocentric' i.e. high self-disclosure, low openness to feedback and low perceptiveness and 4 % were 'dogmatic' i.e. high self-disclosure, low openness to feedback and high perceptiveness.

FIG. 3



Percentage distribution of respondents by their PE Scores (N=135)

Attempts were made to understand the variations between 'high and low' scores, the average score for each dimension was calculated as shown in table 2 below. There was no significant variation in the high average score of Self-disclosure except for slight variation as observed for 'insensitive.' There is also no significant variation in the low average score of self-disclosure. There is also no significant variation in the high average score for openness except for 'Task obsessed' (13.29) and for 'perceptiveness' except for 'dogmatic' (12.16).

TABLE 2: PERCENT DISTRIBUTION OF THE RESPONDENTS BY THEIR TYPE OF PERSONAL EFFECTIVENESS (N=135) AND MEAN SCORE OF EACH GROUP IN THREE DIMENSIONS

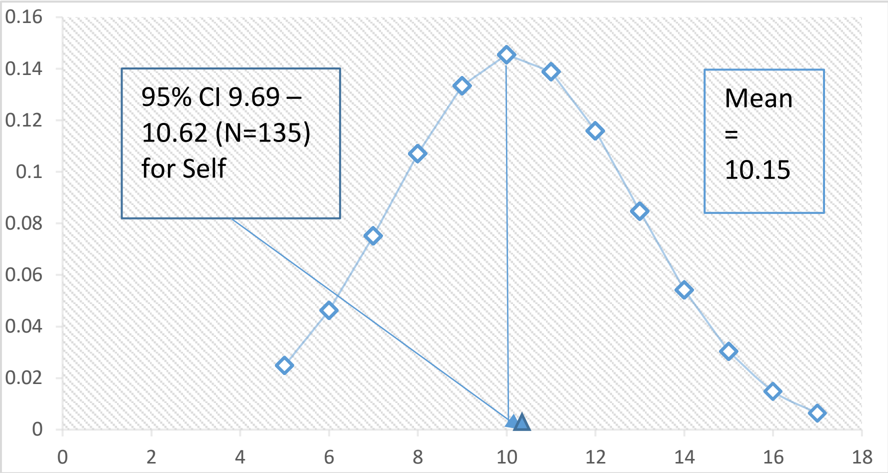
Category	%	Self-disclosure (Average)	Openness to feedback (Average)	Perceptiveness (Average)
Effective (n=22)	16.3	(High) 13.23	(High) 14.32	(High) 13.5
Insensitive (n=13)	9.6	(High) 12.69	(High) 13.92	(Low) 9.52
Egocentric (n=8)	5.9	(High) 13.38	(Low) 9.75	(Low) 9
Dogmatic (n=6)	4.5	(High) 13.56	(Low) 9.83	(High) 12.16
Secretive (n=36)	26.7	(Low) 8.08	(High) 14.06	(High) 13.61
Task obsessed (n=21)	15.6	(Low) 8.67	(High) 13.29	(Low) 9.24
Lonely Empathic (n=10)	7.4	(Low) 8.3	(Low) 9.4	(High) 13
Ineffective (n=19)	14	(Low) 9.6	(Low) 10.6	9.2
Total (135)	100			
Mean		10.16	12.52	11.51
SD		2.73	2.74	2.75
CI 95%		9.69 – 10.62	12.00 – 13.00	11.04 – 12.00

CALCULATING THE NORMS OF PERSONAL EFFECTIVENESS

NORMS FOR SELF-DISCLOSURE

The mean score for self-disclosure is 10.16 with a standard deviation (SD) of ±2.73 (Fig.) The mean score falls between 9.69 and 10.62 with 95 percent Confidence Interval (CI).

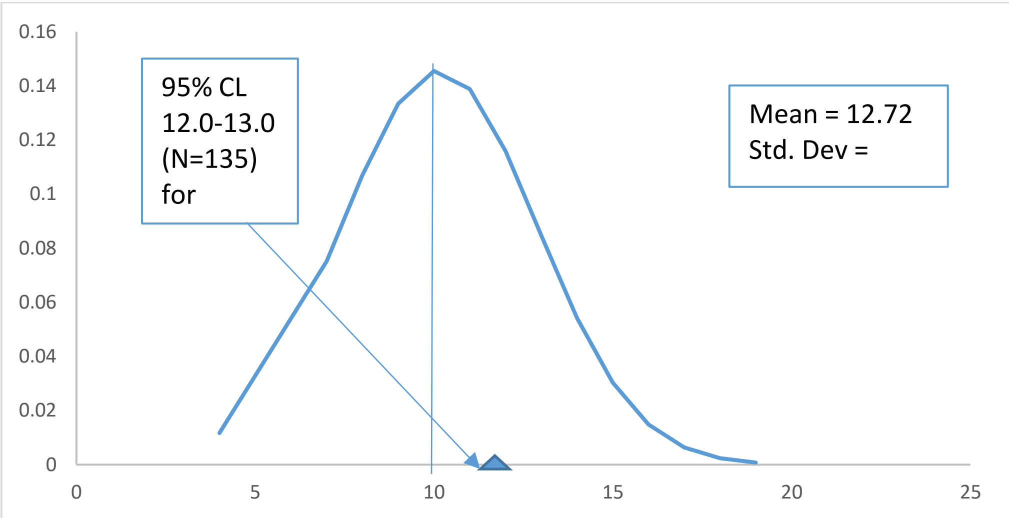
FIG. 4: SCORES OF SELF-DISCLOSURES PLOTTED ON NORMAL PROBABILITY CURVE



NORMS FOR OPENNESS TO FEEDBACK

The mean score of openness to feedback was found to be 12.72 with a standard deviation (SD) of ±2.74 (Fig---). This mean score falls between 12.0-13.0.

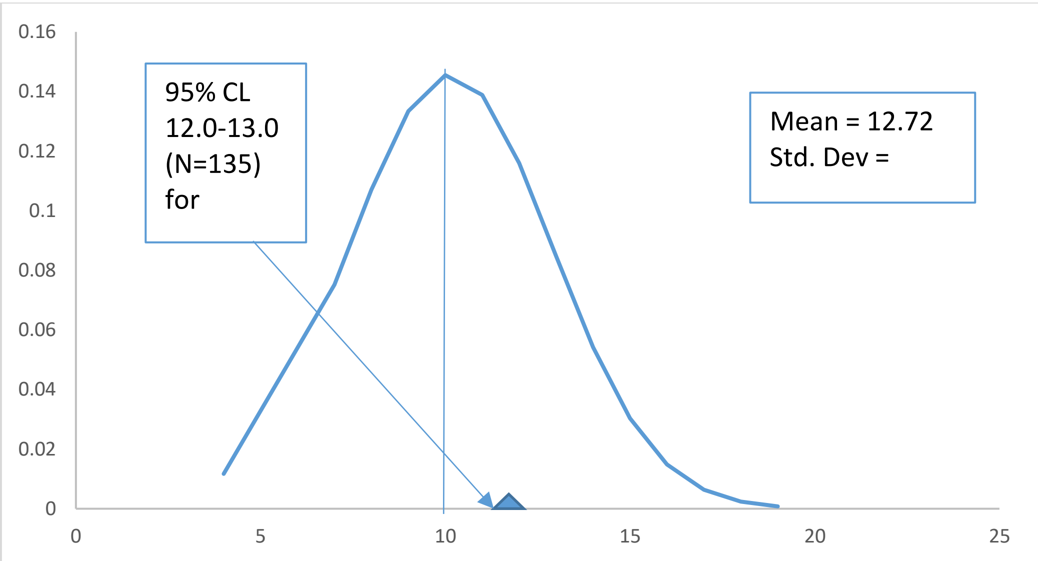
FIG. 5: SCORES OF OPENNESS TO FEEDBACK PLOTTED ON NORMAL PROBABILITY CURVE



NORMS FOR PERCEPTIVENESS

The mean score on perceptiveness is 11.51 with a standard deviation (SD) of ±2.74 (Fig.----) The mean score falls between 11.04 – 12.00 with 95 percent Confidence Interval (CI).

FIG. 6: SCORES OF PERCEPTIVENESS PLOTTED ON NORMAL PROBABILITY CURVE



DISCUSSION

Personal effectiveness as used in the context of this survey means the ability of the individual to make judicial use of the three categories of self-disclosure, openness to feedback and perceptiveness in both personal and professional relationship. In the analysis of the result of this study, the most alarming revelation is the percentage of people in the study who are 'secretive' (27%) as a result of low scores in 'self-disclosure' of the instrument used for this purpose. An obvious reason for this, as I understand from my years of practice and using this instrument is that people misconstrue 'self-disclosure' as sharing their own secretes and the stories that they do not want others to know. Several times I have been confronted with the question of the possibility of sharing stories and feelings with people who are not familiar. How can one share bad feelings with one's boss except one wishes to risk one's job? Self-disclosure in relation to personal effectiveness is about sharing feelings or impact of other people's behaviour. It is not about personal history or incidents that happened in one's life unless such a story is used to establish the source or origin of certain behaviours that one became aware of. A familiar question during the sessions was about what the zonal or area sales managers do when they discover that it is not possible to meet the target sent for the month. The reigning response would be anger and shouting which stretch the nerves and sometimes the reaction spills over to the family side. Agreeably, when the target is not delivered it is disappointing and causes anger but the shouting has not left any message with the sales person because he/she is also not happy. What he/she doesn't know is how this inability to deliver impacts the boss. When we went deeper into this discussion, we discovered that below the frustration, disappointment and anger is 'fear'. The fear of losing face, fear of losing position, fear of losing promotion or salary increase, etc. However, while shouting at the subordinate, these fears are not revealed in order not to show vulnerability. Self-disclosure means sharing how another person's behaviour or action impacts the other person. In the example of not meeting target above, sharing the fears and what is at risk for both the subordinate and the boss would be more powerful than shouting, naming and tagging.

A second area of concern is the percentage of people in the category of 'Task Obsessed". The danger of task obsession is that the focus is on result rather than on the people who produce the result. While result is important, it is equally important to recognise that those who produce the result have personal lives to live, life that is full of challenges ranging from personal to professional. This is not to say that monitoring or tracking is a poor supervision approach but that the way it is done can result to the opposite of what is intended. Obviously, monitoring with care produces more result that monitoring as a call of duty. In interaction with some of the participants, the general impression is that the bosses don't even want to know let alone hearing of some of the challenges that came in the way of achieving goals for the month. There is also dissatisfaction coming from the attitude of 'managing because I am a manager' even when it is not required. Coupled with this category is 'insensitivity' (10%) resulting from low level of perception. As a result of these, as many as 14% of the participants were categorised as 'ineffective.

The result of this study exposes the need for pharma companies to blend their sales training with behavioural training such as sensitivity training, giving feedback, leadership, communication skills and other such skills.

CONCLUSION

The important revelation of this analysis is that pharma companies focus their behaviour training on increasing the ability of their sales executives and representatives on 'self-disclosure' and 'perceptiveness'.

According to Boyatzis (3), In a work context **Personal Effectiveness** is often conceived as a set of competences, capabilities or qualities, *e.g.*

- Concern with impact
- Diagnostic use of concepts
- Efficiency orientation
- Proactivity
- Conceptualisation
- Self-confidence

There is therefore no doubt that employers that invest in training and developing their managers to ensure they exhibit the behaviours that manage stress at work will also reap benefits in terms of reduced conflict and staff turnover, as well as increased motivation and commitment"

REFERENCES

1. Boyatzis, R.E. *The Competent Manager: A Model for Effective Performance.* Wiley, 1982.
2. Management Sciences for Health (MSH, "An Urgent Call to Professionalize Leadership and Management in Health Care Worldwide," Occasional Paper No. 4, Cambridge, MA: MSH, 2006.
3. Udai Pareek, Revised and updated by Sushama Kanna, Understanding Organisational Behaviour. New deli: Oxford University Press; 2011.

A STUDY ON CUSTOMER PERCEPTION TOWARDS E-BANKING WITH SPECIAL REFERENCE TO VALANCHERRY TOWN

VIJAYAKUMARI.P
M. Phil. SCHOLAR
SREE NARAYANA GURU COLLEGE
KG CHAVADI

Dr. D.MAHILA VASANTHI THANKAM
ASSOCIATE PROFESSOR
SREE NARAYANA GURU COLLEGE
KG CHAVADI

ABSTRACT

The study finds out that anyhow electronic banking is the new way of doing business without setting foot outside. It is defined as the automated delivery of new and traditional banking products and services directly to customers through personnel computer. E banking was used as an informational medium to market banking products and services but with the development of new technology bank uses internet banking both for transactional and informational medium.

KEYWORDS

Valancherry town, Customer perceptions, e-banking.

JEL CODE

M31

INTRODUCTION

Online banking, also known as internet banking, e-banking or virtual banking, is an electronic payment system that enables customers of a bank or other financial institution to conduct a wide range of financial transactions through the financial institution's website. The online banking system will typically connect to or be part of the core banking system operated by a bank and is in contrast to branch banking which was the traditional way customers accessed banking services.

OBJECTIVES OF E BANKING

1. To study the attitude and perceptions of customers about e-banking.
2. To understand the awareness level of customers about e-banking.
3. To understand different services provided by banks through internet.
4. To find out the problems faced by the customers in e-banking.

RESEARCH METHODOLOGY

The analysis has been made mainly based on primary data that is by using questionnaire. Data analysis is conducted with the help of tables and diagrams.

POPULATION AND SAMPLE SIZE

Data were collected using a convenience sample of 80 customers belonging to Valancherry town Malappuram district.

REVIEW OF LITERATURE

- Dannenberg and Kellner (1998), in their study, overviewed the opportunities for effective utilization of the Internet with regard to the banking industry.
- Daniel (1999), in his research paper, described e-banking as the newest delivery channel offered by the retail banks in many developing countries.
- Sathye (1999), in his research paper, explored the factors affecting the adoption of internet banking by Australian customers.

DISCUSSION

SERVICES PROVIDED BY BANKS

- On line banking.
- ATM and debit card services.
- Phone banking.
- SMS banking.
- Electronic alert.
- Mobile banking.
- Fund transfer services.
- Point of sales banking.

ADVANTAGES OF E-BANKING

- Online account is simple to open and easy to operate.
- It is quite convenient as you can easily pay bills transfer funds between accounts etc.
- It is available all the time ie.24*7
- It is fast and efficient.
- Thes facility keeps your account safe.
- One can update contact information as well as check online statement with net banking.
- One can check balance and online transactions any time no need to visit bank

CHALLENGES OF E BANKING

- Understanding the usage of internet banking might be difficult for a beginner at the first go.
- You cannot have access to online banking if you don't have an internet connection.
- Security of transactions is a big issue.
- Password security is a must.
- You cannot use it, in case; the bank's server is down.
- Another issue is that sometimes it becomes difficult to note whether your transaction was successful or not.

CHART 1: AGE WISE DISTRIBUTION OF RESPONDENTS

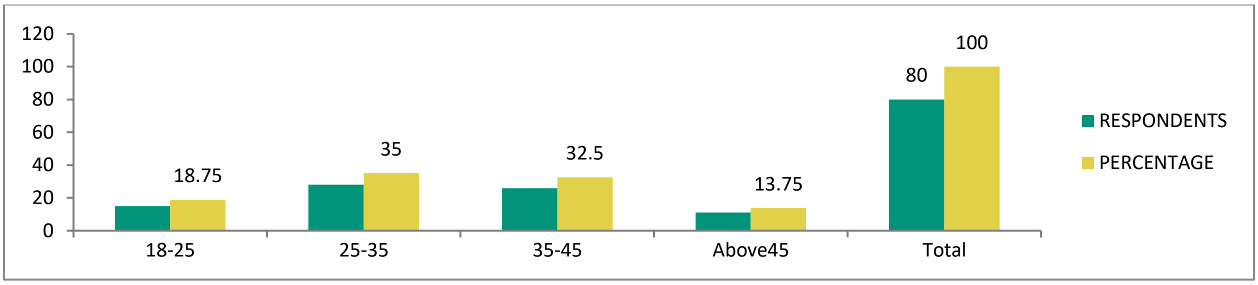


CHART 2: ATTITUDE AND PERCEPTION OF CUSTOMERS TOWARDS E BANKING

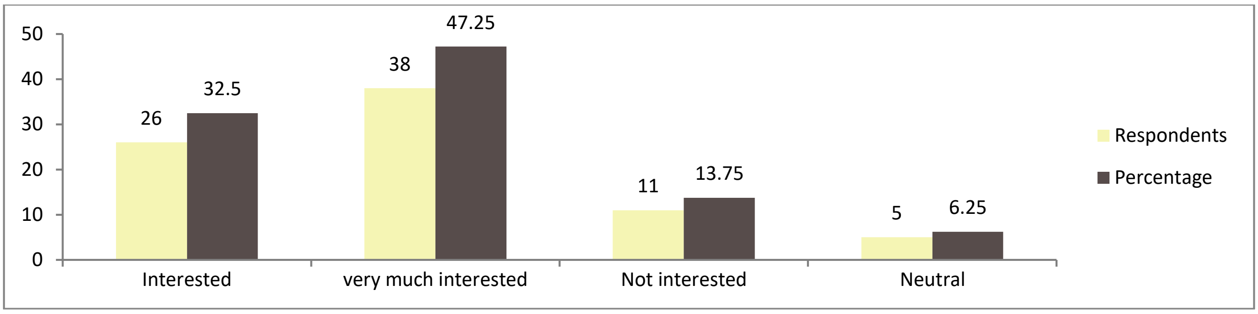


CHART 3: SHOWING AWARENESS OF CUSTOMERS ABOUT E-BANKING

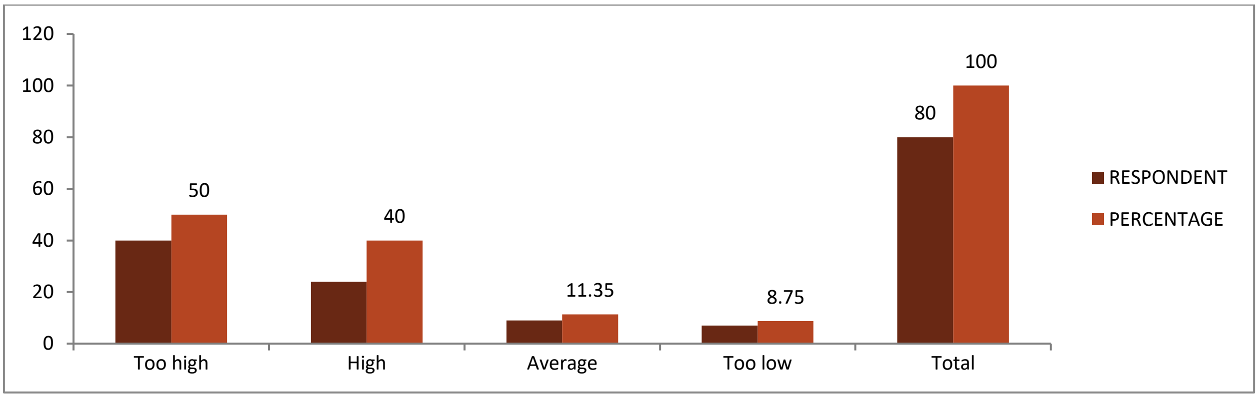
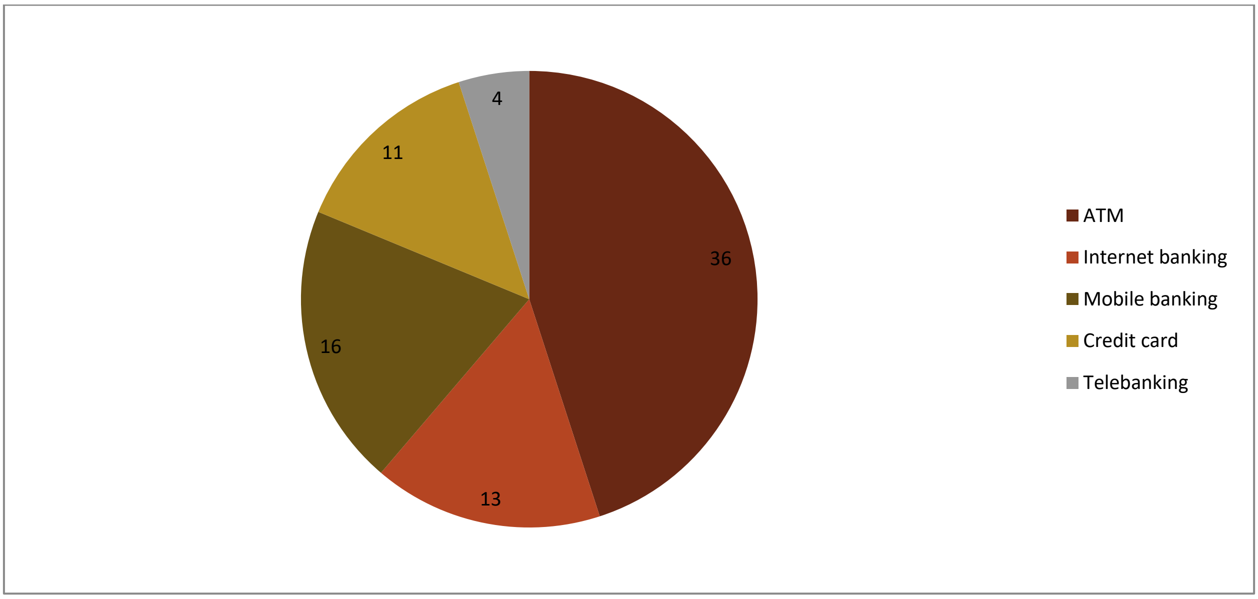


CHART 4: E BANKING SERVICES PROVIDED BY BANKS



FINDINGS

- Majority (35%) of the e-banking customers come under the age group 25-35.
- Majority (47.25%) of the customers are satisfied with the experience of e banking.
- Majority 50% customers are aware about security concerns.
- Majority (36%) of the customers are using ATM.

CONCLUSION

Anyhow electronic banking is the new way of doing business without setting foot outside. It is defined as the automated delivery of new and traditional banking products and services directly to customers through personnel computer. E banking was used as an informational medium to market banking products and services but with the development of new technology bank uses internet banking both for transactional and informational medium.

REFERENCES

1. Daniel (1999), "Provisions of Electronic banking in the UK and the republic of Ireland", International journal of Bank Marketing, vol 17. Issue 2, pp 72-83.
2. Dannenberg and Kelnner (1998), "The bank of tomorrow with today's-technology", International journal of bank marketing, Vol 16 issue 2. pp 90-97.
3. Mark G Durkin and Barry Howcroft (2003), "Relationship Marketing in the banking sector the impact of new technologies", Marketing intelligence and planning, Vol 21 issue 1, pp 61-71.
4. Talwar(1999) , “Factor analysis approach to customers Assessment electronic payment and clearing system in Indian banking Sector, “UP journal of bank management” vol 18, issue 3, pp 78-84.

AN ANALYSIS OF PROFITABILITY POSITION OF THE SELECT PRIVATE SECTOR BANKS IN INDIA

Dr. V. MOHANRAJ
ASSOCIATE PROFESSOR OF COMMERCE
SRI VASAVI COLLEGE
ERODE

S.SUJITHA
RESEARCH SCHOLAR
SRI VASAVI COLLEGE
ERODE

ABSTRACT
The profitability is the only measures to assess the financial soundness of the firm. The existence of the firm depends on the earning capacity of the firms. This paper examines the profitability position of the select private sector banks in India with a data of 10 years from 2005-06 to 2014-15 and for major private sector banks have been considered as sample unit. For this study ratio technique has been used for analysis purpose the ratio analysis has been used and descriptive statistics and annual compound growth rate has been applied. This study reveals that Tamilnad Mercantile bank performed well when compared with other banks in terms of profitability.

KEYWORDS
private banks, profitability analysis.

JEL CODE
G21

INTRODUCTION
Banking business in India is largely governed by the banking regulation act 1949 section 5(b) "a bank is a financial institution and a financial intermediary that accepts deposits and channels those deposits into lending activities either directly by loaning or indirectly through capital markets. A bank links together customers that have capital deficits and customer with capital surplus." Without a sound and effective banking system in India it cannot have healthy economy. The banking system in India should not only be hassle free but it should be able to meet new challenges posed by technology and any other external and internal factors. Banking plays a significant role in financing the economic needs of the country. To compete effectively in present day competitive world banks have been permitted to undertake new activities such as investment, banking securities trading and insurance business etc. Private banking is all about personal service and relationship built around us. It is about delivering sophisticated solutions to complex financial problems seeing affairs in totality and offering individual advice and tailored solutions. "One claiming to be a banker must profess himself to be one and the public must accept him ". Profitability is a measure of efficiency and control it indicates the efficiency or effectiveness with which the operations of the business are carried on. Profitability ratios provide different useful insights into the financial health and performance of a company. A business that is not profitable cannot survive. Conversely, a business that is highly profitable has the ability to reward its owners with a large return on their investment. Increasing profitability is one of the most important tasks of the business managers. Managers constantly look for ways to change the business to improve profitability. These potential changes can be analyzed with a support of income statement and balance sheet.

LITERATURE REVIEW
Dangwal and Kapoor (2010) evaluated the financial performance of nationalized banks in India and assessed the growth index value of various parameters through overall profitability indices.

Thakarshibhai (2011) done study on the profitability analysis of few public and private sector banks and found that three key factors which are mean, standard deviation and anova model affect the profitability analysis of Indian banking sector. He found that in public sector banks return on capital employed found poor in contrast to private sector banks and suggested that it is essential for the public sector banks to apply their capital employed very efficiently to yield enough return. So, as they can contest with private sector banks.

Cheryl shais pellissery and koshy (2015) has made an attempt to study the financial performance of public sector banks and non-banking financial companies in India for the period of 5 years from 2006-2007 to 2010-2011. They found that the companies differ significantly in terms of their financial performance and also found that the NBFS[s] have performed well than the public sector banks.

Ahmad Aref Almazari1 (2014) aimed to examine the internal factors that affect profitability of Saudi and Jordanian banks. They found that the profitability of Saudi banks has a positive and significant relationship with total investment to total assets ratio, total equity to assets ratio and liquidity risk and there was a negative and significant correlation with net credit facilities to total assets ratio, net credit facilities to total deposits ratio and cost-to-income ratio.

Indrani Ghosh and Debdas Rakshit (2014) attempted to gauge the relative financial performance of 10 select commercial banks in India during the period from 1998-99 to 2012-13. The CAMEL Approach was used for the purpose of analysis. The authors concluded that Lakshmi Vilas Bank Ltd was found to be the best among all the sample banks, based on its overall performance.

Shrimal Perera et al. (2013) investigated the bank-specific and other determinants of commercial bank profitability in selected South Asian countries over the period 1992-2007. The single-equation, dynamic panel data procedure employed accommodated explicit measures of production efficiency, industry competition, profit persistence and country-specific differences in governance. It was found from the study that the increasing competition exerts negative pressure on bank profitability, high industry concentration still allowed these banks to earn higher profits.

Srinivash.K and Saroja.L. (2013) made an attempt to analyze and compare the Financial Performance of LVB and DLB Bank for the period 2002-2011. They found that both the banks were good with respect capital adequacy because it was above the Basel norms.

STATEMENT OF THE PROBLEM
Profitability is the important variable in banking industry which reflects effective utilization of funds available in the organization. The Indian banking sector are now facing various challenges such as changes in technology, requirement of modern banking, prudential norms, increasing competition, increasing level of non-performing asset, raising customer expectation, assets and liquidity management, risk management, increasing operating expenses, low spread and so on. Therefore, it is necessary to assess the profitability of Indian banking industry. Hence, this present study focused on the analysis of profitability of selected private sector bank in India.

OBJECTIVES OF THE STUDY

1. To know the profitability position of the select private sector banking companies in India.
2. To assess the growth performance of select private sector banking companies in India.

METHODOLOGY

This study covers a period of ten years from 2005-06 to 2014-15. The study is based mainly on secondary data. The data relating to the study was obtained from CAPITALINE database. In addition, the annual report of the sample banks was also scanned to collect data. Various Journals, Magazine, Newspaper also have been used to collect the relevant information. There are 22 private sector banks operating in India, among the 22 banks 4 banks were selected as sample for the present study. viz

1) Lakshmi Vilas Bank
2) Dhanalakshmi Bank
3) Tamilnad Mercantile Bank and
4) Federal Bank

For analyzing the data in addition to financial ratios, Statistical Technique Mean, Standard Deviation, Co-efficient of Variation, Skewness, Kurtosis and Annual Compound Growth Rate were used.

RESULTS AND DISCUSSION

In order to test the profitability of the selected private sector banks Net Profit Margin Ratio, Return on Long Term Fund, Return on Net Worth Ratio and Return on Total Asset Ratio have been analyzed.

1. NET PROFIT MARGIN RATIO

Net profit margin is the percentage of revenue remaining after all operating expenses, interest, tax, and preferred stock dividends (but not common stock dividends) have been deducted from a company's total revenue.

TABLE 1: NET PROFIT MARGIN RATIO – DESCRIPTIVE STATISTICS (Ratio in %)

Name of the Bank	Mean	SD	CV(%)	Skewness	Kurtosis	Min	Max	Range	Growth
LVB	15.05	1.98	13.14	-0.57	-0.04	11.32	17.76	6.44	3.09**
DB	13.99	3.32	23.74	-0.07	-1.84	9.54	23.74	14.2	6.9
TMB	12.85	3.31	25.74	-0.67	-1.38	7.58	25.74	18.16	7.01*
FB	14.82	1.91	12.91	-0.36	-1.65	12.07	17.15	5.08	3.58*

Source: Calculated from the Annual Reports of the Banks

Net profit margin ratio is most important indicator for the profitability of the banks. The average profit of Lakshmi Vilas Bank stood at 15.05% and this has experienced a positive growth rate of 3.09%. Dhanalakshmi Bank has growth rate of 6.90 per cent which is. The average net profit of Federal Bank was 14.82 %, which has the positive growth of 3.58 per cent. The test of normality revels that the distribution was negatively skewed and the moment is less peaked than normal. Tamilnad Mercantile Bank achieved a maximum growth of 7.01 per cent.

2. RETURN ON LONG TERM FUND

This ratio establishes the relationship between net profit and the long term fund. The term of long term funds refer to total investment made in the business of long run.

TABLE 2: RETURN ON LONG TERM FUND RATIO – DESCRIPTIVE STATISTICS (Ratio in %)

Name of the Bank	Mean	SD	CV(%)	Skewness	Kurtosis	Min	Max	Range	Growth
LVB	6.58	1.05	15.95	-0.29	-1.25	4.78	15.95	11.17	4.69*
DB	7.09	0.78	10.94	-0.63	-0.57	5.67	10.94	5.27	-1.98
TMB	7.22	1.36	18.89	-0.41	-1.08	4.91	18.89	13.98	5.93**
FB	6.64	0.85	12.86	0.03	-2.15	5.55	12.86	7.31	-3.59

Source: Calculated from the Annual Reports of the Banks

The average net profit of Tamilnad Mercantile Bank Was 7.22 % which is followed by DB 7.09%, Lakshmivilas Bank was 6.58% and Federabl Bank 6.64 %. The maximum growth in return on long term fund was found in Tamilnad Mercantile Bank at 5.93%, which is followed by Lakshmi Vilas Bank 4.69%, Federal Bank and Dhanalakshmi Bank has a negative growth of 3.59 and 1.98% respectively. The standard deviation and co-efficient of variation signifies that the variation in the return on long term fund more consistent with high degree of uniformity. The co-efficient of skewness and kurtosis indicates that the distribution is negatively skewed and the distributions are platykurtic.

3. RETURN ON NET WORTH RATIO

The return on equity ratio which is also known as the return on net worth is used by investors to determine the amount of return they are receiving from their capital investment in a company.

TABLE 3: THE RETURN ON NET WORTH RATIO – DESCRIPTIVE STATISTICS (Ratio in %)

Name of the Bank	Mean	SD	CV(%)	Skewness	Kurtosis	Min	Max	Range	Growth
LVB	16.39	1.94	11.86	0.06	-0.94	13.69	19.5	5.81	1.66**
DB	10.75	2.31	21.5	-0.18	-1.5	7.56	21.5	13.93	3.18*
TMB	11.54	2.61	22.62	-0.81	-0.96	7.07	22.62	15.55	4.15*
FB	16.7	1.98	11.86	-1.01	2.01	12.31	19.47	7.16	-0.03

Source: Calculated from the Annual Reports of the Banks

The average return on net worth ratio of Federal Bank was 16.70 % followed by Lakshmi Vilas Bank 16.39 %, Tamilnad Mercantile Bank 11.54 % and Dhanalakshmi Bank 10.75% respectively. The standard deviation and co-efficient of variation in the Return on net worth ratio was more consistent with low degree of uniformity. From the above analysis it is concluded that the sample firms are able to generate adequate returns for their shareholders/owners on the funds invested by them. Based on the study, the Lakshmi Vilas Bank, Dhanalakshmi Bank and Tamilnad Mercantile Bank had recorded positive and significant growth in terms of return on net worth.

4. RETURN ON TOTAL ASSET RATIO

Return on total asset is a financial ratio that shows the percentage of profits that a company of profit that a company ears in relation to its overall resources (total asset).

TABLE 4: RETURN ON TOTAL ASSET RATIO – DESCRIPTIVE STATISTICS (Ratio in %)

Name of the Bank	Mean	SD	CV(%)	Skewness	Kurtosis	Min	Max	Range	Growth
LVB	1.43	0.22	15.71	0.39	-1.75	1.18	15.71	14.53	5.04
DB	1.25	0.3	24.02	0.5	-1.32	0.88	24.02	23.14	7.71**
TMB	1.37	0.37	27.1	-0.7	-1.08	0.71	27.1	26.39	8.75*
FB	1.31	0.27	20.63	-0.5	-1.45	0.9	20.63	19.73	7.06

Source: Calculated from the Annual Reports of the Banks

It can be seen from the analysis that the Return on Total asset Ratio of private sector banks was Lakshmi Vilas Bank 1.43%, followed by Tamilnad Mercantile Bank 1.37%, Federal Bank 1.31% and Dhanalakshmi Bank 1.25% respectively. The standard deviation and co-efficient of variation signifies that the variation on the return on total asset ratio was more consistent with high degree of uniformity. The measures of skewness and kurtosis indicate an asymmetrical distribution of data in all the sample banks. The select Private sector banks have earned less than 2 per cent of profit on the total assets. It shows that the performance of the selected banks, in terms of utilization of Total Assets not up to the expectations of shareholders.

FINDINGS AND CONCLUSION

The present study focused on the profitability analysis of select private sector banks in India. In order to analyze the profitability net profit margin ratio, return on long fund, return on net worth ratio and return on total asset ratio were assessed. It can be concluded from the study that all the select private sector banks grown significantly in terms of their profitability except Federal Bank. Company has created significant wealth for its stakeholders and provided handsome return on investment. However, there has been significant decline in the profitability of the select private sector banks from 2008-09 due to global recession, but the Indian banking companies were able to absorb the shocks of global financial crisis. It is found that among the select private sector banks Tamil Nadu Mercantile Bank were performed well when compared with other banks. The operational profit margin is good in all the banks, however these banks should try to control the administration expenses and it should try to improve its profit through optimum capital gearing.

REFERENCES

1. Ahmad Aref Almazari1, "Impact of Internal Factors on Bank Profitability: Comparative Study between Saudi Arabia and Jordan", *Journal of Applied Finance & Banking,* Vol. 4, No. 1, 2014, pp. 125-140.
2. Cheryl shais pellissery and koshy "An evaluation of financial performance of public sector banking companies and non-banking financial companies" ISSN 2319-34X Vol.4 No-1 pp 99-109 January 2015.
3. Dangwal, R.C., and Kapoor, R (2010), "Financial Performance of Nationalized Banks ", NICE Journal of Business, 5(2), 67- 79.
4. Indrani Ghosh and Debdas Rakshit, "The Financial Performance of Select Commercial banks in India using the CAMEL Approach", *The Management Accountant,* Vol. 49, No. 1, January 2014, pp. 40-45.
5. Shrimal Perera, Michael Skully and Zahida Chaudhry, "Determinants of Commercial Bank Profitability: South Asian Evidence", *Asian Journal of Finance and Accounting,* Vol. 5, No. 1, 2013, pp. 365 – 380.
6. Srinivash, K. and Saroja, L. "Comparative Financial Performance of LVB Bank and DLB Bank", *The Management Accountant,* Vol. 48, No. 7, July 2013, 788 – 802.
7. Thakarshibhai, L.C. (2011), "The Profitability Analysis of Banks in India", Paripex Indian Journal of Research, 3(12).

A STUDY ON EMPLOYEES GRIEVANCE MANAGEMENT PROCEDURE FOLLOWED IN BMTC, SOUTH DIVISION, BENGALURU

KAVYASHREE.M.B
ASST. PROFESSOR
PG DEPARTMENT OF MANAGEMENT STUDIES
JSS ACADEMY OF TECHNICAL EDUCATION
BENGALURU

RENUKACHARYA.H.S
HR RECRUITER
COGNIZANT
BENGALURU

ABSTRACT

The purpose of the study to understand the employee's grievance handling mechanism followed in BMTC, South Division. The study gives information on the grievance handling procedure followed in BMTC. It also includes information about the cause for the grievance in the organization. The study was conducted at BMTC, South Division, Bangalore. Primary data was obtained from employees with the help of structured questionnaire, which was handed over to 120 employees chosen randomly. The secondary data was collected through company records. Results of the study found that employees are facing grievance, which is economic in nature. It was also found that the existing grievance settlement mechanism is not much satisfactory to the employees. Suitable suggestions to overcome the employee's grievance were provided based on the results of the study.

KEYWORDS

employee's satisfaction, grievance mechanism.

JEL CODE

M00

INTRODUCTION

Grievance can be defined as "a written complaint filed by an employee and claiming unfair treatment".
The National Commission of Labor states that complaints affecting one or more individuals work in respect of their wage payments, overtime, leave, transfer, promotion, seniority, work assignment, and discharge will always constitute grievance.

In business organizations where people work together for the purpose of achieving a common goal, distinction of opinion might occur. Dissatisfaction will also be seen when sure expectations, are not met within the activity. Dissatisfaction acts as a motive for grievance. Grievance could be against manager, against work load, one or more operating system and so on. Sadness, frustration and discontentment, inefficient work, less productivity would be the results of grievance.

REVIEW OF LITERATURE

Dr. G. Balamurugan, V. Shenbagapandian, in March 2016 made a study to identify common for grievances faced by employees in workplace and the mechanism used to solve the grievance. The study examined that the grievances were solved in a satisfactory way in the organization but the time span of solving the grievances must be improved.

Cristina BĂLĂNEASA, 2011 in her paper identified that it is not possible to create a working environment in which there are no complaints. Creating a environment like this depends on the ability to diagnose and correct possible causes of grievances before they become formal complaints.

Dr. S. Gomathi "A study on grievance management in improving employees performance in a private enterprises" September 2014, carried out research to understand the extent to which employees grievances are redressed. The results of the study indicated that employees were satisfied with the existing system of grievance management and were able to get their problem solved very quickly.

Dr. G. Karthi,(2017) in her paper has made an attempt to study and enhance the existing grievance system practiced in dairy industry. The study concluded that management should take some necessary steps to improve employee job satisfaction by reducing the grievances inside the organization.

Lydia Sylvia Danku, Adokou Faustin Apeletey, Johnson Aboagye, Cletus Benyebaar,(2015), carried out the research to assess the level of knowledge in service employees with respect to educational institutions concerning discipline and grievance handling procedure. Results indicated that educational service employees had adequate knowledge on the disciplinary actions for service offences.

Njiraini, A. Gachunga, H (2015) conducted a survey to establish the effects of grievance handling mechanism on conflict management with special reference to Kenya National Union of Teacher. The study concluded that grievance handling mechanisms plays an significant role in conflict management in Kenya.

M.R. Vidhya in her research paper worked towards identifying employee's attitude towards grievance handling mechanism of their organization. The results of the study revealed that employees of the organization felt that there should be proper communication inside the organization for the purpose of encouraging employees to speak up their grievance

NEED OF THE STUDY

A complaint or grievance could be actual or probable emotion of unhappiness which an employee experiences in the course of every job. These complaints or grievances have to be communicated to the management or organization at large.

The study helps to gain knowledge on the employees grievance procedure followed in BMTC, South Division and also to know the way of handling and making sound managerial decisions under various constraints.

OBJECTIVES

1. To understand and analyze the grievance procedures followed in BMTC.
2. To identify the factors influencing the employees grievances.

HYPOTHESIS

1. Management effectiveness with regards to grievance settlement.

H0: The management is not effective in grievance settlement.
H1: The management is effective in grievance settlement.
2. Are your grievances & complaints being addressed on time
Ho: The complaints and grievances have been not taken care very often.
H1: The complaints and grievances have been taken care of very often.

RESEARCH METHODOLOGY

Descriptive methodology is been used for the study. Questionnaires were distributed to employees. Along with hypothesis testing several other statements pertaining to employee grievances in BMTC, South Division were administered in the questionnaire and the responses of employees were recorded.

SAMPLE SIZE

TABLE 1

No. of respondents	Total Population	Samples
Drivers	1203	40
Conductors	3083	40
Artisan & Asst. Artison	257	40
Total	4543	120

SOURCE OF DATA COLLECTION

The Primary data was collected through suitable structured questions, interaction with the personnel of different cadres of various departments regarding the roles and responsibilities carried out and the functioning of the department. Secondary data was collected from the annual reports of BMTC & Transport Department, from books, registers and websites.

METHODS OF ANALYSIS

1. Tabular analysis.
2. Anova-Single factor analysis.

RESULTS AND DISCUSSIONS: HYPOTHESIS TEST

TABLE 2: WHETHER OR NOT THE GRIEVANCES OF EMPLOYEES ARE ADDRESSED ON TIME

Ratings	No. of Respondents	Percentage
Mostly	26	21.7%
Frequently	39	32.5%
Rarely	40	33.33%
Not at all	15	12.5%
Total	**120**	**100%**

The data was collected from employees working in BMTC, South Division. Hypothesis was framed and Anova Single Factor Analysis was done to known the results.
Ho: The complaints and grievances have been not taken care very often.
H1: The complaints and grievances have been taken care of very often.

TABLE 3: ANOVA: SINGLE FACTOR

SUMMARY						
Groups	*Count*	*Sum*	*Average*	*Variance*		
Column 1	120	26	0.216667	0.171148		
Column 2	120	39	0.325	0.221218		
Column 3	120	40	0.333333	0.22409		
Column 4	120	15	0.125	0.110294		
ANOVA						
Source of Variation	*SS*	*df*	*MS*	*F*	*P-value*	*F crit*
Between Groups	3.516667	3	1.172222	6.451853	0.000274	2.623637
Within Groups	86.48333	476	0.181688			
Total	90	479				

Analysis: In ANOVA single factor analysis, if „f" is greater than „f crit", null hypothesis will be rejected. In the above table we can analyze that f (6.45)>f crit (2.62), therefore alternative hypothesis is accepted and null hypothesis is rejected.
Interpretation: From the above analysis we can interpret that, the management is not much effective in taking care of employee's grievance.

TABLE 4: MANAGEMENTS EFFECTIVENESS REGARDING GRIEVANCE SETTLEMENT

Ratings	No. of Respondents	Percentage%
Completely	30	25%
To a certain	34	28.33%
To a satisfactory	48	40%
Not at all	8	6.7%
Total	**120**	**100**

The data was collected from employees working in BMTC, South Division. Hypothesis was framed and Anova Single Factor Analysis was done to known the results.
H0: The management is not effective in grievance settlement.
H1: The management is effective in grievance settlement.

TABLE 5: ANOVA: SINGLE FACTOR

SUMMARY						
Groups	*Count*	*Sum*	*Average*	*Variance*		
Col 1	120	30	0.25	0.18907563		
Col 2	120	34	0.283333	0.204761905		
Col 3	120	48	0.4	0.242016807		
Col 4	120	8	0.066667	0.062745098		
ANOVA						
Source of Variations	*SS*	*Df*	*MS*	*F*	*P-value*	*F crit*
Between Groups	6.866667	3	2.288889	13.10558674	3.09078E-08	2.623637
Within Groups	83.13333	476	0.17465			
Total	90	479				

Analysis: In ANOVA single factor analysis, if „f" is greater than „f crit" at significance level of 0.05 we reject null hypothesis. In the above table we can analyze that f (13.10)<f crit (37), therefore null hypothesis is accepted and alternative hypothesis is rejected.

Interpretation: From the above analysis we can interpret that, the management is not effective in grievance settlement.

FINDINGS OF THE STUDY

From the responses of the employees, the following findings were reported

- The organization is rarely accommodating work culture support to employees.
- Majority (48.33 %) of employees have opined they are facing professional related grievances in their life.
- Most of the employees (42.5%) have stated, that only sometimes they face grievance in corporation.
- Most of the employees are facing grievance related to economic in nature.
- The organization rarely takes care of employee's grievance.
- The grievances of employees settled to a satisfactory level, but not completely by the management.
- A separate cell has to be formed to hear the grievances of women employees as per the Supreme Court direction.
- The workload of employees is contentiously increasing since 3 years.
- 60% of employees opine that top level management's pressure is a reason for their grievance.
- 63% of employees state, they are not facing any grievance related to their performance appraisal.
- The existing grievance settlement mechanism of corporation is rarely satisfied to employees.
- The top management's decision with regards to employee's grievance is partly satisfied to employees.

SUGGESTIONS/RECOMMENDATIONS

- The organization should introduce a grievance handling mechanism cell at depots, so that the number of grievances & complaints taking to next level could be reduced.
- The BMTC management can introduce employee friendly work culture system, because the lower percent of workers have not opined positively towards prevailing system.
- It is heartening to know that the frequency of grievances is reported in large, at small interval of time; however frequency of grievances may be lessened.
- The BMTC management should take care of the economic grievances of the employees, & announce economic incentives to their employees depending upon the availability of resources.
- The BMTC should address the employee's grievances through well established machinery by following the standard procedures, based on principles of natural justice. Even if one grievance is not attended properly, it is treated as a failure; hence attending grievance by management is essential.
- The duration of settlement of grievance should be based on urgency and need based, instead of laying down specific time period. E.g. A grievance should be settled preferably within 2 weeks, so that grievance handling machinery can be made to work satisfactorily.
- As far as management effectiveness in grievance settlement is concerned, majority of employees have opined satisfaction, and this should be maintained in long run.
- The BMTC has to take all possible steps to reduce work load by recruiting new personnel against the vacant posts.
- The top level management should make an attempt to infuse economic security to its employees in order to put an end to the grievance which is mostly economic in nature.
- The satisfactory level of the existing grievance settlement is reported to be not that satisfactory, hence the management should incorporate easy procedure for handling grievances of employees.
- The top level management of BMTC should make an attempt to hear the grievances of employees case by case and take suitable decision, because the employees have reported that top level management is not in a position to hear the grievances through proper channel.

OBSERVATIONS AND SUGGESTIONS GIVEN BY EMPLOYEES

OBSERVATIONS

- The corporation is operating with such a form-4 of BMTC rules, which is not suitable for present traffic condition.
- The maintenance of the fleet is not satisfactory to the crew members.
- The Statutory facilities like, Canteen, Crew Rest Room and other facilities are lacking in some depots.
- Due to shortage of crew, the employees are forced to do over time (OT) duty.
- Due to financial crises till today the management is unable to pay the Bonus, Ex-gratia, DA arrears etc.

SUGGESTIONS GIVEN BY EMPLOYEES

- The Corporation should reopen its Employees Grievance Cell.
- Corporation should much concentrate on employee's health facilities. Reimbursement of medical bills.
- Form-4 of BMTC should be renewed as per present traffic situation of Bangalore.
- Proper basic amenities need to be provided as well as maintained in good condition of them.
- More Male Artisan need to recruit then Female Artisan.

CONCLUSION

The BMTC south division is considered to be a significant division because of above average performance reported from all the depots. As far as grievance settlement system is concerned, majority of the employees are not happy. There are instances where employees have been deprived of financial benefits (Bonus, Salary, Incentives, etc), equal work load and other facilities. All though the BMTC is offering a number of welfare schemes towards its employees the workforce is not totally satisfied with such schemes. It may be noted that the employees of BMTC form the core working force; as such the management needs to restructure, redesign & redirect the whole grievance handling machinery, keeping in view the larger interest of the employees.

The fact that BMTC is a vast corporation with huge fleet operations reaching every nook and corner of the urban and rural Bangalore conglomerate manned by thousands of employees. Given its unwieldy size and volume, the formidable task of the officials is to satisfy every one of them through managing the grievance handling machinery. Thus, the whole system of grievance handling has indeed become quite challenging. With all these internal complexities in HR and other functional areas of BMTC, the Corporation has been declared as the Best Public Transport Service in the country and is the role model for other public transport corporations.

LIMITATIONS

- The study is confined to only BMTC, South Division.
- The Grievance of employees will be extended only to personnel & Professional type affecting their day to day life.
- Time Limitation: It was not possible to study all the grievance expressed by the employees
- Memory on the part of respondents need not be consistent.

REFERENCES

1. Cristina BĂLĂNEASA,.Aurel MANOLESCU. “Managing employee’s grievance by employers” Vol. 11, No. 1(13), 2011.
2. Dr. G. Balamurugan & V. Shenbagapandian, “A study on effectiveness of grievance handling procedure in international airport” Volume 2, Issue 10, March 2016.
3. Dr.G.Karthi, “A study on employee grievance handling system with special reference to Amirtha dairy private limited” Volume 5, Issue 1, January 2017.
4. Dr.S.Gomathi “A study on grievance management in improving employees performance in a private enterprises” Vol. 5 No 20 September 2014.
5. Lydia Sylvia Danku, Adokou Faustin Apeletey, Johnson Aboagye, Cletus Benyebaar, “Assessing discipline handling and grievance management procedure in educational service in ghama” Vol. 4, No. 1 January 2015
6. M.R. Vidhya “Grievance handling procedure in ITES companies” IOSR Journal of Humanities and Social Science (IOSR-JHSS).
7. Njiraini, A, Gachunga, H, “ Effects of grievance handling procedure on conflict management in Kenya: A case of Kenya national union of teacher”, Vol. 2 (88), pp 1203 - 1223, Oct 19, 2015

EXAMINING THE INFLUENCE OF HUMAN RESOURCE PRACTICES ON EMPLOYEE LOYALTY

KEERTHANA. K
FINAL YEAR MBA STUDENT
KONGU ENGINEERING COLLEGE
PERUNDURAI

Dr. V. KRISHNAMOORTHY
ASST. PROFESSOR
KONGU ENGINEERING COLLEGE
PERUNDURAI

ABSTRACT

The main purpose of this study was to examine the influence of human resource practices (HRM) practices on employee loyalty. This study was conducted using self-administered questionnaire. Using a cross-sectional study, a total of 155 valid questionnaire were collected using systematic sampling method. The study has been conducted from the period of January 2018 to February 2018. This study identified eight important dimensions of human resource management practices. These are: Training and Development, Selection, Appraisal, Employee involvement, Human resource (HR) system, Employee participation and Job design. The findings revealed that employee participation, employee involvement and training and development are highly influencing the employee loyalty and thereby enhancing the internal efficiency.

KEYWORDS

appraisal, employee involvement, employee participation, human resource system, job design.

JEL CODE

O15

INTRODUCTION

Human resource is the management of people within the organisations, focusing on policies and on systems.HR departments concentrates on maximising the employee productivity Human resource activities emphasises “four generic activities of all organisations” namely selection/promotion/placement process, reward process, development process and performance appraisal. (Tichy et al., 1984).Good HRM practices are instrumental in helping achieve departmental objectives and enhance productivity. (Guest’s 1997). Human resource practices are functional activities and strategic plans that enable improved services to employees and increased profitability for the employer. Numerous studies found that the human resource (HR) practices enhance organisational performance (Marchington and Grugulis, 2000; Dyer and Reeves, 1995; Richardson and Thompson, 1999; Wood, 1999). Several studies examined the relationship between HR practices and organisational growth originates in US. (Arthur, 1994; Huselid, 1995; MacDuffie, 1995; Ichniowski *et al*., 1993; Youndt *et al*., 1996). Researchers established that the trust factor is found in every human resource activity- training and development, compensation, promotion, placement and performance appraisal (Robinson and Rousseau, 1994). In early 1980s, the concept of human resource management (HRM) emerged with two basic paths of research among the direct and indirect relationship between human resource management and organisational performance (Schuler and Jackson, 1999).Research shows that perception towards organisations HR activities directs the organisational inducement that has its direct impact on employee attitude and organisational relationship.(Allen et al., 2003).Employee loyalty can be measured by the factors like Employee turnover, employee productivity and customer feedback and these dimensions are considered as the interpersonal and social determinants of fairness (Greenberg 1993). Several studies conceptualized that the HRM practices are sometimes an alternative for unionisation. If the employees are provided with requirements, the need for trade unions will be reduced (Alina Ileana Petrescu and Rob Simmons, 2008, Eisenberger et al., 1986; Allen et al., 2003). HR practices has become the sources of competitive advantage by their impact on employees’ productivity and their involvement towards business objectives.(Huselid et al.1997.HR practices may moderate the association among human resource and achieving enriched performance (Guest’s 1997). Hence it is concluded that the HR activities deliver the strong signals to employees about the organisations trust upon them and employees commitment towards the organisation. (Saini, D., and Budhwar, P.2004).The relationship between employee fairness and HR practices is significantly influenced by the organisational culture (Arthur, 1994), examines that the HR activities laid the base for employee behaviour and attitudes by enhancing ‘psychological links’ among organisational and employee outcomes. Trust is considered to be the important factor and it allows the employees mutual relationship upon the organisation to increase, thus breaking through the internal boundaries between management and employees (Mishra 2006).

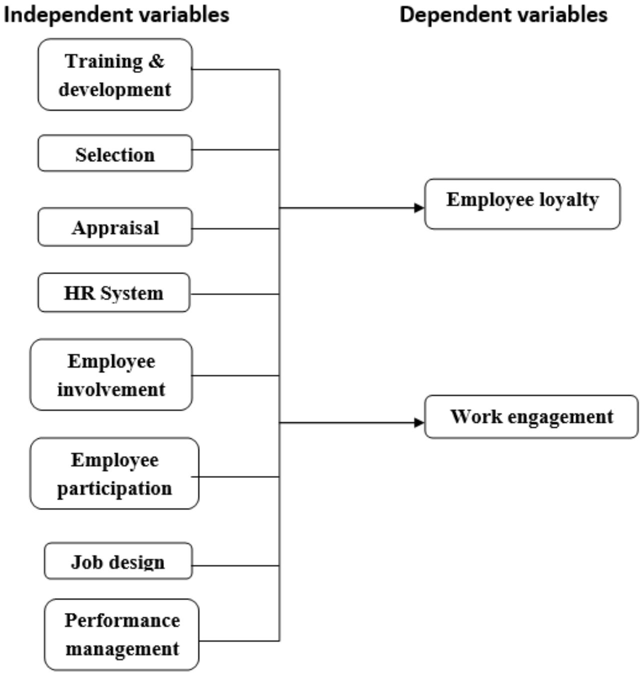
REVIEW OF LITERATURE

Researchers have established different definition for influence of HRM practices. Arunprasad P (2017) analysed the influence of strategic HRM and knowledge management activities of software companies in India. The study concluded that innovation, creativity and HRM practices like employee retention, recruitment process, enhancing development of internal and external factors forms a positive advantage on the organisational growth. Jenny K Rodriguez and Paul Stewart (2017) examined HRM practices and its role in organisational culture in Chile. The study was conducted among 1299 samples in metropolitan region of Chile. Flexibility, motivation, communication, high performance, organizational culture are the variables used in this study. The study found that employees feel dissatisfied in their work due to improper handling of HRM practices practiced in the organisation. Bard Kuvass (2017) examined the HR practices linked with the quality of employee development and employee outcome.The sample size of study was 593 employees in Norway. The study found that the HRM variables like effective organizational commitment and perceived organizational support will strongly constitute the employee commitment towards Organization. Mirta Diaz- Fernandez et.al.,(2017) analysed the relationship between innovation and HRM practices and the study was conducted in Spanish manufacturing organisations with the sample respondents of 200 through longitudinal analysis method. The study found that innovation and competitive advantage are inter-related between each other. Sherin Faruok et.al., (2016) examined the causes of HRM practice on organisational efficiency in United Arab Emirates with the sample of 168 employees. The study found that organisational innovation, performance appraisal, training, job design, recruitment & selection used are highly influencing organisational development. Alexandros G Psychogios et.al., (2016) examined the structural and organisational aspects in HRM practice in small and medium scale industries. The study conducted at South Eastern European countries with 168 sample respondents. This study identified responsibility, formality, planning, personnel function, competencies, compensation systems have the positive impact on the human resource management practices. Vanthsala Wickramasinghe and Melanie Samratunga (2016) validated the dependence between HRM practices and post promotion activities by conducting survey among 391 respondents. The study found that job designation and the promotion activities had a significant influence with the performance after getting promoted as they gain the increased pay scale opportunities. Boselie et al., (2015) identified the positive effect of HRM practices among the individuals through structural equational modelling method and found that Human resource are the significant factor that influences the organisation to attain its vision and mission through innovation. The findings of the study identified that the HRM practices have positive effect on among the individuals of organisation. Lepak and Snell (2015) had identified the theory of human capital allocation and development using HRM dimensions of the organizations. The study was conducted using 800 respondents in Muscut securities market. The study found that there is high involvement of traditional HRM practices in organisational development and in the human capital resource. Shay.S.Tzafir et al.,(2014) examined the influences of growing HRM practices for employees trust. The study was conducted with the sample of 250 respondents using random sampling method. The study found that the trust of employees has been significantly influenced by the HRM practices like flow of communication, management stress, work place justice.

STATEMENT OF THE PROBLEM
HRM is a process of bringing people and organisation together in order to achieve organisational goals to meet the expectations of the employees. Human resource management practices bridges the gap between employee expectations and organisational needs by adopting appropriate HRM practices. The HR practices constitute the competitive advantage to perform activities more distinctively and effectively than rivals. With appropriate HRM practices an organisation can hire, develop and utilise best brains in the marketplace, realise its professed goals and deliver best results better than others. If the employee is satisfied by the HRM practices implemented by the organisation, the worker may continue in the organisation and thereby employee loyalty will be increased. In that circumstances, this study becomes essential.

RESEARCH GAP
Even though several studies has been conducted with regard to impact of HRM practices on employee loyalty most of the studies has been conducted in western perspective. Only limited studies has been conducted in Indian perspective. Therefore the researcher intended to fill the gap by the way of study the influences of HRM practices on customer loyalty in garment industries.

PROPOSED RESEARCH MODEL
FIGURE 1: SHOWS THE RESEARCH FRAMEWORK OF THE PROPOSED STUDY



Based on the proposed research model, the objectives of the study is confined only to identify the important HRM dimension. Also to investigate the relationship between HRM practices on employee loyalty and work engagement. And to explain the impact of identified HRM dimensions on employee loyalty. Finally, to identify the impact of identified HRM dimension on work engagement.

OBJECTIVES OF THE STUDY
The objectives of the study is confined only
1. To identify the important HRM dimensions
2. To investigate the relationship between HRM practices on employee loyalty and work engagement.
3. To explain the impact of identified HRM dimensions on employee loyalty.
4. To identify the impact of identified HRM dimension on work engagement.

RESEARCH METHODOLOGY
An empirical method of analysis was adopted in this paper to examine the influence of HRM practices on employee loyalty. The study had been confined only to small scale garment companies. Data collected from lower and middle employees. Using systematic random sampling technique, the study was conducted during the period of January 2018 to February 2018 in Tripur town. The researchers collected 155 questionnaire from the respondents. The researcher adopted questionnaire method for collecting data from the respondents. The statistical tools like exploratory factor analysis, regression and correlation were used. Before distributing the questionnaire to the respondents the researcher performed the content validity of the questionnaire. After formulating the questionnaire the researcher conducted the pilot study. Based on their feedback received from the respondents few items in questionnaire were deleted and some words has been modified in the questionnaire. The variables relating to the present study is drawn from the previous work of Delery and Doty (1996), Snell and Dean (1992) and Bae and Lawler (2000). Suitable modification has been made in the existing questionnaire to suit the requirements of the present study.

PROPOSED HYPOTHESIS
The study is approached with the following hypothesis
H_{01}: Training & development has no significant impact on employee loyalty
H_{02}: Selection has no significant impact on employee loyalty
H_{03}: Performance management has no significant impact on employee loyalty
H_{04}: Appraisal has no significant impact on employee loyalty

H_{05}: Employee participation no significant impact on employee loyalty
H_{06}: HR systems has no significant impact on employee loyalty
H_{07}: Employee involvement has no significant impact on employee loyalty
H_{08}: Job design has no significant impact on employee loyalty.
H_{09}: Training & development has no significant impact on work engagement
H_{10}: Selection has no significant impact on work engagement
H_{11}: Performance management has no significant impact on work engagement
H_{12}: Appraisal has no significant impact on work engagement
H_{13}: Employee participation no significant impact on work engagement
H_{14}: HR systems has no significant impact on work engagement
H_{15}: Employee involvement has no significant impact on work engagement
H_{16}: Job design has no significant impact on work engagement

TABLE 1: DEMOGRAPHIC PROFILE OF THE RESPONDENTS

		Frequency	Percent
Gender			
Male		97	62.6
Female		58	37.4
	Total	***155***	***100***
Age of the respondents			
Below 25 years		31	20.0
25 to 35 years		72	46.5
35 to 45 years		29	18.7
Above 45 years		23	14.8
	Total	***155***	***100***
Educational qualification			
Higher secondary		61	39.4
Under graduation		53	34.2
Post graduation		9	5.8
Others		32	20.6
	Total	***155***	***100***
Nature of departments			
Stiching		23	14.8
Ironing		58	37.4
Sewing		15	9.7
Cutting		26	16.8
Checking		28	18.1
Packing		5	3.2
	Total	***155***	***100***
Job status of the respondents			
Part – time		63	40.6
Full – time		92	59.4
	Total	***155***	***100***
Place of residence			
Rural area		79	51.0
Urban area		76	49.0
	Total	***155***	***100***
Monthly income of the respondents			
Below Rs.15000		68	43.9
Rs.15000 to Rs.30000		52	33.5
Rs.30000 to Rs.45000		18	11.6
Above Rs.45000		17	11.0
	Total	***155***	***100***
Work experience			
Below 1 year		43	27.7
2 to 4 years		64	41.3
4 to 6 years		21	13.5
Above 6 years		27	17.4
	Total	***155***	***100***

DESCRIPTIVE STATISTICS

The demographic profile of the respondent is depicted in TABLE NO. 1. Out of 155 sample respondents 62.6 percent was male and 37.4 percent is female. Regarding age of the respondents 20 percent are below 25 years, 46.5 percent are between 25 to 35 years of age, 18.7 percent are between 35 to 45 years and 14.8 percent are above 45 years. Regarding Educational qualification of the respondents, 39.4 percent of the respondents had higher secondary qualification. Followed by 34.2 percent of respondents had under graduation, 5.8 percent of respondents had completed post-graduation and 20.6 were others who fall under uneducated category. With reference to job status, 40.6 percent of respondents work part – time and 59.4 percent work full-time job. Regarding the place of residence of the respondents, 51 percent of the respondent residing s at rural area. Followed by 49 percent of the respondent residing is at urban area. From the income level, it was found that 43.9 percent earned below Rs. 15000, 33.5 percent earned between Rs. 15000 to Rs. 30000, 11.6 percent earned between Rs. 30000 to Rs. 45000 and 11.0 percent earned above Rs. 45000. Finally, work experience was measured with 27.7 percent is below 1 year, 41.3 percent of respondent work experience is between 2 to 4 year, 13.5 percent respondent experience is between 4 to 6 years and 17.4 percent work respondent experience is above 6 years.

RELIABILITY ANALYSIS

The Cronbach's alpha **(α)** for the eight factors are very high ranging from (0.61 to 0.82), and are above the generally acceptable level of 0.60 Nunnaly (1977). TABLE NO. 2 exhibits the internal consistency of the data for both dependant and independent variables was significantly high with (**α**= 0.900).

TABLE 2: RELIABILITY STATISTICS

Cronbach's Alpha	N of Items
.900	36

ANTECEDENTS OF HRM PRACTICE IN GARMENT INDUSTRY

A principal component factor analysis with varimax rotation was performed on the 26 items that assessed the influence of HRM practices on employee loyalty. The statistical test result (KMO =.813, Bartlett's test of = 1.043, significance=.000) revealed that the factor analysis was appropriate. Therefore 26 items with Eigen value higher than 1.0 with were retained for further analysis. The resultant factor analysis explained 59.749 percent of the item variance.

TABLE 3: KMO AND BARTLETT'S TEST

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.813
Bartlett's Test of Sphericity	Approx. Chi-Square	1.043E3
	Df	325
	Sig.	.000

TOTAL VARIANCE EXPLAINED

TABLE 4: RESULTS OF TOTAL VARIANCE EXPLAINED

	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
Component	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	6.316	24.294	24.294	6.316	24.294	24.294	2.224	8.552	8.552
2	1.682	6.469	30.763	1.682	6.469	30.763	2.091	8.042	16.594
3	1.572	6.045	36.807	1.572	6.045	36.807	1.948	7.491	24.086
4	1.438	5.529	42.337	1.438	5.529	42.337	1.940	7.462	31.548
5	1.257	4.835	47.172	1.257	4.835	47.172	1.912	7.354	38.901
6	1.190	4.575	51.747	1.190	4.575	51.747	1.859	7.149	46.050
7	1.063	4.089	55.836	1.063	4.089	55.836	1.829	7.033	53.083
8	1.017	3.913	59.749	1.017	3.913	59.749	1.733	6.666	59.749
9	.939	3.610	63.359						
10	.898	3.453	66.812						
11	.857	3.297	70.109						
12	.836	3.214	73.323						
13	.786	3.022	76.345						
14	.726	2.794	79.138						
15	.699	2.690	81.828						
16	.613	2.359	84.188						
17	.553	2.126	86.314						
18	.526	2.024	88.338						
19	.514	1.977	90.314						
20	.466	1.793	92.108						
21	.408	1.568	93.676						
22	.403	1.548	95.224						
23	.342	1.314	96.538						
24	.329	1.265	97.803						
25	.313	1.204	99.007						
26	.258	.993	100.000						
Extraction Method: Principal Component analysis									

TABLE 5: ANTECEDENTS OF HRM PRACTICES

FACTOR NAME	VARIABLES	(TD)	(SL)	(PM)	(AP)	(EP)	(HS)	(EI)	(JD)
Training & Development	Q3	0.677							
	Q7	0.661							
	Q17	0.605							
	Q10	0.478							
Selection	Q1		0.171						
	Q2		0.609						
	Q14		0.487						
	Q13		0.463						
Performance Management	Q9			0.701					
	Q22			0.655					
	Q4			0.526					
	Q21			0.479					
Appraisal	Q12				0.769				
	Q6				0.538				
	Q9				0.421				
Employee Participation	Q15					0.733			
	Q11					0.548			
	Q8					0.505			
	Q18					0.403			
HR System	Q23						0.720		
	Q26						0.607		
Employee Involvement	Q16							0.745	
	Q20							0.623	
Job design	Q25								0.784
	Q24								0.543
	Q5								0.431

Table 5 resulted that, Factor one of HRM variables was labled as "Training & development" comprises of four items with the eigen value of 6.316 percent and 2.224 percent of total variance explained. The second factor, "Selection" comprises of four items with the eigen value of 1.682 percent and 2.091 percent of total variance explained. The third factor, "Performance management" comprises of four items with the eigen value of 1.572 percent and 1.948 percent of total variance explained. The fourth factor, "Appraisal" comprises of three items with the eigen value of 1.438 percent and 1.940 percent of total variance explained. The fifth factor," Employee Participation" comprises of four items with the eigen value of 1.257 percent and 1.912 percent of total variance explained. The sixth factor," HR System" comprises of two items with the eigen value of 1.190 percent and 1.859 percent of total variance explained. The seventh factor," Employee Involvement" comprises of two items with the eigen value of 1.063 percent and 1.829 percent of total variance explained. Finally the Eight factor," Job design" comprises of three items with the 1.017percent and 1.733 percent of total variance explained.

INFLUENCE OF HRM PRACTICE ON EMPLOYEE LOYALTY

To study the influence of HRM practices on employee loyalty, multiple regression was carried out. The factor scores of the eight HRM variables obtained from the factor analysis represent the independent variables, whereas employee loyalty and work engagement represented the dependent variables.

TABLE NO. 6

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	.305	.328		.931	.353		
	Training & development	.040	.079	.037	.505	.614	.650	1.540
	Selection	.101	.074	.096	1.378	.170	.698	1.432
	Performance management	.324	.079	.301	4.111	.000*	.635	1.575
	Appraisal	.021	.076	.019	.277	.783	.689	1.452
	Employee participation	.398	.083	.356	4.785	.000*	.615	1.625
	HR system	.036	.063	.040	.571	.569	.699	1.430
	Employee involvement	.186	.064	.199	2.892	.004*	.718	1.392
	Job design	-.157	.078	-.141	-2.013	.046	.697	1.436
a. Dependent Variable: EMPLOYEE LOYALTY								

From TABLE NO.6 the study stipulates that there is a significant influence of "Employee participation" on "Employee loyalty" with (β =.356, t = 4.785, p≤0.05). Followed by "Performance management" with (β =.301, t= 4.111, p≤0.05). Regarding "Employee Involvement" with (β = 0.199, t= 0.004, p≤0.05). The study also found that there is no significant impact regarding "Training and development" with (β =.037, t=.505,p≥0.05), "Selection" with (β =.096, t=1.378,p≥0.05), "Appraisal" with (β =.019, t=.277, p≥0.05), "HR system" with (β =.096, t=1.378,p≥0.05), "Job design" with (β =.141, t=2.013, p≥0.05).

TABLE NO. 7 reveals the influence of HRM practices on "Work engagement"

TABLE 7

		Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
Model		B	Std. Error	Beta	t	Sig.	Tolerance	VIF
1	(Constant)	.856	.222		3.851	.000		
	Training & development	.134	.053	.182	2.510	.000*	.650	1.540
	Selection	.006	.050	.008	.116	.908	.698	1.432
	Performance management	.092	.053	.126	1.719	.088	.635	1.575
	Appraisal	.127	.052	.174	2.472	.002*	.689	1.452
	Employee participation	.097	.056	.128	1.714	.089	.615	1.625
	HR system	.117	.043	.192	2.744	.004*	.699	1.430
	Employee involvement	.070	.044	.110	1.593	.113	.718	1.392
	Job design	.091	.053	.120	1.714	.089	.697	1.436
b. Dependent Variable: WORK ENGAGEMENT								

With reference to Table no.7 revealed that there is significant influence of "HR system" on "Work engagement" with (β =.192, t= 2.744, p≤0.05). Followed by "Training & Development" with (β =.182, t = 2.510, p ≤ 0.05) And "Appraisal" with (β =.174, t= 2.472, p ≤ 0.05). The study also found that there is no significant impact on "Selection" with (β =.908, t=.116, p ≥ 0.05), "Performance management" with (β =.126, t= 1.719, p ≥ 0.05), "Employee participation" with (β =.128, t= 714, p ≥ 0.05), "Employee involvement" with (β =.110, t= 1.593, p ≥ 0.05), and "Job design" with (β =.120, t= 1.714, p ≥ 0.05).

Correlation matrix of HRM practice on employee loyalty exhibited in Table No 8

TABLE NO. 8: CORRELATION MATRIX

	TD SL PM AP EP HS EI JD EL*
TD	1.423**.445**.284**.438**.358**.400**.316**.422**
SL	1.381**.347**.412**.376**.251**.299**.402**
PM	1.386**.432**.325**.394**.427**.546**
AP	1.395**.329**.347**.442**.339**
EP	1.462**.354**.374**.585**
HS	1.354**.301**.385**
EI	1.330**.457**
JD	1.247**
EL*	1

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

Dependant variable 1 : Employee loyalty

Notes: TD = Training & development, SL = Selection, PM = Performance management, AP = Appraisal,
EP= Employee participation, HS= HR system, EI = Employee involvement, JD = Job design,
EL=Employee loyalty

With reference to Table No. 8, "Training and Development", significant positive correlation is identified in case of Selection, Performance management, Appraisal, Employee participation, HR system, Employee Involvement and Job design at 5 percent significant level. In case of "Selection", strong positive correlation is identified among Performance management, Appraisal, Employee participation, HR system, Employee Involvement and Job design. Regarding "Performance management "had significant positive correlation with Appraisal, Employee participation, HR system, Employee Involvement and Job design. With reference to "Appraisal" strong positive correlation had observed between Employee participation, HR system, Employee Involvement and Job design. The variable "Employee participation" positive correlation is identified among HR system, Employee Involvement and Job design. In case of "HR System" positive correlation is identified with Employee Involvement and Job design. With reference to "Employee Involvement", exact positive correlation is identified with Job design. Finally with reference to "Job design" significant positive correlation is observed with the dependant variable employee loyalty. It is observed that all the independent variables are positively relationships with the dependant variable "EMPLOYEE LOYALTY".

Correlation matrix of HRM practice on employee loyalty exhibited in Table No 9

TABLE 9: CORRELATION MATRIX

	TD SL PM AP EP HS EI JD WE*
TD	1.423**.445**.284**.438**.358**.400**.316**.497**
SL	1.381**.347**.412**.376**.251**.299**.382**
PM	1.386**.432**.325**.394**.427**.489**
AP	1.395**.329**.347**.442**.482**
EP	1.462**.354**.374**.506**
HS	1.354**.301**.492**
EI	1.330**.448**
JD	1.452**
WE*	1

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

Dependant variable 2 : Work engagement

Notes: TD = Training & development, SL = Selection, PM = Performance management, AP = Appraisal,
EP= Employee participation, HS= HR system, EI = Employee involvement, JD = Job design,
WE= Work engagement.

Regarding "Work engagement", significant positive correlation is observed with all the independent variables namely: Training and development, Selection, Appraisal, Employee participation, Job design, HR system, Performance management and Employee involvement. Followed by, among all the variables strong positive correlation is observed with "Training and development". From correlation table, it is inferred that there is no multi Collinearity problem in the data.

TESTING OF HYPOTHESIS

Table No. 10 exhibits the result of the hypothesis. Three out of eight hypotheses revealed a "p" value less than 0.5, while the remaining three hypothesis were not significant at 5 percent level. The Researchers tested the Hypothesis with the help of Multiple Regression.

TABLE 10: EXHIBITS THE TESTING OF HYPOTHESIS ON "EMPLOYEE LOYALTY"

Serial No	Hypothesis	Beta	Results
H_{01}	Training & development has no significant impact on employee loyalty	0.037	Accepted
H_{02}	Selection has no significant impact on employee loyalty	0.096	Accepted
H_{03}	Performance management has no significant impact on employee loyalty	0.301	Rejected
H_{04}	Appraisal has no significant impact on employee loyalty	0.019	Accepted
H_{05}	Employee participation no significant impact on employee loyalty	0.356	Rejected
H_{06}	HR systems has no significant impact on employee loyalty	0.040	Accepted
H_{07}	Employee involvement has no significant impact on employee loyalty	0.199	Rejected
H_{08}	Job design has no significant impact on employee loyalty	0.141	Accepted

TESTING OF HYPOTHESIS ON WORK ENGAGEMENT

Table No. 11 exhibits the result of the hypothesis. Three out of eight hypotheses revealed a "p" value less than 0.5, while the remaining one hypothesis were not significant at 5 percent level. Five variables out of eight were significant at 5 percent level as "p" value greater than 0.5.

TABLE 11

Serial No	Hypothesis	Beta	Results
H_{09}	Training & development has no significant impact on work engagement	0.037	Rejected
H_{10}	Selection has no significant impact on work engagement	0.096	Accepted
H_{11}	Performance management has no significant impact on work engagement	0.301	Accepted
H_{12}	Appraisal has no significant impact on work engagement	0.019	Rejected
H_{13}	Employee participation no significant impact on work engagement	0.356	Accepted
H_{14}	HR systems has no significant impact on work engagement	0.040	Rejected
H_{15}	Employee involvement has no significant impact on work engagement	0.199	Accepted
H_{16}	Job design has no significant impact on work engagement	0.141	Accepted

CONCLUSION

The present study identified eight important dimensions of HRM practices, namely, training & development, selection, appraisal, employee involvement, employee participation, job design and HR system. Out of the identified dimension, this study found that there is significant influence of HRM practices on employee loyalty is identified with the HRM dimensions like employee participation, performance management, employee involvement, HR system and appraisal on employee loyalty that could increase the organisational efficiency.

ANALYSIS AND DISCUSSION

The primary purpose of the study is to examine the influence of HRM practices on employee loyalty towards garment companies in Tripur town, Tamilnadu. Factor analysis was performed to examine the underlying dimensions of HR practices. Factor analysis resulted eight factors namely training & development, selection, performance management, appraisal, employee participation, HR system, employee involvement and job design, which explained 59.749 percent of the variation. The findings of this study corroborate past research work, such as Choi and Lee (2013), and Jiang et al. (2012), who observed the impact of HRM practices on organisation and employee performance. This study findings coincide with the previous research works done by (Whitener, 1997; Bijlsma and Koopman, 2003; Tyler, 2003; Mo¨llering et al., 2004; Tzafrir, 2005). The study found that HRM practices build the employee fairness towards organisation thereby increasing the importance of HR practices. This study findings proved this by exhibiting that employees are subject to developmental and empowering HR practices like training & development, Appraisal, work engagement and organisational performance. The research findings throw light on HR practices and it is consistent with (Lado and Wilson, 1994; Becker and Gerhart, 1996; Jimenez and Valle, 2005) identified that work engagement has positive influence on employee loyalty.

MANAGERIAL IMPLICATIONS

This research makes several practical contributions. The influence of HRM practices on employee loyalty can direct the policy makers and future researchers to focus on employee satisfaction. Employee loyalty can be viewed on the managerial level leading to the value creation of the employees. The proposed model can help the management to analyze the extend of the alignment of their strategic HRM practices and its corresponding impact on employees loyalty. This study confirms that adoption of good HRM practices can develop a unique pool of employee's behaviour that can boost organisation performance. With this knowledge, companies can target their efforts to develop HRM practices to enhance better employee loyalty and their morale. The study findings help the management to formulate suitable policies relating to HRM practices.

SCOPE FOR FUTURE RESEARCH

This study considers only small scale garment companies. In future this can be extended to large scale industries. Only limited number of variables of HRM practices are considered for this study. In future, more number of variables can be used. The study considers the total employees views on implementation of HRM practices. This may be modified in future studies to study male employee's perception on implementation of HRM practices. The study employed only two dependent variables namely employee loyalty and work engagement. In future, these can be extended to other dependent variables like employee commitment, employee morale etc.

REFERENCES

1. Alexandros Psychogios, Leslie Thomas Szamosi, Rea Prouska, Christopher Brewster, (2016) "A three-fold framework for understanding HRM practices in South-Eastern European SMEs", Employee Relations, Vol. 38 Issue: 3, pp.310-331
2. Alina Ileana Petrescu, Rob Simmons, (2008) "Human resource management practices and workers' job satisfaction", International Journal of Manpower, Vol. 29 Issue: 7, pp.651-667.
3. Allen, D. G., Shore, L. M. and Griffeth, R. W. (2003). 'The role of perceived organizational support and supportive human resource practices in the turnover process'. Journal of Management, Vol.29, pp.99–118.
4. Anastassova, L. and Purcell, K. (2007), "Human resource management in the Bulgarian hotel industry: from command to empowerment?", International Journal of Hospitality Management, Vol. 14 No. 2, pp. 171-85.
5. Arthur, J.B. (1994) 'Effects of Human Resource Systems on Manufacturing Performance and Turnover', Academy of Management Journal, Vol.37(3): pp.670–87.
6. Arunprasad P., (2017) "Inevitable knowledge strategy: A paradigm shift in strategic HRM practices to augment firm's performance", Employee Relations, Vol. 39 Issue: 5, pp.753-774,
7. Bae, j. AND Lawler, J.J. (2000), "Organisational and HRM strategies in Korea: impact on firm performance in an emerging economy", Academy of Management Journal, Vol. 43, pp. 502-17.
8. Bard Kuvaas (2007),"the study of HRM practices "The impact of HRM practices on linkages between perception of employee outcomes", Journal of management studies.
9. Becker, B. and Gerhart, B. (1996), "The impact of human resource management on organizational performance: progress and prospectors", Academy of Management Journal, Vol. 39 No. 4, pp. 779-801.
10. Becker, B.E., Huselid, M.A 2011 direct estimates of SD and the implications of utility analysis. Journal of applied psychology, Vol.77:22 pp.7-233
11. Bierly, P. and Chakrabarti, A. (1996), "Generic knowledge strategies in the U.S. pharmaceutical industry", Strategic Management Journal, Vol. 17 No. 2, pp. 123-135.
12. Bijlsma, K. and Koopman, P. (2003), "Introduction: trust within organisations", Personnel Review, Vol. 32, pp. 543-55.
13. Bondarouk, T.V. and Ruel, H.J. (2013), "The strategic value of e-HRM: results from an exploratory study in a governmental organization", International Journal of Human Resource Management, Vol. 24 No. 2, pp. 391-414.
14. Boselie, P., Dietz, G. and Boon, C. (2005), "Commonalities and contradictions in HRM and performance research", Human Resource Management Journal, Vol. 15 No. 3, pp. 67-94.
15. Cathy Sheehan, Brian K. Cooper, (2011) "HRM outsourcing: the impact of organisational size and HRM strategic involvement", Personnel Review, Vol. 40, pp.742-760
16. Cho, S., Wood, R.H. and Mayer, K.J. (2005), "Examining the impact of human resources management on organizational performance", paper presented at the Annual Meeting of the Academy of Management, Honolulu, HI.
17. Choi, J.H. and Lee, K.P. (2013), "Effects of employees' perceptions on the relationship between HR practices and firm performance for Korean firms", Personnel Review, Vol. 42 No. 5, pp. 573-594
18. Delery, J.E. and Doty, D.H. (1996), "Modes of theorizing in strategic human resource management: test of universalistic, contingency and configurational performance predictions", Academy of Management Journal, Vol. 39, pp. 802-35.
19. Dyer, L. and Reeves, T. (1995) 'Human Resource Strategies and Firm Performance: What Do We Know and Where Do We Need to Go?', International Journal of Human Resource Management, Vol. 6(3): pp. 656–70.
20. Edgar, F. and Geare, A. (2005), "HRM practice and employee attitudes: different measures – different results", Personnel Review, Vol. 34 No. 5, pp. 534-49
21. Eisenberger, R., Huntington, R., Hutchison, S. and Sowa, D. (1986) 'Perceived Organizational Support', Journal of Applied Psychology, Vol.71(3): pp.500–7.
22. Elise Marescaux, Sophie De Winne, Luc Sels, (2012) "HR practices and HRM outcomes: the role of basic need satisfaction", Personnel Review, Vol. 42 pp.4-27
23. Ellemers, N., de Gilder, D. and Haslam, S.A. (2004), "Motivating individuals and groups at work: a social identity perspective", Academy of Management Review, Vol. 29 No. 3, pp. 459-478.
24. Fiona Edgar, Alan Geare, (2005) "HRM practice and employee attitudes: different measures – different results", Personnel Review, Vol. 34 Issue: 5, pp.534-549.
25. Folger, R. and M. A. Konovsky. 1989. "Effects of Procedural and Distributive Justice on Reactions to Pay Raise Decisions." Academy of Management Journal 32:115-130.
26. Fu, N., Flood, P.C., Bosak, J. Morris, T. (2015),"How do high performance work systems influence organisational innovation in professional service firms", Employee Relations Vol.37 No. 2, pp 209-231.
27. Fuller, J.B., Hester, K., Barnett, T., Frey, L., Relyea, C. and Beu, D. (2006), "Perceived external prestige and internal respect: new insights into the organizational identification process", Human Relations, Vol. 59 No. 6, pp. 815-846.
28. Gomez, C.F. and Rodriguez, J.K. (2006), "Four Approximations to Chilean culture: Authoritarianism, Legalism, Fatalism and Compadrazgo", Asian Journal of Latin American Studies, Vol. 19 No. 3, pp. 43-65.
29. Gould-Williams, J. (2007), "HR practices, organizational climate and employee outcomes: evaluation social exchange relationships in local government", International Journal of Human Resource Management, Vol. 18 No. 9, pp. 1627-47.
30. Greenberg, J. 1993. "The Social Side of Fairness: Interpersonal and Informational Classes of Organizational Justice." Pp. 79-103 in Justice in the Workplace, edited by R. Cropanzano. Hillsdale, NJ: Lawrence Erlbaum.
31. Guest, D. (1997) 'Human Resource Management and Performance: A Review and Research Agenda', International Journal of Human Resource Management, 8(3): pp.263–76.
32. Guest, D.E. (2002), "Human resource management, corporate performance and employee wellbeing: building the worker into HRM", Journal of Industrial Relations, Vol. 44 No. 3, pp. 335-58.
33. Hanisch, K.A. and Hulin, C.L. (1990), "Job attitudes and organizational withdrawal: an examination of retirement and other voluntary behaviors", Journal of Vocational Behavior, Vol. 37, pp. 60-78.
34. Hennekam, S. and Herrbach, O. (2013), "HRM practices and low occupational status older workers", Employee Relations, Vol. 35 No. 3, pp. 339-355.

35. Huselid, M. A., S. E. Jackson, and R. S. Schuler. 1997. "Technical and Strategic Human Resource Management Effectiveness As Determinants of Firm Performance." Academy of Management Journal 40: pp. 171-188.
36. Ian R. Gellatly, Karen H.hunter, "HRM practices and organisational commitments profiles", The international journal of management, Vol.20, No.4,pp.869—884.
37. Jenny K. Rodriguez, Paul Stewart, (2017) "HRM and work practices in Chile: the regulatory power of organisational culture", Employee Relations, Vol. 39 Issue: 3, pp.378-390
38. Jiang, K., Lepak, D.P., Han, K., Hong, Y., Kim, A. and Winkler, A. (2012), "Clarifying the construct of human resource systems: relating human resource management to employee performance", Human Resource Management Review, Vol. 22 No. 2, pp. 73-85.
39. Jimenez, D.J. and Valle, R.S. (2005), "Innovation and human resource management fit: an empirical study", International Journal of Manpower, Vol. 26 No. 4, pp. 364-381.
40. Julian Gould –Williams (2017),"the importance of HR practices and workplace trust in achieving superior performance: a study of public-sector organisations", the international journal of human resource management.
41. Klaas, B.S., McClendon, J. and Gainey, T.W. (1999), "HR outsourcing and its impact: the role of transaction costs", Personnel Psychology, Vol. 52 No. 1, pp. 113-36.
42. Lado, A.A. and Wilson, M.C. (1994), "Human resource systems and sustained competitive advantage: a competency-based perspective", Academy of Management Review, Vol. 19 No. 4, pp. 699-727.
43. Larry W.Howard " the influence of human resource practices on empowerment and employee perceptions of management commitment to quality", journal of quality management, vol.4, No.1,PP.5-22
44. Lepak, D.P. and Snell, S.A. (1999), "The human resource architecture: toward a theory of human capital allocation and development", Academy of Management Journal, Vol. 13, pp. 31-48.
45. Lilly, J.D., Gray, D.A. and Virick, M. (2005), "Outsourcing the human resource function: environmental and organizational characteristics that affect HR performance", Journal of Business Strategies, Vol. 22 No. 1, pp. 55-73.
46. MacNeil, C.M. (2003), "Line managers: facilitators of knowledge sharing in teams", Employee Relations, Vol. 25 No. 3, pp. 294-308.
47. Marchington, M. and Grugulis, I. (2000) ''Best Practice'' Human Resource Management: Perfect Opportunity or Dangerous Illusion?', International Journal of Human Resource Management, Vol.11(6): 1104–24.
48. Mika Vanhala, Riikka Ahteela, (2011) "The effect of HRM practices on impersonal organizational trust", Management Research Review, Vol. 34 pp.869-888
49. Mirta Diaz-Fernandez, Mar Bornay-Barrachina, Alvaro Lopez-Cabrales, (2017) "HRM practices and innovation performance: a panel-data approach", International Journal of Manpower, Vol. 38 Issue: 3, pp.354-372.
50. Mishra, A.K. (1996), "Organizational responses to crisis: the centrality of trust", in Kramer, R.M. and Tyler, T.R. (Eds), Trust in Organizations: Frontiers of Theory and Research, Sage, Thousand Oaks, CA, pp. 261-87.
51. Mo¨llering, G., Bachmann, R. and Lee, S.H. (2004), "Introduction: understanding organizational trust – foundations, constellations, and issues of operationalisation", Journal of Managerial Psychology, Vol. 19, pp. 556-70.
52. Mohinder Chand, Anastasia A. Katou, (2007) "The impact of HRM practices on organisational performance in the Indian hotel industry", Employee Relations, Vol. 29 Issue: 6, pp.576-594
53. Pfeffer, J. (1999) 'Putting People First for Organisational Success', The Academy of Management Executive, 13(2):pp. 37–48.
54. Richardson, R. and Thompson, M. (1999) The Impact of People Management Practices on Business Performance: A Literature Review. London: Institute of Personnel and Development.
55. Robinson, S. L. and D. M. Rousseau. 1994. "Violating the Psychological Contract: Not the Exception But the Norm," Journal of Organizational Behavior Vol.15: pp. 245-259.
56. Saini, D., and Budhwar, P. (2004), 'Human Resource Management in India,' in Managing Human Resources in Asia-Pacific, ed. P. Budhwar, London: Routledge, pp. 113–140.
57. Saunders, M.N.K., Lewis, P. and Thornhill, A. (2012), Research Methods for Business Students, 6th ed., Prentice Hall, Essex.
58. Schappe, S.P. (2015), "Bridging the gap between procedural knowledge and positive employee attitudes", Group and Organisation Management, Vol. 21 No. 3, pp. 337-65.
59. Schuler, R.S. (1988) 'Human Resource Management Practice Choices'. In Schuler, R.S., Youngblood, S.A. and Huber, V.L. (eds) Readings in Personnel and Human Resource Management, 3rd edn. St. Paul, MN: West Publishing
60. Schuler, R.S. and Jackson, S.E. (1999), Strategic Human Resource Management: A Reader, Blackwell, London.
61. Schuler, R.S., Dolan, S.L. and Jackson, S. (2001), "Trends and emerging issues in human resource management: global and trans cultural perspectives – introduction", International Journal of Manpower, Vol. 22 No. 3, pp. 195-7.
62. Shatha M. Obeidat, (2017) "An examination of the moderating effect of electronic-HRM on highperformance work practices and organisational performance link", Evidence-based HRM: a Global Forum for Empirical Scholarship, Vol. 5 pp.222-241
63. Shay S. Tzafrir, The late Gedaliahu H. Harel, Yehuda Baruch, Shimon L. Dolan, (2004) "The consequences of emerging HRM practices for employees' trust in their managers", Personnel Review, Vol. 33 Issue: 6,pp.628-647
64. Sheehan, C. and Scafidi, A. (2005), "The strategic role of HR managers in Australian organisations: cues from organisational recruitment sources", Journal of the Australian and New Zealand Academy of Management, Vol. 11 No. 1, pp. 41-56.
65. Sherine Farouk, Hossam M. Abu Elanain, Shatha M. Obeidat, Moza Al-Nahyan, (2016) "HRM practices and organizational performance in the UAE banking sector: The mediating role of organizational innovation", International Journal of Productivity and Performance Management, Vol. 65 Issue: 6, pp.773-791,
66. Snell, S.A. and Dean, J.A. Jr (1992), "Integrated manufacturing and human resource management: a human capital perspective", Academy of Management Journal, Vol.35, pp.467-504.
67. Tichy, N.M., Fombrun, C. and Devanna, M. (Eds) (1984), "The organisational context of human resource management", Strategic Human Resource Management, Wiley, New York, NY.
68. Tzafrir, S.S., Harel, G.H., Baruch, Y. and Dolan, S.L. (2004), "The consequences of emerging HRM practices for employees' trust in their managers", Personnel Review, Vol. 33, pp. 628-47.
69. Unnikammu Moideenkutty, Asya Al-Lamki, Y. Sree Rama Murthy, (2011) "HRM practices and organizational performance in Oman", Personnel Review, Vol. 40 pp.239-251
70. Vathsala Wickramasinghe, Melanie Samaratunga, (2016) "HRM practices and post-promotion managerial performance: Subordinates' perspective", Evidence-based HRM: a Global Forum for Empirical Scholarship, Vol. 4 Issue: 2, pp.144-161,
71. Whitener, E. M. 1997. Patterns of Social Exchange: The Relationship between Perceptions of Human Resource Practices and Employee Attitudes. Paper presented at the Academy of Management Meeting, (August), Boston, MA.
72. Whitener, E.M. (1997), "The impact of human resource activities on employee trust", Human Resource Management Review, Vol. 7, pp. 389-404.
73. Whyman, P.B. and Petrescu, A.I. (2014), "Partnership, flexible workplace practices and realization of mutual gains: evidence from the British WERS 2004 dataset", International Journal of Human Resource Management, Vol. 25 No. 6, pp. 829-851.
74. Wood, S. (1999) 'Getting the Measure of the Transformed High-performance Organisation', British Journal of Industrial Relations, Vol.37(3): pp.391–417.
75. Wright, P. M. and Boswell, W. R. (2002). 'Desegregating HRM: a review and synthesis of micro and macro human resource management research'. Journal of Management, Vol.28, pp.247–76.

PRINT MEDIA STRATEGIES AND CONSUMER BEHAVIOUR: A STUDY ON FMCG PRODUCTS

RAMBABU LAVURI
SENIOR RESEARCH FELLOW - UGC
DEPARTMENT OF BUSINESS MANAGEMENT
OSMANIA UNIVERSITY
HYDERABAD

ABSTRACT

Print media is a one of the most important medium for communicating with customers, and it has a unique capability to trigger number of target audience senses by the visually, so this make effective media strategy. It has a vital role to make awareness towards company's products and services. This research paper study was conducted to find out the effect of print media strategies on consumer purchase behaviour, where in the scope of study was limited to Hyderabad city. A structure questionnaire was used to measure the effect of print media strategies and every age of the person was targeted in this research study for to get the purchase behaviour of consumer towards FMCG with selected products, with sample size 417 respondents and tested via descriptive statistics, percentages, ANOVA, correlation and multiple regression analysis by using SPSS 20.0 Version.

KEYWORDS

FMCG, consumer behaviour, print media, strategy.

JEL CODE

M32

1. INTRODUCTION

Organizations have always deployed strategies for their various operations in business. Strategic positioning is a favoured technique that is portrayed as relevant in order to achieve a sustainable competitive advantage (Porter, 1996). Media were added to the pool of strategic activities in the last decade. Companies are now rethinking their business strategies due to the rise of media (Fraser & Dutta, 2008; Peters et al., 2013). It is a powerful phenomenon that changed the social interaction globally. Therefore, Media strategy is crucial for companies today to engage in social networks in order to be competitive on the market towards products and services (Burkhalter et al., 2014; Othman et al., 2013; Kaplan & Haenlein, 2010; Larson & Watson, 2011). The usage of media for communication with customers is inevitable nowadays, whether it is for advertising products or services, answering consumer questions and complaints or for information purposes. Media strategy is changing the way businesses are conducted with representing a low-cost platform for personal branding (Dutta, 2010), and regardless of the company size or industry, media marketing has become a mandatory element of a company's marketing strategy (Hanna et al., 2011). Media strategy must be coordinated with marketing strategy and with other aspects of advertising strategy. media strategy involves selecting the media that is appropriate for the message and product requirements to reach the audience that the advertiser desires, in appropriate numbers, in a receptive frame of mind, at the correct time and at an economical cost. In planning media, strategic statement is very important, as it enables the analysing of the logic and consistency of the overall media schedule that is recommended.

2. REVIEW OF LITERATURE

Dougles A Galbi (2009) emphasize that advertising growing rapidly with creating new consumer vision and aspiration building brands towards collaborative market and building to develop user routine, comport and trust. **Thales Teixina (2003),** says that the effective utilization of advertising with proper media planning helps to increase the profit of organization and it also influence on consumer products by educating them with proper media information. **Jerry W. Thamos (1999)** demonstrate by the preparing excellent, creative and well-designed advertising always play vital role in business to capturing market era, without any market myopia. **Kirmani and Wrights (1989, Experiments 3&4)** subjects identified celebrities, large audience media vehicles, high frequency and elaborate staging as expensive Ad elements. It's proposed that consumers perceive advertising costs as deviation from expectation about typical spending levels for product category. **Upadhya, Indu Bal Krishna, Makhanlal Chaturvedi** stated that the nature of influence media has on day decisions of people and compare the effects of Print and Electronic Media on peoples life. **Komal Nagar** demonstrates focusing on a comparison between the effectiveness of Advertising into different media, it reveals that the Web is excellent medium for conveying information and Advertisements on the Web are not considered to be deceptive, television Ad catches viewers' attention, increasing purchase possibilities, and in changing and maintaining attitudes towards the advertised products. **Mihir Dash and Prithvi Belgaonkar** noted that to compare the effectiveness of radio, print and web advertising over and above TV advertising. It is indeed the most effective medium of advertising and that the potential of internet and radio as effective advertising medium can no longer be overlooked.

Lisa R.Klein research that attempts to measure the impact of advertising in the new media, utilizing traditional advertising measurement methods. This model will facilitate a greater understanding by marketer and academic of how a medium can influence consumer information search through its impact on the critical information consumer have access to prior to product usage.

Laband (1986) and Norton and Norton (1988) examined the content of Advertising in the Yellow Pages in terms of specific types of informational cues to test the differences in advertising information content between search and Experience goods. **Saxena, S.S.,** in his book "Advertising and Publicity in India" makes an exhaustive study of advertising and Publicity. The Author Surveys the prevalent practises and methods in India and appraises the contribution made by Advertising and publicity to business and socio-cultural enlightenment of the general public. **Wells, Burnett, and Moriaty (2000)** claim that Advertising is no personal since it is a form of Mass communication and defines advertising as no personal communication from an identified sponsor using mass Media to persuade or influence an Audience. **Kotler and Armstrong (2001)** "Principles of Marketing", the authors demonstrate that selecting specific effective media and media vehicles always creates advantages towards products sales through effective information about products or services to target Audiences. **De Pelsmacker et al., (1998)** the emotional appeals lead to more positive responses to media advertisement, although cognitive reaction to advertisements are more positively affected by rational advertising appeal than by emotional ones found that some types of media context can be more supportive for some advertisements. **De Pelsmacker, Maggie Geuens** and **Anckaert (2002)** research suggested that media context from both academic as well as managerial point of view, media context effects are key part of media planning and Ad pre – testing. The effectiveness of advertising might improve greatly by embedding it in the appropriate media context. **Nilson (1995)** states that the medias influence and ability to change perception and behaviour is so strong that traditional analytical tools for studying the market are insufficient.it studied the process of consumer perception, and influence of media on consumer perception. **Kotler, P., (1996)** media has directly or in directly played its role by spreading the news, media communication in general to be a positive one, using managerial tools for effecting positive changes in the perception of the consumer.

3. OBJECTIVES OF THE STUDY

The objectives of the study are to realise the following

1. To study the influence of media exposure on demographic variables.

2. To examine the influence of print media strategy on purchase decision of consumer towards FMCG products.
3. To examine the impact of Print media advertisements on consumer purchasing behavior towards FMCG products.

4. TESTING THE HYPOTHESES

The following are the hypothesis designed with above objective:

1. ***H_O^1:*** There is no significant influence of Print media Exposure on demographic variable.
2. ***H_O^2:*** There is no significant influence of Print media channels on consumer purchase towards FMCG products.
3. ***H_O^3:*** There is no significant influence of Print Media ads appeals on consumer purchase behaviour towards FMCG products.
4. ***H_O^4:*** There is no significant impact of Print media strategy towards consumer purchase.

5. METHODOLOGY

The study is concerned with the effect of Print media strategies on consumer purchase behaviour based on that source of the data collected from Primary source of data is collected from the respondents through structured questionnaire and interviews. Secondary data is collected from various Journals, Periodicals such as Magazines, Business newspapers, and from subject related books and websites. Selection of the FMCG Products: Toothpaste, Ice creams, Cool drinks, Health drinks, Instant Foods, Snacks, Chocolates and Biscuits.

6. SAMPLING DESIGN

Convenience sampling method is used for the study, with 417 sample size from the selected area i.e. Hyderabad city. The Data collected from Primary and Secondary sources is analyzed with the help of appropriate statistical Package like SPSS 20. The Statistical tools used are Correlation, Regression Analysis, ANOVA. To test the reliability of the data, Cronbach's alpha test is conducted.

TABLE 1: RELIABILITY STATISTICS

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
0.761	0.787	23

From the Table 1, it shown that the questionnaire is tested for its reliability and presented the results here under. The questionnaire developed is pretested and validated through face validity as it was sent to a carefully selected sample of experts and it also has a sufficiently good reliability score. The result given the value of the as **0.761**. It indicates that, the data has a high reliability and validity.

Summary Item Statistics: It is evident that the summary of the means, variances, covariance and inter-item correlations are presented in the following table.

TABLE 2: SUMMARY ITEM STATISTICS

	Mean	Minimum	Maximum	Range	Maximum / Minimum	Variance	N of Items
Item Means	3.469	2.286	4.513	2.421	2.108	0.275	23
Item Variances	0.46	0.084	1.589	1.409	16.324	0.098	23
Inter-Item Covariance's	0.021	-0.543	0.601	1.162	-1.121	0.021	23
Inter-Item Correlations	0.051	-0.542	0.652	1.31	-1.064	0.051	23

Source: Primary data

It is obvious the minimum and maximum mean, Range, and variance values for item means, item variances are positive. Maximum mean is witnessed for Item means is 4.513. Maximum variance is 1.589, maximum inter item covariance is witnessed is 0.601 and maximum inter-item covariance is found to be 0.652.

Demographic Variables: The frequency distribution of demographic variables is presented in the following table.

TABLE 3: DEMOGRAPHICAL VARIABLES

Particulars	Classification	No of Responses	Percentage
Age	20-25	93	22.3
	26-30	116	27.8
	31-35	113	27.1
	36-40	71	17.0
	41 and above	24	5.8
Gender	Male	290	69.5
	Female	127	30.5
Education	SSC	33	7.9
	Intermediate	26	6.2
	Degree	179	42.9
	Pg degree	117	28.1
	PhD and above	62	14.9
Occupation	Student	49	11.8
	Govt Employee	96	23.0
	Private Employee	164	39.3
	Business	57	13.7
	Self Employed	51	12.2
Monthly income (in rupees)	Below 20,000	35	8.4
	20,001-30,000	143	34.3
	30.001 - 40,000	118	28.3
	40,001-50,000	73	17.5
	50,001 and above	48	11.5
Total		***n = 417***	***100%***

Source: Primary data

The descriptive analysis of all the demographical variables is shown in Table 3, from that more than 28% of respondents in the group of 26-30 years and 27% of respondents in the group of 31-35 years, followed by 70% of the respondents belonged male and 30% of respondents belonged female, and 42% of respondents studied Degree and with followed 28% of respondents studied PG degree, 39% of respondents working as a Private Employees, 23% are the Govt. employees and 34% of respondents earned Rs. 20,001-30,000 for month and 28% of respondents earned Rs. 30,001-40,000 respectively.

(a) ANOVA

It is conducted in order in order to understand whether there is any significant difference in opinions of respondents on media exposure, media vehicles, media ads appeals and media strategy and the results are presented in the following table.

TABLE 4: ANOVA WITH FOUR DIMENSIONS

S.NO	Dimension	Age		Gender		Education		Occupation		Income Of Family	
		F	Sig.	F	Sig.	F	Sig.	F	Sig.	F	Sig.
1	Print Media exposure	9.966	.000	34.211	.000	7.630	.000	42.287	.001	30.169	.000
2	Print Media vehicles	24.414	.000	18.254	.002	12.551	.000	4.587	.000	16.544	.000
3	Print Media ads Appeals	27.321	.000	12.322	.000	12.988	.000	18.125	.004	6.42	.001
4	Media Strategy	28.323	.000	8.211	.633	24.844	.000	10988	.001	8.452	.000

It is evident that all 4 dimensions like Print media exposure, Print media vehicles, Print media ads appeals and Print media strategy of the F value is found to be significant, meaning there by there is significant influenced of the demographical variables like age, education, occupation and income, followed with dimensions like media vehicles and media strategy are not significant by the gender except Print media exposure and Print media ads appeals.

(b) CORRELATION

correlation tends to be used measures the strength and direction of the linear relationship between demographical variable and with dimensions. The Pearson correlation coefficient measures the strength of the linear association between demographical variable and four major dimensions.

TABLE 5: CORRELATION BETWEEN DEMOGRAPHICAL VARIABLES AND WITH FOUR DIMENSIONS

		Age In Years	Gender	Education	Occupation	Income (In Rupees)	Print Media Exposure	Print Media Ads Appeals	Print Media vehicles	Print Media Strategy
Age In Years	Pearson Correlation	1	-.313**	.279**	-.336**	.256**	.047	-.248**	.017	-.183**
	Sig. (2-tailed)		**.000**	**.000**	**.000**	**.000**	**.425**	**.000**	**.878**	**.000**
Gender	Pearson Correlation	-.223**	1	-.327**	-.220**	-.226**	.209**	-.076	-.021	-.088**
	Sig. (2-tailed)	**.000**		**.000**	**.000**	**.000**	**.000**	**.282**	**.581**	**.000**
Education	Pearson Correlation	.359**	-.427**	1	.012	.254**	-.086**	.225**	-.024	.054*
	Sig. (2-tailed)	**.000**	**.000**		**.821**	**.000**	**.003**	**.001**	**.241**	**.024**
Occupation	Pearson Correlation	-.245**	-.220**	.005	1	.428**	-.024	-.210**	-.238**	-.254**
	Sig. (2-tailed)	**.000**	**.000**	**.872**		**.000**	**.156**	**.000**	**.000**	**.000**
Income (In Rupees)	Pearson Correlation	.236**	-.226**	.644**	.328**	1	-.527**	.031	-.042**	-.048*
	Sig. (2-tailed)	**.000**	**.000**	**.000**	**.000**		**.000**	**.525**	**.004**	**.000**
Print Media Exposure	Pearson Correlation	.024	.129**	-.021**	-.054	-.257**	1	.248**	.121**	.153**
	Sig. (2-tailed)	**.316**	**.000**	**.002**	**.186**	**.000**		**.000**	**.003**	**.000**
Print Media Ads Appeals	Pearson Correlation	-.198**	-.048	.135**	-.400**	.115	.341**	1	.357**	.824**
	Sig. (2-tailed)	**.000**	**.322**	**.001**	**.000**	**.755**	**.000**		**.000**	**.000**
Print Media vehicles	Pearson Correlation	.012	-.024	-.045	-.518**	-.050**	.141**	.397**	1	.623**
	Sig. (2-tailed)	**.754**	**.451**	**.231**	**.000**	**.002**	**.002**	**.000**		**.000**
Print Media Strategy	Pearson Correlation	-.216**	-.122**	.185*	-.343**	-.168*	.276**	.825**	.873**	1
	Sig. (2-tailed)	**.000**	**.000**	**.023**	**.000**	**.000**	**.000**	**.000**	**.000**	

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

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

In order to develop further understanding of relationship among Print media exposure, Print media vehicles, Print media ads appeal and Print media strategy with all the demographical variables, the correlation was calculated with four dimensions. Age is significantly correlated with Print media ads appeals and with Print media strategy. Similarly, Gender is significantly correlated with Print media exposure and Print media strategy. In the case of education is significantly correlated with Print media exposure, Print media ads appeals and with Print media strategy. Similarly, Occupation is significantly correlated with Print media ads appeals, Print media vehicles and with Print media strategy and income (in rupees) is significantly correlated with Print media exposure, Print media vehicles and with Print media strategy.

(C) MULTIPLE REGRESSION

Multiple regression analysis is a set of statistical processes for estimating the relationships among variables. It includes many techniques for modelling and analysing several variables, when the focus is on the relationship between a dependent variables and one or more independent variables (or 'predictors'). it helps to understand how the typical value of the dependent variable (or 'criterion variable') changes when any one of the independent variables is varied, while the other independent variables are held fixed. It also helps to determine the overall fit (variance explained) of the model and the relative contribution of each of the predictors to the total variance explained.

1. H_{O1}: There is no significant influence of Print media Exposure on demographic variable.

TABLE 6

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	F	Sig.
1	.353 [a]	.057	.069	.49321	12.683	.000 [b]

Source: Authors findings

R^2 value is found to be 0.057, meaning there by that 57% of the variation in dependent variable is explained by predictors. Since the F value is found to be significant, the null hypothesis is rejected and alternative hypothesis accepted, meaning there by that there is a significant difference in the variation caused by predictors.

TABLE 7: COEFFICIENTS

Model		Un standardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.321	.048		47.563	.000
	Age in years	.054	.023	.098	2.623	.006
	Gender	.442	.034	.238	5.574	.000
	Education	.115	.063	.052	.982	.423
	Occupation	.013	.024	.053	.922	.318
	Family Income (in rupees)	-.072	.031	-.181	-3.238	.000

a. Dependent Variable: Media Exposure

b. Predictors: (Constant), In Rupees, Gender, Occupation, Age in years, Education.

The coefficient for age (0.054) is significantly different from 0 because its p-value is 0.006, which is smaller than 0.05. The coefficient for gender (0.442) is significantly different from 0 because its p-value is 0.000, which is smaller than 0.05. The coefficient for education (0.115) is not statistically significantly different from 0 because its p-value is 0.423 definitely larger than 0.05. The coefficient for occupation (0.013) is not statistically significant because its p-value of 0.318 is larger than .005. The coefficient for rupees (-0.072) is significantly different from 0 because its p-value is 0.000, which is smaller than 0.05.

2. H_O^2: There is no significant influence of Print media Channels on consumer purchase towards FMCG products.

TABLE 8

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	F	Sig.
1	.411[a]	.641	.173	.28372	35.713	.000[b]

Source: Authors findings

R^2 value is found to be 0.641, meaning there by that 64% of the variation in dependent variable is explained by predictors. Since the F value is found to be significant, the null hypothesis is rejected and alternative hypothesis accepted, meaning there by that there is a significant difference in the variation caused by predictors.

a. Dependent Variable: Consumer purchase

b. Predictors: (Constant), TV, Radio, Newspaper & Magazine, Outdoor, Internet

TABLE 9: COEFFICIENTS

Model		Un standardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	4.386	.135		32.564	.000
	Newspapers	.065	.011	.206	5.657	.000
	Magazines	.121	.015	.344	7.828	.003
	Posters	-.231	.027	-.328	-8.530	.002
	Billboards	-.093	.017	-.202	-5.399	.021

a. Dependent Variable: Consumer purchase

b. Predictors: (Constant), Newspapers, Magazines, Poster, Billboards

The coefficient for Newspapers (.065) is significantly different from 0 because its p-value is 0.000, which is smaller than 0.05. The coefficient for Magazines (.121) is significantly different from 0 because its p-value is 0.003, which is smaller than 0.05. The coefficient for Posters (-.231) is statistically significantly different from 0.002 because its p-value is definitely smaller than 0.000. The coefficient for Billboards (-.093) is statistically significant because its p-value of 0.021 is smaller than 0.05.

3. H_O^3: There is no significant influence of Print Media ads appeals on consumer purchase behaviour towards FMCG products.

TABLE 10

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	F	Sig.
1	.752[a]	.639	.593	.19712	242.732	.000[b]

R^2 value is found to be 0.639, meaning there by that 63% of the variation in dependent variable is explained by predictors. Since the F value is found to be significant, the null hypothesis is rejected and alternative hypothesis accepted, meaning there by that there is a significant difference in the variation caused by predictors.

TABLE 11: COEFFICIENTS

Model		Un standardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.196	.071		30.973	.000
	Celebrity Appeals	.127	.115	.163	.712	.000
	Action Appeals	.119	.069	.404	11.250	.002
	Youth Appeals	.168	.054	.354	11.964	.001
	Humour Appeals	.006	.011	.005	.015	.981
	Rational Appeals	.216	.115	.375	13.169	.000

a. Dependent Variable: consumer purchase Behaviour

b. Predictors: (Constant), Celebrity Appeals, Action Appeals, Humour Appeals, Youth appeals, Rational appeals

The coefficient for Celebrity Appeals (.127) is not significantly different from 0 because its p-value is 0.000, which is smaller than 0.05. The coefficient for Action Appeals (.119) is significantly different from 0 because its p-value is 0.002, which is smaller than 0.05. The coefficient for Youth Appeals (.168) is statistically significantly different from 0.001 because its p-value is definitely smaller than 0.000. The coefficient for Humour Appeals (.006) is not statistically significant because its p-value of 0.981 is larger than 0.05. The coefficient for Rational Appeals (.216) is significantly different from 0.000 because its p-value is.000, which is larger than 0.05.

4. HO^4: There is no significant impact of Media strategy towards consumer purchase.

TABLE 12

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	F	Sig.
1	.621[a]	.553	.467	.21529	163.294	.000[b]

R^2 value is found to be 0.553, meaning there by that 55% of the variation in dependent variable is explained by predictors. Since the F value is found to be significant, the null hypothesis is rejected and alternative hypothesis accepted, meaning there by that there is a significant difference in the variation caused by predictors.

TABLE 13: COEFFICIENT

Model		Un standardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.128	.106		10.642	.000
	Print Media ads appeals	.192	.025	.168	5.643	.000
	Celebrity Endorsement	.283	.051	.332	11.822	.000
	Diff. Media ads Appeals	.487	.125	.564	16.734	.000
	Diff. Media channels in print media	.043	.063	.084	2.324	.026

a. Dependent Variable: consumer purchase Behaviour

b. Predictors: (Constant), Print Media ads appeals, Celebrity Endorsement, Diff. media ads appeals, Diff. media channels in print media.

The coefficient for Media ads appeals (.192) is significantly different from 0 because its p-value is 0.000, which is smaller than 0.05. The coefficient for Celebrity Endorsement (.283) is significantly different from 0 because its p-value is 0.000, which is smaller than 0.05. The coefficient for Diff. media ads appeals (.487) is statistically significantly different from 0.000 because its p-value is definitely smaller than 0.000. The coefficient for Diff. media channels in print media (.043) is statistically significant because its p-value of 0.026 is larger than 0.05.

7. LIMITATIONS

1. The study will be carried out to understand the Print media strategy on consumer behavior towards FMCG products.
2. The sample selected may not represent the whole population. Hence, the limitation of generalization will be there.
3. Since few categories in FMCG products are considered, consumer preference in whole FMCG sector cannot be measured.

8. CONCLUSION

The present study concluded that, successes of many business depends on their ability to create and retaining the customers. Companies to sell their products to customers by attracting good promotional activities, so there is need of media with strategy for promoting products and services. As per results 28% of respondents in the group of 26-30 years and 27% of respondents in the group of 31-35 years, followed by 70% of the respondents belonged male and 30% of respondents belonged female, and 42% of respondents studied Degree and with followed 28% of respondents studied PG degree, 39% of respondents working as a Private Employees, 23% are the Govt. employees and 34% of respondents earned Rs. 20,001-30,000 for month and 28% of respondents earned Rs. 30,001-40,000 and it is found from the correlation analysis that the demographical variables with four dimensions i.e. Age is significantly correlated with media ads appeals and with media strategy. Similarly, Gender is significantly correlated with media exposure and media strategy. In the case of education is significantly correlated with media exposure, media ads appeals and with media strategy. Similarly, Occupation is significantly correlated with media ads appeals, media vehicles and with media strategy and income (in rupees) is significantly correlated with media exposure, media vehicles and with media strategy. The results of the multiple regression found that there is significant impact of Print media exposure on demographical variables, followed with Print media channels, Print media ads appeals and Print media strategy have significant impact on consumer purchase behaviour.

REFERENCES

1. De Pelsmacker, Maggie Geuens and Anckaert (2002) "Media context and Advertising effectiveness: The role of context appreciation and context – Ad similarity, Journal of Advertising,31(3),pp.25-37
2. De Pelsmacker,Patrick, Ben Decock and Maggie Geuens (1998), "Advertising Characteristics and the attitude towards the Ad – A Study of 100 likeable TV Commercial"
3. Dougles A Galbi, (2009), Journal of consumer Research, vol-17, no 12
4. H.James Wilson, PJ Gunia, Salvatore parise and Brue D. Weinberg (2011), ''What's your social media strategy'', Harvard business review.
5. Jerry W. Thamoas –''Advertising Effectiveness'', Journal of Marketing.
6. Kiramani, Anna and Peter Wrights (1989)-"Money Talks: Perceived Media Advertising Expense and Expected Product Quality", Journal of consumer research, 16 (December), 344-353.
7. Komal Nagar (2009) –Advertising effectiveness in Different Media: A Comparison of Web and Television Advertising, University of Jammu.
8. Kotler, P., (1996), Principles of Marketing, London, Prentice – Hall International Edition
9. Laband, David N,: The Durability of Informational Signals. Journal of Advertising 18 (4) (winter 1989): 13-18.
10. Lisa R.Klein (1998)-"Evaluating the Potential of Intensive Media through a New Lens: Search Versus Experience Goods", Journal of Business Research, Harvard University.
11. Mihir Dash and Prithvi Belgaonkar- "Comparative Effectiveness of Radio, Print and Web Advertising", Alliance University, School of Business.
12. Nilson, T., 1995, Chaos Marketing, London. McGraw – Hill Company
13. Norton, Seth W., And Norton jr., Will: An Economic perspective on the Informational Content of Magazine Advertisement. International Journal of Advertising 7 (2) (1988):138-148.
14. Thales Teixina – ''How to profit from lean Advertising'', Idea Watch, Harvard Business Review South Asia.
15. Upadhya, Indu Bal Krishna, Makhanlal Chaturvedi (21014)-"Effectiveness of Print and Electronic media Advertisement": A Comparative Study, International Research Journal of Social Sciences, 2319-3565 vol. 3(7).
16. Wells, Burnett, and Moriaty (2000), School of Business, University of Southern California, Journal of Advertising research.
17. Werner Reinartz and Peter Saffert – "Creativity in Advertising'', Harvard Business Review South Asia.

REQUEST FOR FEEDBACK

Dear Readers

At the very outset, International Journal of Research in Commerce, IT & Management (IJRCM) acknowledges & appreciates your efforts in showing interest in our present issue under your kind perusal.

I would like to request you to supply your critical comments and suggestions about the material published in this issue, as well as on the journal as a whole, on our e-mail **infoijrcm@gmail.com** for further improvements in the interest of research.

If you have any queries, please feel free to contact us on our e-mail **infoijrcm@gmail.com**.

I am sure that your feedback and deliberations would make future issues better – a result of our joint effort.

Looking forward to an appropriate consideration.

With sincere regards

Thanking you profoundly

Academically yours

Sd/-
Co-ordinator

DISCLAIMER

ABOUT THE JOURNAL

In this age of Commerce, Economics, Computer, I.T. & Management and cut throat competition, a group of intellectuals felt the need to have some platform, where young and budding managers and academicians could express their views and discuss the problems among their peers. This journal was conceived with this noble intention in view. This journal has been introduced to give an opportunity for expressing refined and innovative ideas in this field. It is our humble endeavour to provide a springboard to the upcoming specialists and give a chance to know about the latest in the sphere of research and knowledge. We have taken a small step and we hope that with the active co-operation of like-minded scholars, we shall be able to serve the society with our humble efforts.

Our Other Journals