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CONTENTS

Sr. No.	TITLE & NAME OF THE AUTHOR (S)	Page No.
1.	OUTSIDE DIRECTOR COMPENSATION IN THE ELECTRIC INDUSTRY <i>WIKIL KWAK, RICHARD FILE & BURCH KEALEY</i>	1
2.	ANALYSIS OF FACTORS INFLUENCING INVESTMENT DECISIONS OF SACCO FUNDS IN KENYA <i>MURIUKI DAVID MURAGURI, NGANGA STEPHEN IRURA & KYALOTERESIA N</i>	6
3.	A STUDY ON THE FUNDS FLOW ANALYSIS OF THE DISTRICT CENTRAL COOPERATIVE BANKS IN TIRUNELVELI REGION, TAMILNADU <i>DR. A. MAHENDRAN & HIWOT BEKELE</i>	10
4.	BIG FIVE PERSONALITY TRAITS AND JOB SATISFACTION: A COMPARATIVE STUDY BETWEEN PRIVATE AND PUBLIC SECTOR TELECOM EMPLOYEES <i>DR. D. ARAVAZHI IRISSAPPANE & M. KAVITHA</i>	16
5.	A STUDY ON THE OPERATION OF INDIAN DOMESTIC AIRLINES <i>T.POONGOTHAI, DR. M.JAYANTHI & RAJESH</i>	22
6.	ROLE OF LOCAL POPULATION IN ECOTOURISM PROMOTION: A STUDY OF SOUTHERN AREA OF KASHMIR DIVISION <i>SHABIR MAJEED</i>	24
7.	TIME TO CRACK THE GLASS CEILING: INDIA CONTEXT <i>PRATIBHA BARIK & RANIKA BHOSLE</i>	28
8.	INNOVATIVE STRATEGIES USED FOR SUSTAINABLE LEADERSHIP <i>DR. MOHAN KUAMR T.P</i>	31
9.	CSR – SERVICE TO THE STAKEHOLDERS: INITIATIVES AND PRACTICES IN INDIA <i>DR. DIPESH KUNDU</i>	34
10.	CONSUMERS' PERCEPTION ON GRAND KERALA SHOPPING FESTIVAL AND ITS RELATION WITH BUYING BEHAVIOUR <i>RATHI K.N.</i>	37
11.	RESERVE REQUIREMENTS IN THE BANKING SECTOR: A CRITICAL ASSESSMENT <i>PURNASHREE DAS</i>	41
12.	EXPORT PERFORMANCE OF COIR AND COIR PRODUCTS FROM INDIA <i>DR. K. EKAMBARAM & SK. RAMEEZ RAJA</i>	44
13.	AN ANALYSIS OF INTRINSIC FACTORS AND ITS IMPACT ON JOB SATISFACTION: A SPECIAL REFERENCE TO ACADEMIC STAFF OF SRI LANKA INSTITUTE OF ADVANCED TECHNOLOGICAL EDUCATION (SLIATE) <i>S.ANTONY & P.ELANGKUMARAN</i>	48
14.	ASSESSMENT OF LEADERSHIP PRACTICES AND EFFECTIVENESS IN ETHIOPIAN UNIVERSITIES <i>GOITOM WOLDELIBANOS GEBREMARIAM & TESFA MEZGEBU DELESA</i>	52
15.	E-BANKING: AN EFFECTIVE TOOL OF CRM IN BANKING SECTOR <i>SWAYAMBHU KALYAN MISHRA</i>	60
	REQUEST FOR FEEDBACK & DISCLAIMER	64

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OUTSIDE DIRECTOR COMPENSATION IN THE ELECTRIC INDUSTRY**WIKIL KWAK****PROFESSOR****DEPARTMENT OF ACCOUNTING
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OMAHA, U.S.A.****ABSTRACT**

Boards of directors are supposed to monitor managers' activities for firm stockholders based on the agency theory proposition. However, numerous real world examples show that boards of directors are not independent. Firm failures at the turn of century and the market crash in 2008 have led to increased stockholder activism and the passage of Sarbanes–Oxley in 2002 and Dodd-Frank Act in 2010. These factors have increased the pressure on boards to be more effective agents of the stockholders. Therefore, director compensation as an agent interest alignment tool is an important issue and our paper will investigate this issue in the electric industry around 2008.

KEYWORDS

Electricity industry, outside director compensation.

I. INTRODUCTION

The electric industry started deregulation in the 1990s'. Recently, this industry garnered even more competition from reusable energy like solar and wind which are government subsidized. Because of this stiff competition, managers of the electric industry have received greater scrutiny from shareholders. At the same time, the role of monitoring managers became more important to boards of directors, especially outside boards of directors. However, real world anecdotes show boards of directors are friends of managers, not friends of investors. Compensation is one of the mechanisms for aligning the interests of the boards with those of the shareholders. Therefore, our study investigates the compensation structure of boards within the electric industry. We obtained our director compensation data from DirectEdgar®. Other data of firm characteristics are from Research Insight. We found that equity compensation given to directors is aligned more with increased sales for the electric industry. However, cash director compensation continued to increase during our test period as found in previous studies. This issue was a major concern of government as our capital market crashed in 2008, but director compensation continued to increase.

II. PREVIOUS STUDIES

Several previous studies have examined executive compensation. Bryan et al. (2005) empirically studied firm performance and CEO compensation in electric utilities. Boyd (1996) showed that the boards of directors also have played a significant role. However, few studies have discussed the compensation issue of directors. Directors are more like agents of shareholders if they don't own stock. Their best interest are more like those of managers, not shareholders. To minimize this problem of misalignment of interests of directors, shareholders turn to equity-based compensation. However, this is an empirical research question we need to test using real world data. We assume firm performance is related to director compensation as previous studies have assumed.

Boyd (1996) developed a model of director compensation with firm performance and found four variables are significantly related to director compensation: equity ownership by directors, firm size, firm profitability, and resource richness of the board. However, Boyd emphasized that director compensation varied considerably over industries and firms. Therefore, our study focuses only on the electric industry. In addition, we divide compensation into three categories: cash-based, equity-based, and total compensation.

The electric industry experienced deregulation in the 1990s' and improved firm-level performance and efficiency (Peterson, 2007). Recently, Granderson and Prior (2013) also found that productivity grew from 1996 to 2000 in the U.S. electric utility industry. However, Liu and Yu (2013) found earnings management behavior in the Chinese utility industry. In a similar context, Wollan (2005) found that electric utility firms change the composition and character of their boards in response to the newly deregulated environment. Therefore, the electric industry is a good example to understand firm performance and director compensation issues.

Next we discuss relevant factors related to director compensation.

Director Equity Ownership: Holderness and Sheehan (1988) found empirically that directors with higher stock ownership did not necessarily compensate themselves more. However, Boyd (1994) found that directors with higher stock ownership showed lower management compensation. This result suggests a better alignment between director and shareholder interests. From previous discussions, we propose our hypothesis as follows:

Hypothesis 1: Compensation of directors in the electric industry is related to their stock ownership.

Firm Size: Larger firms may have higher political costs to maintain their reputations and chances of litigation. Higher political costs to maintain good reputations as socially responsible firms requires higher compensation for managers as well as directors. Gregg et al. (1993) showed that firm size was the major factor in

setting director compensation. However, Brick et al. (2002) showed mixed results. They found that firm size when measured by the log of the number of employees was positively related to total director compensation. However, they found that firm size when measured by the log of sales was negatively related to total director compensation. Therefore, our second hypothesis is proposed as follows:

Hypothesis 2: Compensation of directors in the electric industry is related to firm size.

Firm Performance: We assume that CEO and director compensation are related to firm performance. However, empirical research results testing the relationship between firm performance and director compensation are mixed. Cubbin and Hall (1983) found a positive relationship between firm performance and director compensation using U.K. data. However, Crystal (1991) found no relationship between firm performance and director compensation using U.S. data. Brick et al. (2002) found that the one-year average lagged ROA was positively related to director cash compensation, but the one-year lagged ROA was negatively related to the fraction of noncash compensation. However, three-year stock returns were positively related to the fraction of noncash compensation. In addition, Subrahmanyam et al. (1997) found negative abnormal returns relative to the portion of outside directors' compensation in bidding banks. Our hypothesis three is proposed as:

Hypothesis 3: Compensation of directors in the electric industry is related to firm performance.

Resource dependency theory posits that firms are subject to numerous external factors (Boyd, 1996). These include: shareholders, regulators, suppliers, employees, and competitors (Pfeffer, 1987; Pfeffer & Salancik, 1978). Resource dependency theory suggests that successful firms are those that minimize the adverse influence of those external factors. It views the board of directors as providing expertise, information, and access, minimizing the impact of external factors. If the number of board members measures individual resource richness and expertise, our fourth hypothesis is proposed as follows:

Hypothesis 4: Compensation of directors in the electric industry is related to resource richness.

The investment opportunity set of the firm may influence directors' equity compensation. Equity compensation will align director interests more closely with those of other shareholders. If directors increase their shareholdings over time, their interests are more like those of shareholders. Yermack's (2004) empirical results showed that this holds for directors' compensation. Guay (1999) found firms with greater investment opportunities utilize a greater portion of equity-based compensation. However, Booth and Deli (1996) found a negative relationship between a firm's investment opportunity set and the number of outside directors. Therefore, our fifth hypothesis is proposed as follows:

Hypothesis 5: Equity-based compensation of directors in the electric industry is related to the firm's investment opportunity set.

Recently increased criticism from the general public about CEO and director compensation, has caused firms to move away from per-meeting fees to retainer compensation structures. Additional retainer pay is appropriate for directors serving on committees that impose substantial extra demands (Goldstein & Venulex, 2011). For example, the median expected salary for a typical compensation and benefits director in the U.S. is \$136,876 (Salary.com, 2013). There are some differences according to the work and time commitment of each director. The fees for each meeting are not trivial and directors may perform more monitoring activities and have more commitment if they meet more frequently. Therefore, our sixth hypothesis is proposed as follows:

Hypothesis 6: Compensation of directors in the electric industry is related to number of meetings.

III. METHODOLOGY

Compensation data for the electric industry was collected for 2006 – 2009 from DirectEdgar®. Internal directors generally do not get paid compensation for their service on the board, but external directors get paid compensation and therefore, we focus on external directors as have other studies (Boyd, 1996).

Director compensation is composed of cash or stocks or combination of both. Therefore, we analyze them separately and jointly.

Stock Ownership: Stock ownership of external board members is measured as the percentage of stock owned by those directors.

Firm Size: Net sales is a frequent measure of firm size. It has a high correlation with other measures of firm size (Shalit & Sankar, 1977). We use the log of sales to obtain a more normal distribution of our size measure. We also use the log of total assets (Yermack, 2004) as a measure of firm size. Additionally, because there may be a significant difference between the book value of assets and their market value for many electric utility firms, we use market capitalization as an additional measure of firm size.

Profitability: We use two traditional measures of profitability: Return on Assets and Return on Equity. Return on Assets is measured as Net Income divided by Total Assets and Return on Equity is measured as Net Income divided by Total Equity.

Resource Richness: We use the number of external directors. Boyd (1996) found that firm performance was linked to having fewer board members, but more environmentally connected directors. Presumably, external directors are brought onto the board for their knowledge and connections. Hence, we also use the number of external board members as a measure of resource richness.

Investment Opportunity: Yermack (2004) used two measures of investment opportunities: Tobin's Q (measured as the market value of equity plus book value of debt divided by total assets) and research and development expenditures scaled by total assets. We use Tobin's Q.

Control Variables

Leverage: More highly leveraged firms should use less equity compensation to lessen the impact of the agency costs of debt. We use the ratio of the book value of total debt to the book value of total assets as our measure of leverage.

Cash scarcity: Financial contracting theory predicts a shift to equity compensation in the presence of cash scarcity. The balance sheet amount for cash does not necessarily measure the scarcity of cash. It may have just been borrowed, or may be committed to a particular end. A more telling measure of the scarcity of cash is the payment of dividends. We follow Yermack (2004) and use a dummy variable as the indicator of the payment (1) or nonpayment (0) of dividends and hence cash scarcity.

Model

$DC = \beta_0 + \beta_1 PSOD + \beta_2 FP + \beta_3 FS + \beta_4 BOD + \beta_5 TQ + \beta_6 LV + \beta_7 CS + \beta_8 TF$,
where,

DC is Director Compensation in log form. Here we use the logarithm of the director cash and equity compensation and the combination of both compensations as our dependent variables similar to Brick et al. (2002). PSOD is the percentage of stock owned by directors. FP is Firm Performance. We use net income divided by total assets and net income divided by total equity as our variables. FS is Firm Size, as log of sales, log of total assets, and total market value. BOD is Resource Richness, measured as the mean number of external directors as defined in Boyd (1996). TQ is the investment opportunity set. We use Tobin's Q with the market value of equity plus book value of debt divided by total assets used as Tobin's Q measure. LV is the leverage ratio. We measured leverage as total debt divided by total assets, and used it as a control variable. CS is Cash Scarcity, a control variable. We use dividends paid or not as a measure of cash scarcity; using a dummy variable with (0) being the absence of dividends and (1) as the payment of dividends.

IV. RESULTS

Table 1 presents the descriptive statistics for all electric utility firms during 2006-2009. Mean log of sales is 9.47 and mean log of total assets is 9.92 for the U.S. electric industry. Net income to total assets are 3.1% and net income to total equity is 10.5%. Leverage ratio is 36.64%. The U.S. electric industry has a strong leverage ratio for our test period. Tobin's Q is 0.86. The Tobin's Q ratio seems too low even though the electric industry was under regulation. This implies that the U.S. electric industry does not have much investment opportunity. However, dividend payout ratio is 84.72%, which means most firms pay dividends. Average number of board of directors are 11 and they meet 10 times a year. Mean log value of cash, equity, and total compensation for our sample firms are 5.890, 5.833, and 6.197, respectively. This is comparable to director compensation in the oil and gas industry. Each year, regression results of our models of director compensation of electric utility firms are not very consistent. Therefore, we report combined all data and 2009 regression results for further analysis.

TABLE 1: DESCRIPTIVE STATISTICS; ALL YEARS (2006-2009)

Variable	N	Mean	Std Dev	Minimum	Maximum
LSA	148	9.4661994	0.6103933	7.551462	10.2755187
LTA	148	9.9204308	0.5863669	8.090776	10.7163874
NITA	148	0.0305687	0.0270435	-0.06955	0.2110664
NITE	148	0.1047436	0.0759373	-0.1958	0.4195363
TDTA	148	0.3664123	0.0768905	0.19811	0.6981689
Tobin Q	144	0.860255	0.2552879	0.422867	2.0902919
DIV	144	0.8472222	0.3610289	0	1
MV	144	7931761215	9661396799	24865000	53978980000
TCPD	147	775777.35	304987.14	179000	1733258
TEPD	147	681265	722278.76	-4657900	5033791
TCompD	147	1572393.73	923483.79	-4148155	5420331
PSOD	147	0.0041909	0.0107126	0.000109	0.0891062
BOD	147	11.0748299	2.0543587	5	19
BM	147	10.1428571	4.9545883	4	50

Variable definitions:

- LSA : Log of Sales
- LTA : Log of Total Assets
- NITA : Net Income/Total Assets
- NITE : Net Income/Total Equity
- MV : Total Market Value of Equity
- Tobin's Q : The Market Value of Equity plus Book Value of Debt/Total Assets
- TDTA : Total Debt/Total Assets
- DIV : If Dividend is paid 1; 0 otherwise
- PSOD : Percentage Stock Owned by Directors
- BOD : Total number of Board of Directors
- BM : Number of Board Meetings
- TCPD : Total Cash Compensation Paid to Directors
- TEPD : Total Equity Paid to Directors
- TCompD : Total Compensation Paid to Directors

Table 2 shows regression results for each year. Interestingly, the cash-based compensation model shows the highest adjusted R-squared values for all three years. The equity-based model is worse in 2008. This is the year of the market crash and directors may have wanted to be paid in cash. The overall results are similar to those of previous individual years as shown in Table 3. For all years, only the cash-based model seems meaningful as adjusted-R squared value is 72.27% and significant. In this cash-based compensation model, only Total Number of Boards of Directors and Total Number of Board Meetings were significant at conventional levels. However, 2009 is the year where results of our model are similar to those of previous studies. Therefore, our discussion will be based on the results of Table 4. For 2009, adjusted R-squared value for the cash-based compensation model is 66.22% and the equity-based compensation model's adjusted R-squared value is 57.7%. Total combined compensation model's adjusted R-squared value of 88.18% and significant.

TABLE 2: REGRESSION RESULTS FOR EACH YEAR

		TCPD	TEPD	TCompD
Adjusted R ²	(2006)	0.5888	0.2848	0.1906
Adjusted R ²	(2007)	0.7618	0.0743	0.1902
Adjusted R ²	(2008)	0.8133	-0.1172	0.0980

TABLE 3: REGRESSION RESULTS FOR ALL YEARS

	Expected Sign	TCPD	TEPD	TCompD
Intercept		-3.97	-2.27	-3.41
LSA	+/-	1.18	0.22	0.23
LTA	+/-	0.11	0.81	1.09
NITA	+/-	0.4	-0.85	-0.26
NITE	+/-	0.86	0.72	0.31
MV	+/-	0.02	-0.07	0
Tobin Q	+/-	-1.82	1.67	1.1
TDTA	+/-	0.91	-0.89	-0.34
DIV	+/-	0.94	-2.68	-2.03
PSOD	+/-	-1.57	1.58	0.92
BOD	+/-	9.04	0.51	2.78
BM	+/-	5.45	-0.2	1.21
F-Value		33.7	2.62	6.6
Adj R-Sq		0.7227	0.1146	0.3088

Variable definitions:

- LSA : Log of Sales
- LTA : Log of Total Assets
- NITA : Net Income/Total Assets
- NITE : Net Income/Total Equity
- MV : Total Market Value of Equity
- Tobin's Q : The Market Value of Equity plus Book Value of Debt/Total Assets
- TDTA : Total Debt/Total Assets
- DIV : If Dividend is paid 1; 0 otherwise
- PSOD : Percentage Stock Owned by Directors
- BOD : Total number of Board of Directors
- BM : Number of Board Meetings
- TCPD : Total Cash Compensation Paid to Directors
- TEPD : Total Equity Paid to Directors
- TCompD : Total Compensation Paid to Directors

To test H1, we used PSOD. It has the expected positive sign and is significant only with the equity-based compensation model. For our test period, electric utility firm director compensation is aligned with shareholder interests with the equity-based compensation model. This implies that the U.S. electric utility firms should use more equity-based compensation for their external directors.

We used three size variables to test H2. The log of total assets has the expected positive sign and is marginally significant in the Total Compensation model. However, the log of sales and total market value variables are not significant. Our results cannot support H2. To test H3, we used the profitability variables defined as Net income/Total assets and Net income/Total equity. However, our results are not significant. Our results are similar to those of Crystal (1991) who found no relationship between firm performance and director compensation in a U.S. study.

To test H4, we used the number of external directors. We found positive and significant results from the number of external directors variables in the cash compensation and total compensation models, but the equity-based compensation model was not significant. Our results support that the number of external directors variable was positively related to firm performance.

To test H5, we use Tobin's Q, but it is not significant and positive in equity-based compensation and the combination of both forms of the compensation model. To test H6, we include the number of board meetings. However, it is marginally significant for only the combined compensation model. We cannot support H5 and marginally support H6 for the U.S. electric utility firms. H6 implies that the more meetings boards of directors have, their interests are aligned with those of shareholders. For control variables, the leverage variable is not significant. The cash scarcity variable which is measured by whether a dividend is paid or not is negative and marginally significant only in total combined compensation model.

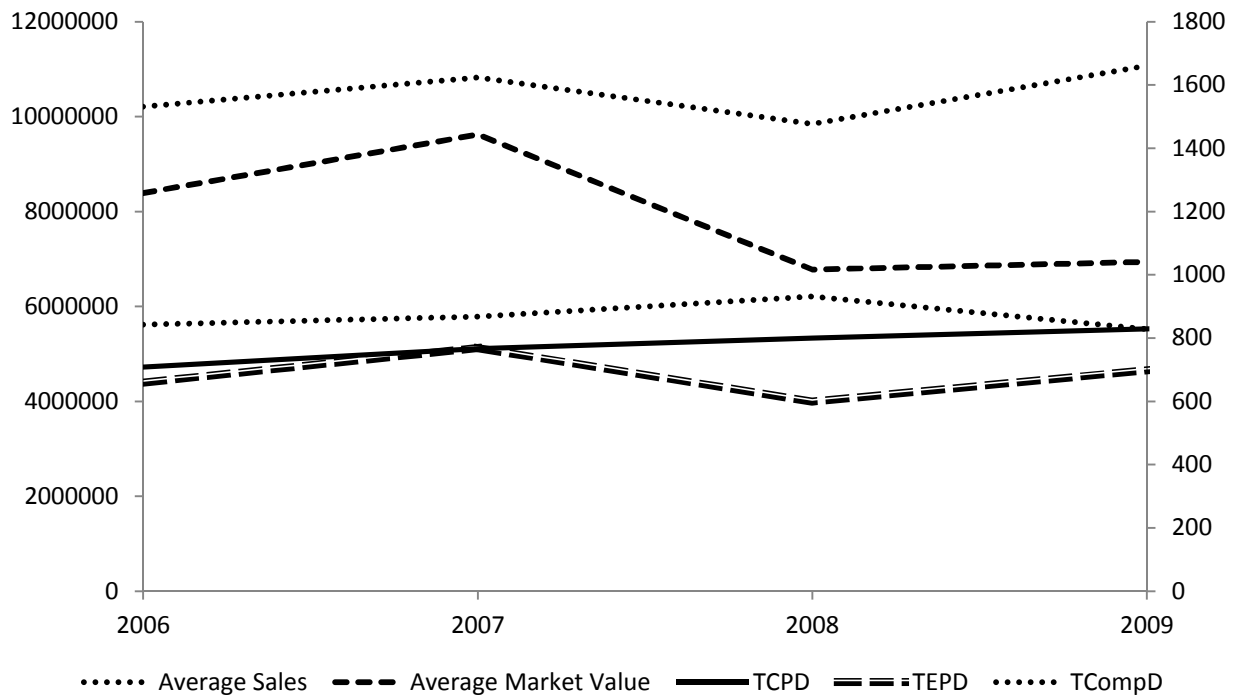
TABLE 4: REGRESSION RESULTS FOR 2009

	Expected Sign	TCPD	TEPD	TcompD
Intercept		-1.72	-1.65	-4.01
LSA	+/-	0.92	-1.08	-1.12
LTA	+/-	-0.28	1.73	2.49
NITA	+/-	0	0.79	0.37
NITE	+/-	0.92	-0.16	0.53
MV	+/-	-0.71	1.01	0.11
Tobins	+/-	-0.55	0.64	0.66
TDTA	+/-	0.42	0.15	1.5
DIV	+/-	-0.01	-1.32	-2.62
PSOD	+/-	-0.89	2.99	2.03
BOD	+/-	3.54	1.79	6.96
BM	+/-	1.75	-0.37	2.71
F-Value		7.06	5.22	24.05
Adj R-Sq		0.6622	0.577	0.8818

Variable definitions: same as table 3.

Figure 1 shows overall trends of average sales and average market values with cash-compensation, equity-compensation, and total combined compensation models. Over our test period, cash compensation continued increasing even though average market value of U.S. utility firms decreased. Average sales were down in 2008, but they increased again in 2009. Total combined compensation continued increasing until 2008, but decreased in 2009. Overall, the equity-based compensation model follows a similar pattern with average market value or average sales. This finding is similar to those of previous studies.

FIGURE 1: DIRECTOR COMPENSATION TRENDS



V. CONCLUSIONS

In this study, we exam the relationship between director compensation and firm characteristics. We use only the electric industry so that we can test our questions in a homogeneous environment. We found positive and significant results from the number of external director variables in cash compensation and total combination of compensation, but the equity-based compensation model is not significant. Our results support that the number of external directors

variable was positively related to firm performance. In addition, from Figure 1, we found that the equity-based compensation model follows a similar pattern with average market value or average sales. This finding is similar to those of previous studies.

There are limitations in our study. We may need to expand our test period since our test period includes the 2008 stock market crash. This might explain why our results are not stable before and during the market crash for the U.S. electric industry. We use only one industry and we cannot generalize our findings to other industries.

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ANALYSIS OF FACTORS INFLUENCING INVESTMENT DECISIONS OF SACCO FUNDS IN KENYA

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ABSTRACT

Savings and Credit Cooperative Organizations' (Sacco's) are among the fastest growing micro finances in Kenya today. In the year 2012 members' deposits of Sacco's in Kenya amounted to approximately Kshs. 378 billion countrywide. The number of Sacco's had increased to over 19,000 by the year 2012. According to section 48 (1) of the SACCO Act 2008, a SACCO society shall not invest in non-earning assets or property and equipment in excess of 10% of total assets of which land and building shall not exceed 5%. This study aimed at investigating the influence of financial literacy on investment decisions of the Sacco funds in Kenya. The study adopted survey and descriptive research design and targeted all the 34 active Sacco's in Laikipia County. A sample of 14 Sacco's was selected using random sampling. The respondents were SACCO board of directors. Data was analysed using SPSS and presented through frequency charts, tables and graphs. Financial literacy was regressed against investment decision and a coefficient of 0.621 was obtained. The results showed that financial literacy is very significant in influencing investment decision with a p-value of 0.007 at 95% confidence level. The study recommends the board of management in the Sacco's to train the board members on testing the feasibility of a venture through analysing the risk and profitability of a venture. Trainings on the importance of cash and fund flows of an investment before investment are made. There is need for legislations which will allow the Sacco's to make investments which will serve as alternative sources of finance for member borrowings.

KEYWORDS

Sacco, investment decision, financial literacy.

INTRODUCTION

Investment is defined as mobilizing of resources to undertake a given activity with expectation of future returns or gain. It is the addition to the stock of capital goods in public or private sector over a given period of time (Donald 1990). Savings and Credit Cooperative Organization Societies (SACCOs) or Credit Unions have been developed to meet the fundamental human need to find a way of saving and borrowing without taking risks and without handing over too much power to a moneylender (USAID 2006). The Sacco's are able to mobilize savings in millions. Adam Smith (1776) in his 'Treaties of Wealth' notes that savings create capital. The savings can be utilized to make investments. There are factors which influence investment decision by the board members in the saving and credit organization. Al-Tamimi (2005) investigated the factors influencing individual investor behavior on the United Arab Emirates (UAE) financial markets study and found that the six most influencing factors in order of importance were: expected corporate earnings, get rich quick, stock marketability, past performance of the firm's stock, government holdings and the creation of the organized financial markets. He also found out the least influencing factors to be expected losses in other local investments, minimizing risk, expected losses in international financial markets, family member opinions and gut feelings on the economy.

Cooperatives form the main economic backbone for Kenya's economy since its independence. By 2007, it was reported that cooperative mobilized 31% of the country's savings and had a turnover increase of 30 billion (GoK, 2008). In 2007, cooperatives had hired over 25,000 employees; 38% of this were agricultural-based cooperatives that dealt with dairy, coffee, cereals and pyrethrum. As an integral part of the Government strategy of wealth creation and poverty reduction, cooperatives activity cut across all the sectors of the national economy that include agriculture, finance, housing, transport, building and construction, manufacturing and distribution trade. Cooperative activities comprise mainly the financial sector which are the SACCO's (44%) and the agricultural marketing sector (38%). Cooperative movement is well structured with more than 11,000 registered Cooperative Societies in 2007. The Kenya National Federation of Cooperatives is the national apex cooperative organization and 8 other National cooperative organizations/institutions bring together cooperatives per main activity such as bank, insurance, college and others (WOCCU, 2010).

In 2005, Kenya was rated as the largest economy in East Africa with a GDP of US\$ 18 billion and a population of 34.3 million. However, it is rated as comprising of the highest populace living in absolute poverty with over 46% of its population living in absolute poverty. By 2005, it was reported that the number of poor people living in the country had increased from 3.7 million in 1972-73 to 15 million by 2005. This situation is worsened by weak internal control systems, poor governance and lack of commitment of leaders to abide by the institutional, legislative and policy frameworks that the government has put in place (WOCCU, 2010). To break away from the vicious cycle of poverty as propagated by Professor Nurkse (1951), the Sacco is a better source of ensuring that the members create capital for investment through saving. According to Adam Smith (1776) capital can be created through savings (Jhigan 2003).

According to neoclassical growth theory by Harrod-Dommar & Robert Solow's (1930), savings play an important role in economic development. They play an important role in sustaining growth and development. Through savings there will be capital accumulation leading to investments hence economic growth and ultimately development. Coupled with the above, a high saving economy accumulates assets faster, and thus grows faster, than does a low saving economy. However, in developing countries like Kenya, there are low levels of saving culture owing to poor underdeveloped stock markets, dominance of urban based commercial banks, Micro Deposit Taking Institutions (MDIs) and non-regulated Micro Finance Institutions (MFI's) in the financial markets as vehicles for savings. Hence Savings and Credit Cooperatives (SACCOs) are intended to offer an alternative to improve the above undesirable situation in low income countries

(WOCCU, 2010). Savings and Credit Co-operatives Organizations (SACCOs) mobilize intermediate savings exclusively within their membership under the co-operative statute 1991. Furthermore, they are one of the several types of cooperatives that are unique micro finance institutions categorized under rank four in the financial market and therefore not regulated by Central Bank of Kenya (Manyara, 2003). SACCOs are promoted and developed by Kenya National Federation of Co-operatives in an effort to alleviate poverty within the framework of Poverty Eradication Action Plan.

The above situation suggests that cooperative development in Kenya has been taken seriously both by the government and the citizens. The Sacco's have been in a position to mobilize savings which are meant for borrowing by the members. However, the savings are not enough to meet the demand for loan by the members. The board has a challenge of ensuring continuous cash flow within the Sacco's for borrowing. This calls for creation of investments by the Sacco using the funds within the organization. The above scenario also suggests that there must be fundamental and practical factors that influence the investment decisions by the Sacco's and hence affecting the investments.

OBJECTIVE OF THE STUDY

The study sought to establish whether financial literacy influences investment decisions of the SACCO funds.

LITERATURE REVIEW AND CONCEPTUAL FRAMEWORK

BOUNDED RATIONALITY THEORY

Bounded rationality is distinguished from rationality as "the perfect human rationality that is assumed in classical and neoclassical economic theory and the reality of human behaviour as it is observed in economic life" (Simon, 1992). It has been argued that bounded rationality perspective could be a useful supplement to the work that considers the role of heuristics in affecting real estate decision making in the valuation profession (Diaz, 1999). The behavioral assumption of bounded rationality embodies rejection of perfect knowledge and optimization on the part of economic actors, which characterizes the treatment of rationality in the neoclassical economics orthodoxy and instead involves an element of being limited or bounded (Bruin & Hartle, 2003). The neoclassical condition of "perfect human rationality" locates constraints in external environment, while Simon's concept of bounded rationality views constraints arising from the cognitive limitations of individuals themselves (Brun & Dupuis, 2000). In particular, individuals lack the capacity to "take account of all the available information, compile exhaustive list of alternative courses of action, and ascertain the value and probability of each of possible outcomes" (Hindess, 1998). The bounded rationality perspective shifts the emphasis from neoclassical "Homo economics" which demonstrates characteristics of optimization and consistency based on perfect knowledge, to acknowledge imperfect knowledge and satisfying behaviour (Susan 2003).

From the theory, it can be seen that in real life individual investors have limited information and imperfect knowledge while making investment decisions. These reasons affect their investment decisions and that is why individuals are not always able to achieve optimality within the context of a dynamic and complex investment market. Investors tend to invest in tried investment products and have preference for products with which they are comfortable. Investors are mindful of past performance and they try to relate the current circumstances to past and then make their investment decision. The bound rationality theory explains that an investor can make a decision basing on past experience.

FINANCIAL LITERACY AND QUALITY OF DECISION MADE

Financial literacy, which is the ability of an investor to obtain information, analyze, manage and communicate, has been linked with the quality of investment decisions. Beal & Delpachitra (2003) argued that having financial literacy skills enable individuals to make informed decisions about their money and minimizes the chances of being misled on financial matters. Financial literacy affects financial decision-making because individuals with low literacy are more likely to rely on family and friends as their main source of financial advice and are less likely to invest in stocks (Rooij et al. 2007).

Improving financial literacy contributes positively to the financial markets and the economy. Financially educated investors help financial markets to operate efficiently, as they take better trading decisions based on fundamentals and or technical analysis instead of acting irrationally. In addition, financially literate people are in a position to protect themselves from financial frauds (Volpe, 2002). Financially educated customers' demands more customized products, which increases competition between businesses, encourage innovation and improves quality of products. Moreover, the increase in households saving associated with high financial literacy, has positive impact on investment level, financial markets liquidity and economic growth (OECD, 2005).

FINANCIAL LITERACY AND SCOPE OF DECISION MADE

An investor needs to select the right stock among different alternatives at the right time. In order to choose superior stock, investor has to evaluate alternative investments and specify criteria to minimize those alternatives and rank the lifted ones. The criteria or factors that affect investment decision could be categorized to rational or analytical factors category and irrational factors category. The analytical factors are fundamental indicators to evaluate country, industry and company as well as technical indicators to evaluate company prices' pattern (Albadvi et al., 2006). Irrational factors depend on investor attitude, behaviour and characteristics. There is a relationship between financial knowledge and the investors' preferences of the factors that influence their investment decision (Rooij, 2007).

LEVEL OF FINANCIAL LITERACY

In a study carried out by Hussein & Hassan (2012) on 'Financial Literacy and Investment Decision of UAE Investors', the financial literacy level of the UAE individual investors and the factors that influence their investment decision were examined. The research findings were as follows:

- i. The financial literacy is far from the needed level.
- ii. The UAE investors were more knowledgeable about the benefits of diversification while they were least knowledgeable about the type of UAE financial markets indices.
- iii. The financial literacy level was found to be affected by income level, education level and work place activity.
- iv. The top four most influencing factors on investment decision were religious reasons, reputation of the firm, perceived ethics of the firm and diversification purpose, whereas the least four influencing factors were rumors, family member opinions, ease of obtaining borrowed funds and friend recommendations.
- v. Financial literacy affected significantly the investment decision of the individual investors. Specifically, financial literacy had a negative effect on each of the five categories that affect the investment decision except for accounting information category. The effect of financial literacy on the accounting information category was positive but statistically insignificant (Hussein & Hassan 2012).

The importance of improving financial literacy has increased due to different factors including the development of new financial products, the complexity of financial markets and the changes of political, demographic and economic factors.

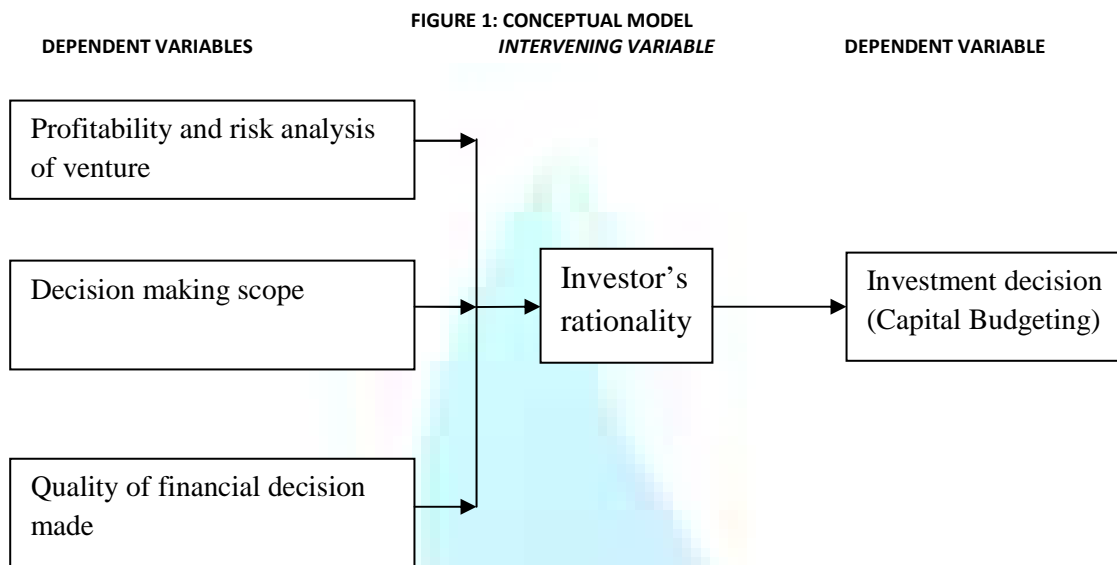
FINANCIAL EDUCATION

Since SACCO movement operates on a completely different path and manner from the commercial banking system, the SACCO members (including the Board of Directors) need training. The training must cater for the different user status amongst the current SACCO users, and prospective SACCO users. Because the SACCOs services can cater for the needs of people who may be initially completely unaware of the internal working of a co-operative where they work for the common good of its membership instead of the interests of the shareholders. Sasuman (2002) suggested that financial education service must be designed for the SACCO members. Etkind (1989) noted that co-operatives must train their membership so that they can fully participate in the co-operative life in full, failure to do so can be deemed to be a failure of the political task of a co-operative. A SACCO would be initiated, owned, financed and managed by the members (or shareholders) of the SACCO. The requirement that all members must be shareholders (by buying shareholding) ensures that they have a link to the success to the bank, and makes them partial owners after contributing equity in terms of shareholding.

The essence of cooperative banking is quiet unique in that that members, who include both savers and borrowers, use the cooperative to recycle money from those who have it to those who need it, without anyone outside taking a profit and with interest rates set so that systems work in everyone's interest" (ILO 2009). This is different from the commercial banking system that had been bailed out by public funds as it seeks to attain huge profits for investors and huge

bonuses for the managers. Levi & Davis (2008) identify that the basic differentiation between a cooperative and a capitalistic company is the link that the member is also at the same time as ‘user’ of the cooperative.

From the review, financial literacy has been portrayed as an important aspect when financial investment decisions are being made. It has been explained to increase and improve the ability of an investor to make a decision as well as increase the knowledge base of the various options which exists in the market on where one needs to put his capital to earn him/her some income which is usually the objective of investment. There is dearth in literature on the influence of financial literacy on the factors influencing investment decision. The study investigated the influence of financial literacy in SACCO’s in making investment decisions anchored by the conceptual framework figure 1.



The framework above was used specifically in this study to analyse the influence of financial literacy on the investment decisions in the Sacco’s. The study analyzed the influence of the independent variables on the investment decisions of Sacco funds. This was achieved through measuring the level of investments in the Sacco. The investment levels were correlated with profitability and risk analysis of venture, decision making scope and quality of financial decision made

RESEARCH METHODOLOGY

The research design used descriptive survey approach in collecting data from the Sacco board members in Laikipia County. This design helped in describing the dependent and independent variables. A sample of 112 board members was targeted which was selected from 14 Sacco’s. The sample was determined by employing Nassiuma (2000) formula of sample determination at 95% confidence level and 0.25 coefficient of variation. According to Nassiuma (2000), the sample size can be determined by;

$$S = \frac{.N (cv^2)}{Cv^2 + (N-1) e^2}$$

$$S = \frac{0.0625*34}{0.0625 + (34-1) 0.0025}$$

$$= 14$$

The study selected a sample size of 14, which represented a proportion of 75% of the population. The instrument for data collection was the questionnaire. Descriptive statistics was used with the help of the Statistical Package for Social Sciences (SPSS) software which offers extensive data handling and numerous statistical details (Muijis, 2004). In order to determine the relationship between investment decision (capital budgeting) and financial literacy, a simple correlation and regression analysis were under taken. Pearson’s correlation coefficient was used to show how each independent variable relates with the dependent variable. Further simple regression analysis was employed to determine the degree of relationship between investment decision and financial literacy in the Sacco’s.

RESEARCH FINDINGS

NUMBER OF BOARD MEMBERS TRAINED ON FINANCIAL LITERACY

The study established that 85.7% (72 out of 84) of the members have not been trained on financial literacy, 3.6% (9 out of 84) of the respondents stated that all the board members in their SACCO’s have undertaken the financial literacy (FL) training while 4.8% (4 out of 84) stated that none of their board members have undertaken training on financial literacy. From the analysis, it is clear that the levels of financial literacy are not up to the desired levels. The findings are in agreement with a study conducted by Hussein & Hassan (2012) on the level of financial literacy in the United Arab Emirates. The study established that financial literacy is far from desired levels; most UAE investors were knowledgeable about the benefits of diversification but had little knowledge of financial market indices. The results of the analysis are as shown in Table 1 Below on the number of board members trained on financial literacy.

TABLE 1: NUMBER OF BOARD MEMBERS TRAINED ON FINANCIAL LITERACY

Response	Frequency	Percent	Score
No response	5	6.0	0
All	3	3.6	9
Few	72	85.7	144
None	4	4.8	4
Total	84	100.0	157

The results of the number of board members who have attained financial literacy trainings show that few board members have attained financial literacy. There exist a risk of either no or low investments being made for the Sacco’s. The quality of investment decisions made will either be reliant on the employees or hired analyst, this may be misleading as well depending on the interests of the advisors.

INFLUENCE OF FINANCIAL LITERACY ON INVESTMENT DECISION

The study aimed at establishing the influence of financial literacy on investment decisions. To achieve the objective, the researcher developed a likert scale, the respondents were expected to provide answers on whether they agree, strongly agree, disagree, strongly disagree or not sure on; whether financial Literacy

helps in making informed decisions, reduce incidences of being misled by other players in the market, removes fear in decision making, helps analyzing risk in financial venture and whether it helps analyze profitability of a venture. The response received was given scored and the mean computed. The study established that financial literacy helps in making informed decisions with a mean of (4.54); Reduces incidences of being misled by other players in market with a mean of (4.45), financial literacy education removes fear in decision making with a mean of (4.40); the mean measure was arrived at by scoring the response using a likert scale where the response given was scored. The response indicates the importance of financial literacy to the investors in increasing the scope of decision made.

DISCUSSION OF THE FINDINGS

The results achieved indicate the importance of financial literacy skills in making informed decisions, removing investors fear and increasing the scope of the investor. The findings are in agreement with Beal & Delpachitra (2003) who argued that having financial literacy skills enable individuals to make informed decisions about their money and minimizes the chances of being misled on financial matters.

The study also sought to find out the importance of financial literacy on analyzing the risk and profitability of the venture. The results show that it helps analyzing risk in financial venture with a mean of (4.49); Helps analyze profitability of a venture mean (4.13). The findings are in agreement with Vitt et al (2000) who defined financial literacy as the ability to obtain information, analyze, manage and communicate about one's personal financial situation as it affects one's material well-being. This implies that a financially literate person is in a position to analyze the profitability and risk of a venture before the venture is rolled out. The study sought to find out the importance of financial literacy in minimizing chances of being misled by financial advisors, to achieve the respondents were required to indicate whether they strongly disagree, disagree, not sure, agree or strongly agree with the statement. The responses were scored, a mean of 4.45. Rooij et al. (2007) found that financial literacy affects financial decision-making because individuals with low literacy are more likely to rely on family and friends as their main source of financial advice and are less likely to invest in stocks.

The study established that majority of the respondents (Board Members) were in agreement that financial literacy helps in making informed decisions, removes fear in decision making, reduces being misled by other players in the market and increases scope for making decision. The respondents admitted that lack of financial management skills has been a setback in their decision making. For effective financial decision making, the researcher established that there is need for a manager to be well equipped with venture feasibility and evaluation analysis skills, fund mobilization skills and venture cash or fund flow analysis as well as offer financial counseling. Beal & Delpachitra (2003) argued that having financial literacy skills enable individuals to make informed decisions about their money and minimizes the chances of being misled on financial matters. Rooij et al. (2007) found that financial literacy affects financial decision-making because individuals with low literacy are more likely to rely on family and friends as their main source of financial advice and are less likely to invest in stocks. This affects the decisions made since they might risk being misled by the friends they ask for advice. The board risks being misled due to the kind of advice they are likely to be receive. This also leads to copying of what other Sacco's are doing leading to lack of creativity in decision making and management. Financially educated customers demand more customized products, which increases competition between businesses, encourages innovation and improves products quality. Moreover, the increase in households saving associated with high financial literacy, has positive impact on investment level, financial markets liquidity and economic growth (OECD, 2005).

The study has established that few board members have undertaken financial management courses. In a study carried out by Hussein & Hassan (2012) on 'Financial Literacy and Investment Decision of UAE Investors' carried out by the financial literacy level of the UAE individual investors and the factors that influence their investment decision were examined. The research established that financial literacy is far from the needed level. From the study the researcher established that most of the investors lack the financial literacy skills which bring in independence in the type of decisions they make. Investors (not only in Sacco's) go into business but they lack the knowledge to make informed decisions on their own independent. Sacco boards members are managers and lack of finance skills are a great setback as they strive to achieve.

The study established that lack of financial management skills affects investment decisions and the findings are in agreement with Beal and Delpachitra (2003) who argued that having financial literacy skills enable individuals to make informed decisions about their money and minimizes the chances of being misled on financial matters. The low levels of financial literacy among the board in the Sacco's play an active role in their failure to realize the set institutional goals.

It was determined that that financial literacy has coefficient =0.533; P value 0.023. This was tested at 95% confidence interval. This indicates that there is a positive relationship between financial literacy and investment decision. The findings are in agreement with Beal and Delpachitra (2003) who argued that having financial literacy skills enable individuals to make informed decisions about their money and minimizes the chances of being misled on financial matters. It can be inferred that financially literate managers are likely to make valid investment decisions. There is a need to have the board members being undertaken through training as suggested by Sasuman (2002) that financial education service must be designed for the SACCO members. Etkind (1989) noted that co-operatives must train their membership so that they can fully participate in the co-operative life in full, a failure to do so can be deemed to be a failure of the political task of a co-operative.

CONCLUSIONS AND RECOMMENDATIONS

There is need to conduct training on resource mobilisation, venture cash and fund flow analysis and venture feasibility study specifically for the board members. The training will serve as an exposure to the board of management in the Sacco's reducing the chances of being misled by the staff or financial advisors.

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A STUDY ON THE FUNDS FLOW ANALYSIS OF THE DISTRICT CENTRAL COOPERATIVE BANKS IN TIRUNELVELI REGION, TAMILNADU

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ABSTRACT

Financial management refers to two vital activities like procurement and utilization of financial resources. To ensure a better financial performance in a fund operating organization is a sine-quo-non of its prudent financial management. The be-all and end-all of financial management is to get an appreciative and desirable financial result. The finance function in a Central Cooperative Bank is highly regulated in that the sources, forms and cost of borrowings by the bank are regulates and it is not altogether free in organizing its investment portfolio. While it borrows only from the State Cooperative Bank (SCB), it lends to societies as per the directives by RBI. DCCBs occupy a place of significance in the cooperative credit delivery system. They act as a spokesperson of the cooperative movement at district level. The success or otherwise of the cooperatives in a district level largely depends upon the efficiency of the functioning of DCCBs. Therefore, the financial management occupies an importance place as the functions of these institutions are also governed by the Banking Regulation Act. And also, funds management of the DCCBs is an important issue and their financial performance is to be studied with their impact on fund flow in DCCBs. Hence, an analytical study on Funds Flow Analysis of the District Central Cooperative Banks in Tirunelveli Region has been undertaken. The results of the study will help in identifying the lacuna if any in the financial performance of the DCCBs and to frame financial policies and programme to the benefit of the banks and the community.

KEYWORDS

fund flow analysis, cooperative banks.

1.1 INTRODUCTION

Financial management refers to two vital activities like procurement and utilization of financial resources. The finance function in a Central Cooperative Bank is highly regulated in that the sources, forms and cost of borrowings by the bank are regulates and it is not altogether free in organizing its investment portfolio. While it borrows only from the State Cooperative Bank (SCB), it lends to societies as per the directives by RBI. The share capital and deposits are the other resources of bank, but these are also not free from regulation. While share capital contribution from the societies is linked to their borrowings from the bank, the types of deposit accounts and the interest rates on deposits are specified. Its investment in channels other than loans and cash credits to societies are limited and specified. These include government promissory notes, shares in SCB and other approved Cooperatives and Public institutions, term deposits and current accounts with SCB and other approved banks, debentures, bonds, etc. Of these, share capital and deposits with the SCB form the biggest chunk. The Registrar frames the policy for investment of funds of cooperative societies, including the Central Cooperative Banks based on the guidelines issued by the RBI from time to time. Thus, the Central Cooperative Banks function within a straight jacket in matters relating to finance. Not much discretion is left to the management of the bank in managing funds. In addition to the restrictions on its borrowings, landings and investment of funds, Central Cooperative Bank is also subjected to rigorous discipline in respect of a few important financial operations and its failure to observe the financial discipline will entail serious consequences of inadequate and interrupted credit flow.

Every company prepares its balance sheet at the end of its accounting year. It is a statement of assets and liabilities of the company, as on a particular date. It reveals the financial position of the company. It does not present a detailed analysis. The balance sheet fails to account for the periodic increase or decrease in the working capital of an enterprise. Hence, other statement has become necessary to show the changes in working capital during a period and explain them. The statement is called funds flow statement. The funds flow statement is a report on the movement of funds or working capital. It explains how working capital is raised and used during an accounting period. 'A statement of sources and application of funds is a technical device designed to analyze the changes in the financial condition of a business enterprise between two dates'. Fund flow statement is called by various names such as statement of sources and application of funds, sources and uses of funds, statement of changes in financial position, analysis of working capital changes and movement of funds statement. The term 'flow' means change and therefore the term 'flow of fund' means 'change in funds' or 'change in working capital.' In other words, 'flow of fund' means any increase or decrease in working capital. If the transaction results in the increase of funds it is called a source of funds; if it results in the decrease of funds it is known as an application of funds. If the transaction does not affect the working capital there is no flow of funds.

1.2 REVIEW OF LITERATURE

Several individual researchers had studied a few facets of fund flow analysis of selected DCCBs in selected areas. To know how far the ground is already prepared and to identify the gaps therein and to spell out the issues which need further intensive and comprehensive analysis, an attempt is made to review the related literature.

Gurcharan Singh and Sukhmani, (2011) in their study "An Analytical Study of Productivity and Profitability of District Central Cooperative Bank in Punjab," focused on evaluating performance of cooperative banks in the state of Punjab. It is found that profitability in all selected DCCBs of Punjab had shown a negative trend whereas the productivity improved significantly over the period of study

Lakshmanan C. and Dharmendran A, (2009) studied on, "Financial Performance of District Central Cooperative Banks in Tamilnadu". The major findings of the study were growth rate of deposits in DCCBs at Tamil Nadu state were positive in all the banks except in Tirunelveli DCCB. All DCCBs in Tamilnadu state showed a positive annual growth in loans and advances. The total over dues of DCCBs in Tamilnadu state revealed a negative annual growth in Nilgiris, Sivagangai, Thanjavur and Virudhunagar DCCBs.2007-08.

Marriapan. V, (2007) in his study entitled "Business performance appraisal. A study of Kozhikode District Cooperative Bank Ltd.", made a financial appraisal of the bank's business performance to assess the present status and future prospects. It also attempted to find out its strengths and weakness for further improvement and corrective actions. The appraisal gained significance as more stringent Non Performing Assets norms are imposed by the RBI from time to time. The important findings of the study indicate that the membership, share capital deposits, borrowings, disbursement of loans, loans outstanding had

increased. But agriculture loans outstanding had reduced and non-agriculture loans had improved as the issue of loans was more concentrated towards non agriculture purposes in the recent years.

Fulbag Singh and Balwinder Singh, (2006) in their study "Profitability of the Central Cooperative Banks in Punjab- A decomposition Analysis", they analyzed the profitability position of the Central Cooperative Bank in Punjab. Two different years have been studied with the help of a frame work of Return on Equity (ROE) model. The sample of bank with high business volume and those with low business volume had been tested separately. The study could be concluded that as far as the profitability performance was concerned, the central Cooperative Bank of Punjab had worked well. The miscellaneous income in comparison to the total income has been in lower profile in these banks. The switching over to high yield non-farm sector advances has helped to register a positive trend in financial margin in almost all the banks. The implementation of prudential norms from 1996-97 have helped the banks to generate an awareness on adverse effect of overdue/ non-performing assets in these banks.

1.3 STATEMENT OF THE PROBLEM

DCCBs occupy a place of significance in the cooperative credit delivery system. They act as a spokesperson of the cooperative movement at district level. The success or otherwise of the cooperatives in a district level largely depends upon the efficiency of the functioning of DCCBs. The founders of the movement envisioned the role of DCCBs beyond the boundaries of mere financing bank. DCCBs are expected to serve as a financing bank for the primaries in a district, guide them in their day to day operations, supply of necessary manpower and technology wherever it is required, voicing on behalf of primaries at policy level etc.. Because of this integrated role, DCCBs are strategically located and integrated with the cooperative system.

Hence, they are not only acting as financing banks but also act as development banks for the cooperatives at district level. To do these multifarious functions DCCBs should have a well-defined management system. In the total management of the DCCBs, financial management occupies a place of importance as the functions of these institutions are also governed by the Banking Regulation Act. Even a minor deviation from banking norms would attract penal actions from the law enforcing authorities. On the one side, DCCBs are expected to act as a financing bank for the primaries, which are in majority of the cases managed by untrained work force. On the other side, DCCBs are expected to follow the banking norms as well as implement the State Governments schemes and programmes for the development of the state. Most DCCBs that fail seem to do so because of problems in their loan portfolio. Non-performing loans grow to such extent that revenues fall off and loan expenses as well as operating costs absorb all the earnings that remain. The bad loan situations usually arise from combination of factors. In this regard, it is pertinent to study how these banks mobilize the resources and deploy them. Hence funds management of the DCCBs is an important issue and their financial performance is to be studied with their impact on fund flow in DCCBs. In this context, the questions apt to arise are:

- What is the nature of flow of funds?
- Whether the financial performances of the banks are in satisfactory manner in terms of fund flow?

To find out the answer to these questions, an analytical study had to be undertaken. The results of such studies will help to find out the problem, difficulties, impacts etc., and to frame financial policies by the DCCBs for the benefits of the farmers, the community and other stakeholders.

1.4 OBJECTIVES OF THE STUDY

The specific objectives of the present study are:

1. To analyze the flow of funds in the DCCBs, and
2. To offer suitable suggestions for the development of the DCCBs

1.5 METHODOLOGY

Mainly-analytical method has been followed for studying the funds flow analysis of Tirunelveli (TIDCCB), Virudhunagar (VIDCCB), Thuthukudi (TUDCCB) and Kanyakumari (KADCCB) District Central Cooperative Banks in Tirunelveli Region, Tamil Nadu. The secondary data were collected from the profit and loss account and balance sheet for the selected DCCBs. The macro level data were collected from the office of the Joint Registrar of Cooperative Audit in Tirunelveli region, Tamilnadu State Apex Cooperative Bank, Tamilnadu State Cooperative Unions, National Federation of State Cooperative Banks, NABARD and RBI.

1.6 SAMPLING

The present study has adopted the purposive sampling method for the selection of sample banks. Among the five cooperative regions (Chennai, Coimbatore, Trichy, Madurai and Tirunelveli) categorised by the Registrar of Cooperative Societies, Tirunelveli region was purposively selected. The considerations kept in mind were that the Tirunelveli region of Tamilnadu is popular for Agriculture, Fisheries, Dairy and Industrial growth. This region also covers plain and coastal areas with different cropping patterns. Four districts of this region were served by the four District Central Cooperative Banks namely Tirunelveli, Virudhunagar, Thoothukudi and Kanyakumari DCCBs. These four banks were selected for the present study.

1.7 SCOPE OF THE STUDY

A strong network of the District Central Cooperative Banks is a prerequisite for the sound performance of the three tier cooperative credit structure. DCCBs not only provided much needed financial assistance to PACBs but also ensured the smooth flow of credit to various sectors in the district. The success of these banks depends on efficient management of funds. The study has mainly focused attention to study the fund flow analysis of the four DCCBs in Tirunelveli Region. The results of this study will help in identifying the lacuna if any in the fund flow analysis of the DCCBs and to frame financial policies and programme to the benefit of the banks and the community.

1.8 PERIOD COVERED BY THE STUDY

The period of the study has been taken-up from the financial year 2004-05 to 2008-09 (5 years) as complete and comprehensive secondary data both for macro and micro level were available only for these years. The period of five years was considered for analysis.

1.9 TOOLS USED FOR DATA COLLECTION

For collecting the required secondary data from the selected DCCBs, a comprehensive schedule was prepared and used. The schedule was pre-tested and finalized.

1.10 FRAME WORK OF ANALYSIS

The data collected were subduced into a digestible account by appropriate coding, computing and tabulations. The basic tools of statistical analysis like trend and fund flow analysis were employed.

1.11 RESULTS AND DISCUSSION

The fund flow statements of District Central Cooperative Banks are prepared as per the norms followed by the Registrar of Cooperative Societies. Increase in liabilities and decrease in assets are taken into account for arriving at sources of funds. Increase in assets and decrease in liabilities are considered for application of funds. The liability of the banks includes owned funds, borrowed funds and other liabilities. Overdue interest, interest payable, branch adjustments and other liabilities are included under "other liabilities". The assets of the banks cover loans and advances, investments and other assets are brought under "other assets". The statements drawn on the above model for each banks and the Registrar as a whole are presented in the following pages

TABLE-1.1: FUND FLOW STATEMENT - TIDCCB (Rs. in lakhs)

Sl. No.	Particulars	2004-05	2005-06	2006-07	2007-08	2008-09
	Sources of Funds					
1	Increase in Liabilities					
	i) Own funds	-	2233	318	791	279
	ii) Deposits	-	-	1245	3871	5377
	iii) Borrowings	1312	1024	-	-	-
	iv) Other Liabilities	-	-	-	-	-
2	Decrease in Assets					
	i) Loans and Advances	-	3573	-	-	-
	ii) Investments	-	248	-	-	-
	iii) Other Assets	6247	1145	3374	1921	2634
3	Profit earned	953	-	-	-	102
	Total	8512	8223	4937	6583	8392
	Application of Funds					
1	Increase in Assets					
	i) Loans and Advances	4814	-	1684	2789	6345
	ii) Investments	270	-	540	407	940
	iii) Other Assets	-	-	-	-	-
2	Decrease in Liabilities					
	i) Own funds	542	-	-	-	-
	ii) Deposits	1362	1493	-	-	-
	iii) Borrowings	-	-	1461	862	740
	iv) Other Liabilities	1524	4751	686	460	367
3	Loss incurred	-	1979	566	2065	-
	Total	8512	8223	4937	6583	8392
	Trend	7705	7517	7329	7141	6953
	Prediction for the year 2014-15					4509

The changes in the sources and application of funds showed fluctuating trend over the five years period. The changes in the sources of funds were mainly due to increase in assets, decrease in owned funds, borrowed funds and other liabilities. Increase in the application of funds was characterized by the increase in loans and advances. Loan repayments were high during 2008-09. The increase in the sources and application of funds for 2014-15 over previous year is projected at Rs.4509 lakhs.

TABLE-1.2: FUND FLOW STATEMENT - VIDCCB (Rs. in lakhs)

Sl. No.	Particulars	2004-05	2005-06	2006-07	2007-08	2008-09
	Sources of Funds					
1	Increase in Liabilities					
	i) Own funds	-	630	-	2672	4987
	ii) Deposits	-	-	1815	4346	4232
	iii) Borrowings	1250	1532	-	-	755
	iv) Other Liabilities	-	-	-	-	-
2	Decrease in Assets					
	i) Loans and Advances	-	-	478	-	8235
	ii) Investments	-	-	-	-	-
	iii) Other Assets	2791	2586	2752	7140	6909
3	Profit earned	1909	-	6	-	722
	Total	5950	4748	5051	14158	25840
	Application of Funds					
1	Increase in Assets					
	i) Loans and Advances	1320	1310	-	9229	-
	ii) Investments	270	832	1048	1100	-
	iii) Other Assets	-	-	-	-	-
2	Decrease in Liabilities					
	i) Own funds	1110	-	656	-	-
	ii) Deposits	2360	902	-	-	-
	iii) Borrowings	-	-	2471	1674	-
	iv) Other Liabilities	890	793	876	1570	23818
3	Loss incurred	-	911	-	585	-
	Total	5950	4748	5051	14158	25840
	Trend	1311	6230	11146	16068	20987
	Prediction for the year 2014-15					84934

It is evident from the table that the lending and owned funds has increased during 2007-08 and 2008-09. On the other side, investments and other liabilities under application of funds enormously increased during 2008-09. Increase in deposits was noticed during the year 2007-09. Investment is high during the last five years period. Other assets made major changes in sources of funds. Altogether the change in the sources and applications of funds over the years is fluctuating. However the projected change in 2014-15 will be Rs. 84934 lakhs.

TABLE-1.3: FUND FLOW STATEMENT - TUDCCB (Rs. in lakhs)

Sl. No.	Particulars	2004-05	2005-06	2006-07	2007-08	2008-09
Sources of Funds						
1	Increase in Liabilities					
	i) Own funds	-	-	130	1652	4199
	ii) Deposits	197	-	260	2874	2717
	iii) Borrowings	-	810	-	-	1482
	iv) Other Liabilities	-	-	-	-	-
2	Decrease in Assets					
	i) Loans and Advances	-	-	-	-	-
	ii) Investments	-	197	-	-	1141
	iii) Other Assets	1281	1012	4642	899	254
3	Profit earned	1506	-	778	-	4
	Total	2984	2019	5810	5425	9797
Application of Funds						
1	Increase in Assets					
	i) Loans and Advances	832	355	1665	542	2486
	ii) Investments	153	-	3286	79	-
	iii) Other Assets	-	-	-	-	-
2	Decrease in Liabilities					
	i) Own funds	806	44	-	-	-
	ii) Deposits	-	854	-	-	-
	iii) Borrowings	1003	-	38	1223	-
	iv) Other Liabilities	190	56	821	2798	7311
3	Loss incurred	-	710	-	783	-
	Total	2984	2019	5810	5425	9797
	Trend	1801	3504	5207	6910	8613
	Prediction for the year 2014-15					30755

The sources of funds like owned funds, deposits and investments were noticeably increased during 2008-09. On the other side of application of funds were noticed loans and advance and other liabilities also increased and investments, other assets, borrowing were decreased during 2008-09. Loans and advances made major change in the application of funds. The overall picture shows that the differences in the sources and application of funds are on increasing trend over the five years of the study period. The changes may reach for 2014-15 Rs.30755 lakhs.

TABLE-1.4: FUND FLOW STATEMENT - KDCCB (Rs. in lakhs)

Sl. No.	Particulars	2004-05	2005-06	2006-07	2007-08	2008-09
Sources of Funds						
1	Increase in Liabilities					
	i) Own funds	16	1112	625	76	378
	ii) Deposits	834	-	374	2181	4958
	iii) Borrowings	-	2294	-	1045	-
	iv) Other Liabilities	-	-	-	-	-
2	Decrease in Assets					
	i) Loans and Advances	-	-	-	2513	-
	ii) Investments	140	3287	-	-	-
	iii) Other Assets	68	-	11262	952	1364
3	Profit earned	508	-	10	53	5
	Total	1566	6036	12271	6820	6705
Application of Funds						
1	Increase in Assets					
	i) Loans and Advances	354	1147	7146	-	3707
	ii) Investments	-	397	402	143	1240
	iii) Other Assets	-	-	-	-	-
2	Decrease in Liabilities					
	i) Own funds	-	-	-	-	-
	ii) Deposits	-	171	3592	-	1416
	iii) Borrowings	176	-	1131	-	342
	iv) Other Liabilities	1036	657	-	6677	-
3	Loss incurred	-	4321	-	-	-
	Total	1566	6036	12271	6820	6705
	Trend	4467	5573	6680	7786	8892
	Prediction for the year 2014-15					23273

It is evident from the table that the other assets of sources of funds and other liabilities of application of funds over the year are fluctuating. Investment is very high during 2008-09. Increase in the sources of funds was mainly due to increase in the deposits and borrowing. The major sources of funds of deposits are increased in the last three years. The change in the sources and applications of funds over the year are fluctuating. However the projected changes in 2014-15 will be Rs.23273 lakhs.

TABLE-1.5: FUND FLOW STATEMENT – TIRUNELVELI REGION (Rs. in lakhs)

Sl. No.	Particulars	2004-05	2005-06	2006-07	2007-08	2008-09
Sources of Funds						
1	Increase in Liabilities					
	i) Own funds	-	2239	-	10558	17366
	ii) Deposits	-	-	3694	13272	17194
	iii) Borrowings	1383	5660	-	-	81
	iv) Other Liabilities	-	-	-	-	-
2	Decrease in Assets					
	i) Loans and Advances	-	761	-	-	-
	ii) Investments	-	-	-	-	-
	iii) Other Assets	7224	3465	22711	-	-
3	Profit earned	4876	-	228	-	833
	Total	13483	12125	26633	23830	35474
Application of the Funds						
1	Increase in Assets					
	i) Loans and Advances	7320	-	10017	10048	4303
	ii) Investments	553	784	5276	1729	3061
	iii) Other Assets	-	-	-	-	-
2	Decrease in Liabilities					
	i) Own funds	1307	-	3778	-	-
	ii) Deposits	2691	3420	-	-	-
	iii) Borrowings	-	-	7562	2714	-
	iv) Other Liabilities	1612	-	-	5959	28110
3	Loss incurred	-	7921	-	3380	-
	Total	13483	12125	26633	23830	35474
	Trend	11172	16740	22309	27878	33446
	Prediction for the year 2014-15					105840

It is evident from the table that the total funds of the bank in Tirunelveli Region had been increasing in 2008-09. The proportion of sources of funds increase was less in other assets during 2005-06. The proportion of deposits increase was high in 2008-09 and borrowing decreased in 2008-09. On the other side of application of funds the proportion of loans and advances, investments and other liabilities increase was less in 2008-09. A deposit is a major factor contributing to change of sources of fund. On another side loans and advances, investment and other liabilities are contributing major to the application of funds. The 'projected changes' in the funds of the banks for 2014-15 is Rs.105840 lakhs.

1.12 SUM UP

The fund flow analysis clearly revealed that increasing in the funds of banks was mainly due to the increasing deposits. Loans and advances made major changes in the application of funds. Poor recovery performance led to lowering of resources. The analysis provides the projected changes of funds of the banks for the year 2014-15 at Rs.105840 lakhs.

1.13 FINDINGS

The total funds of the banks in Tirunelveli Region had been increasing 2008-09. The proportion of sources of funds increase was less in other assets during 2005-06. The proportion of deposits increase was high in 2008-09 and borrowing was decrease in 2008-09. On the other side the application of funds, the proportion of loans and advances, investments and other liabilities increase was less in 2008-09. A deposit is major factor contributing to change of sources of fund. On another side loans and advances, investment and other liabilities are major of contributing to application of funds. The 'projected changes' in the funds of the banks for 2014-15 is Rs.105840 lakhs.

1.14 CONCLUSION

It was noticed from the fund flow analysis that the deposits, borrowings and issue of loans from the major factors contributing to the sources and application of funds. Therefore a better financial management should be considered on these core aspects.

1.15 SUGGESTIONS

NON-INTEREST INCOME

The banks should meet their total establishment expenditure out of non-interest income. For this purpose the banks have to introduce many fee based products like bank guarantees letter of credit etc...

ADVANCED FACILITIES

The DCCBs may go for CBS implementation which will strengthen the bank with technology based products like ATM, Debit card, internet banking, mobile banking etc...

STAFF ORIENTATION

The bank should have a proper policy of recruitment, promotions and increment to staff. The bank employees can be trained in such a way that they can improve their talents; a cordial relationship should be maintained between the bank employees and the customers. It is essential in the present competitive money market conditions.

TIMELY AND ADEQUATE ISSUE OF LOANS

For timely and adequate dispensation of production credit, there must be coordination even from the time of credit planning.

OTHER SUGGESTIONS

- Branch-wise analysis on per employee business, accounts, service, cost of management and working results may be made scientifically.
- Recovery officers should not be politically pressurized so that they can recover loans properly.
- Proper information availability will enable the top management to adopt appropriate corporate strategy to achieve the banks goals. Therefore a robust and flexible management information system should be adopted.
- The audit should be undertaken regularly and cooperative department should insist on actions by the DCCBs on the objections raised in the audit department.

1.16 LIMITATIONS

Taking into consideration the objectives of the study and its coverage both time span and the number of banks, the study is prone to some limitations. Such unavoidable limitations of the present work are:

The study was conducted in the Tirunelveli (southern) region of Tamilnadu State. The environment particularly demographic, geographic, economic and the contributing factors for the fund flow analysis of DCCBs, differs from region to region and state to state. Hence, the findings and conclusions arrived out of the study may or may not be applicable to the banks in other regions and state.

The data used in this study are mostly derived from balance sheets of the selected banks. Window-dressing in any financial aspects is not easily traceable.

Thus, the findings of the present study should be used judiciously and carefully taking into account the various limitations.

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BIG FIVE PERSONALITY TRAITS AND JOB SATISFACTION: A COMPARATIVE STUDY BETWEEN PRIVATE AND PUBLIC SECTOR TELECOM EMPLOYEES

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ABSTRACT

This study investigates the Big Five Personality Traits to Job Satisfaction (Co-operation, job activities and overall performance) levels of the telecom employees. The respondents were selected based on the simple random techniques of 50 public sector and 50 private sector telecom employees in the Puducherry region. One Way Analysis of Variance is used to find out the significant difference in means perception among Telecom employees. The study proves that there is a sound, workable system helps an organization in delegating, motivating, goal setting and open avenues of communications, serves as an incubator for personality development and provide documentation needed to support all personnel decision.

KEYWORDS

Big Five Personality, Job Satisfaction, Telecom employees.

INTRODUCTION

The purpose of the study is to measure the relationship between Big Five personality traits and its influence on job satisfaction among telecom employees. In addition, the Big Five personality traits and level of job satisfaction between private and public sector telecom employees are also evaluated.

The emergence of the **Five-Factor Model** of personality or the "**Big Five**" provided a clear conceptual and measurement framework for research into personality. Its five factors— conscientiousness, extraversion, agreeableness, neuroticism and openness to experience—have been found to consistently describe personality for employees of an organization. Geared with this common frame of reference and measurement, work and organizational psychologists set out to discover the predictive validity of personality for various outcome variables (e.g., job performance, job satisfaction, employee turnover) in various contexts.

Job satisfaction has been found to be related to turnover intention and leaving an occupation. In the IT field career satisfaction has been linked to personnel turnover through the company's ability to meet an employee's career desires and motivations (Jiang & Klein, 2002)¹. As , the job satisfaction is an important variable because it represents an overall summary of how a person feels about a lifetime of work, all the diverse activities and experiences that comprise a career, it is felt necessary to link the personality traits with job satisfaction. Moreover, in recent years there has been growing interest in looking at the relationship between personality traits and job satisfaction. But no such study is widely available in Indian context, particularly in the sample region, Puducherry. Personality is one of the major psychological factors affecting the human behaviour. The word personality is generally used whenever we talk about a person's job prospects, achievements, marriage and other similar occasions. The study considers looks at the concept of personality in a narrow sense as it implies a person's smartness, charm, dress sense, popularity, physical attractiveness, body language etc.

In psychology, the Big Five personality traits are five broad domains or dimensions of personality that are used to describe human personality. The Big Five structure does not imply that personality differences can be reduced to only five traits. Rather, these five dimensions represent personality at the broadest level of abstraction, and each dimension summarizes a large number of distinct, more specific personality characteristics. The theory based on the Big Five factors is called the **Five Factor Model (FFM) the Big Five factors** are:

- **Neuroticism** - A tendency to easily experience unpleasant emotions such as anxiety, anger, or depression.
- **Extroversion** - Energy, surgency, and the tendency to seek stimulation and the company of others.
- **Agreeableness** - A tendency to be compassionate and cooperative rather than suspicious and antagonistic towards others.
- **Conscientiousness** - A tendency to show self-discipline, act dutifully, and aim for achievement.
- **Openness to experience** - Appreciation for art, emotion, adventure, and unusual ideas; imaginative and curious.

REVIEW OF LITERATURE

Timothy A. Judge, Daniel Heller and Michael K. Mount. [2002], this study reports results of a meta-analysis linking traits from the 5-factor model of personality to overall job satisfaction. Using the model as an organizing framework, 334 correlations from 163 independent samples were classified according to the model. Results further indicated that only the relations of Neuroticism and Extraversion with job satisfaction generalized across studies. As a set, the Big Five traits had a multiple correlation with job satisfaction, indicating support for the validity of the dispositional source of job satisfaction when traits are organized according to the 5-factor model. **Lise M. Saari and Timothy A. judge [2004]**, This article identifies three major gaps between HR practice and the scientific research in the area of employee attitudes in general and the most focal employee attitude in particular—job satisfaction: (1) the causes of employee attitudes, (2) the results of positive or negative job satisfaction, and (3) how to measure and influence employee attitudes. Suggestions for practitioners are provided on how to close the gaps in knowledge and for evaluating implemented practices. **Miranda A.G. Peeters, Christel G. Rutte, Harrie F. J. M. van Tuijl & Isabelle M. M. J. Reymen. [2006]** Relationships between team composition in terms of team members' Big Five personality traits and individual satisfaction with the team after project completion were researched. Questionnaires were filled out by 310 undergraduate students (N= 68 teams) working on an engineering design assignment. Individual satisfaction with the team was regressed onto individual, dissimilarity, and interaction scores. A positive main effect was found for individual agreeableness and emotional stability and for dissimilarity in conscientiousness. A moderation of the main effect of dissimilarity was found for extraversion: Satisfaction with the team is negatively related to dissimilarity to the other team members only for members low in extraversion. **Haynie Jeffrey J.; Hartman, Sandra J.; Lundberg, Olof (2007)** Vocational choice theory asserts that an individual's career choice will be based on that person's anticipated satisfaction from working in a particular field and that the person's personality will determine which field will be most satisfying. This study measured personalities and job satisfaction among public health workers to determine if public health work is satisfying to individuals with particular personality types. The study was performed on 47 public health workers in the Southeastern region of Louisiana. These workers were given a questionnaire consisting of the Big 5 personality profile, the Job Descriptive Index, several open-ended questions, and a demographic survey. The findings indicate that emotional stability is a personality characteristic associated with satisfaction from public health work. **David P. Schmitt, Todd K. Shackelford. [2008]**, as part of the International Sexuality Description Project, 13,243 participants from 46 nations responded to self-report measures of personality and mating behavior. Several traits showed consistent

links with short-term mating. Extraversion positively correlated with interest in short-term mating, unrestricted socio sexuality, having engaged in short-term mate poaching attempts, having succumbed to short-term poaching attempts of others, and lacking relationship exclusivity. Low levels of agreeableness and conscientiousness also related to short-term mating, especially with extra-pair mating. Neuroticism and openness were associated with short-term mating as well, but these links were less consistent across sex and nation. Nation-level links between personality and sexuality replicated within-region. **Dickson Onoyase and Anna Onoyase. [2009]**, the researchers employed random sampling method to draw a sample size of (616) senior secondary two students. The two instruments used for the study were Students' Personality Questionnaire (SPQ) and Students' Career Choice Questionnaire (SCCQ). The first instrument has a coefficient of .89 while the second has a coefficient of .81. Both have content validity and language appropriateness. The chi-square statistical analysis was used to analyze the data. The results showed that there were significant relationships between the Artistic, Social, Enterprising and investigative personality types on one hand and career choice on the other. However, no significant relationships were found between the realistic and conventional personality types and career choice.

SIGNIFICANCE OF THE STUDY

Very few studies have been made in relation to comparing the Big Five Personality Traits and Job Satisfaction. Hence, the present study obtains socio-personal information of the respondents particularly in telecom industries. Therefore doing research on this topic will throw light on many problems which would help the industries to checkout their future HR policies.

STATEMENT OF THE PROBLEM

Telecommunication is one of the fastest growing sectors in the world. To cope up with the global competition many industries are introducing special offers and schemes to grab the customers. Majority of market share is in the hands of BSNL in public sector and Airtel in the private. The employees are facing stiff competition between various market players. This has lead to many anxious moments in their life, to identify the reasons and remedial measures, this study analyses employees personal characteristics and their level of satisfaction.

OBJECTIVES OF THE STUDY

- To ascertain the relationship between Big-five personality traits and socio-personal characteristics of telecom employees.
- To evaluate the status of job satisfaction among telecom employees.
- To compare the level of Big-Five personality traits and job satisfaction between private and public sector telecom employees.
- To find out the influence of Big-five personality traits on job satisfaction.

HYPOTHESES

H_0^1 : There is no relationship between Socio-personal characteristics and Big-Five personality traits of telecom employees.

H_0^2 : There is no relationship between Socio-personal characteristics and job satisfaction of telecom employees.

H_0^3 : There is no significant difference in the level of Big-five personality traits between private and public sector telecom employees.

H_0^4 : There is no significant difference in the level of Job satisfaction between private and public sector telecom employees.

RESEARCH METHODOLOGY

SOURCES OF THE DATA

The study has used only primary data. The data required for the study was collected through printed questionnaires. It was distributed to the top level, Middle level and bottom level employees in the Government [BSNL] and Private [AIRTEL] Telecom Employees.

SAMPLE DESIGN

This research study consists of Simple random technique to collect the data from the respondents of 50 from the Public sectors [BSNL] and 50 from the Private sectors [AIRTEL] telecom employees in the Puducherry region. A well designed questionnaire with 5 point Likert type scale ranging from 1 for Strongly Disagree, 2 for Disagree, 3 – Neutral, 4 for Agree and 5 for Strongly Agree was used for measuring Big-five personality traits and Job satisfaction. In addition to scale items measuring the Big-five personality traits and Job satisfaction, many questions were included in the questionnaire to obtain socio-personal information of the respondents.

STATISTICAL TECHNIQUE

The collected data are first subjected reliability / item analysis and Cronbach's alpha reliability coefficient for scale items measuring each aspect of Big-five personality traits as well as for scale items pertaining to job satisfaction is calculated. After ascertaining the reliability of the scale items, the scores of the items are averaged and averaged scores are used in the subsequent analysis. Besides, the collected data were analyzed by using relevant statistical techniques like Mean, Standard Deviation, and Factor Analysis, and Regression Analysis.

RESULTS AND DISCUSSION

JOB SATISFACTION

It is identified that the reliability and validity of the 5 point Likert type scale items measuring the job satisfaction of telecom employees are good as Cronbach alpha coefficient is more than 0.80. Though Cronbach's alpha has indicated the good internal consistency of the items in the scale measuring job satisfaction, it does not mean that the scale is unidimensional. So, before evaluating the influence of personal characteristics on job satisfaction, the underlying dimensions of job satisfaction is ascertained using Principal components factors analysis with varimax rotation. **Table 1 and 2** presents the results of the factor analysis.

TABLE 1: EIGEN VALUES SHOWING THE VARIATION EXPLAINED BY UNDERLYING FACTORS

Factor	Eigenvalue	% of Total Variance	Cumulative %
1	4.10	41.03	41.03
2	1.22	12.18	53.21
3	1.01	10.14	63.35
4	0.86	8.65	72.00
5	0.65	6.46	78.46
6	0.57	5.68	84.14
7	0.52	5.21	89.35
8	0.43	4.32	93.68
9	0.38	3.81	97.49
10	0.25	2.51	100.00

Source: Primary Data.

From table above shows the variation explained by underlying factors of job satisfaction. Though there have been 10 factors, which are mutually exclusive with each other, only first three factors are extractable based on "eigenvalue greater than 1" criteria. The first three factors, which are extractable, together could

explain 63.35 per cent of the variation in the scale measuring job satisfaction. That is, those three factors possess the 63.35 per cent characteristics of the job satisfaction items. Hence, it is found that the job satisfaction of telecom employees comprises of three dimensions. The loading of each item in the scale on the extracted factors after varimax rotation are presented in table

TABLE 2: FACTOR LOADINGS AFTER VARIMAX ROTATION

Item	Item Description	Factor 1	Factor 2	Factor 3
1	The way my job provides for steady employment	0.13	0.86	0.07
2	The chance to do something that makes use of my abilities	0.02	0.83	0.21
3	My pay and the amount of work I do	0.34	0.27	0.51
4	The freedom to use my own judgment	0.51	0.36	0.29
5	The way my co-workers get along with each other	0.85	0.09	-0.02
6	Receiving enough opportunity to interact with other employees on a formal level	0.62	0.03	0.42
7	The praise I get for doing a good job	0.62	0.09	0.43
8	The feeling of accomplishment I get from the job	0.28	0.36	0.58
9	If the environment of work place is comfort and safe	0.19	0.26	0.81
10	Overall how satisfied are you with your position at this organization	0.03	0.04	0.86
Explained Variance		2.00	1.85	2.49
Proportion of Total Variance		19.96	18.45	24.93
Cumulative Proportion of Total Variance		19.96	38.42	63.35
Factor Label		Satisfaction with Employees' Cooperation	Job Satisfaction	Overall Satisfaction

Source: Primary Data.

It can be seen from table that the variation explained by first, second and third factor is 19.96 per cent, 18.45 per cent and 24.93 per cent after varimax rotation, together accounting for 63.35 per cent in the data set. The first factor is highly loaded with items 4, 5, 6 and 7; second factor is loaded highly with items 1 and 2, whereas the third factor has high loadings with items 3, 8, 9 and 10. Among the highly loaded items, the loading of item 5 with first factor is much higher, indicating that this factor is true representative of item 5 and other remaining highly loaded items, 4, 6 and 7 is likely to be correlated with item 5. Similarly second and third factor is found to be having the characteristics of item 1 & 2 (loading of both is almost equal), and items 9 & 10. Hence, the first factor is labeled as "satisfaction with employees' cooperation", second factor as "job satisfaction" and the third factor is named as "overall satisfaction". The average scores of highly loaded items under each factor are calculated and scores of these factors are separately used in the subsequent analysis.

REGRESSION ANALYSIS

The multiple regression analysis for each job satisfaction dimension with six socio-personal characteristics (sex, age, educational status, work experience, marital status and job position) and Big-Five personality trait factors (Conscientiousness, Extraversion, Agreeableness, Neuroticism, Openness) is run to find out the factors that have unique influence on the job satisfaction. The results of the analysis are tabulated and discussed hereunder.

Table 3 presents regression results of satisfaction with employees' cooperation on personal and big-five personality factors. It is understood from the perusal of the table that the full model with all explanatory variables selected are not fitted significantly as F value of the model is insignificant and adjusted R² emerged out as negative. Another regression after dropping out six explanatory variables, which are found to least significant coefficient in the full model, is run. The first subset model is become significant at 10 per cent level and explaining 4.22 per cent of the variation in the dependent after adjusting for degrees of freedom (Adjusted R² = 0.0422, F value = 2.09, p < 0.10). Again another model is tried after eliminating educational status and extraversion, which are found to be insignificant in the first subset model. In the new model (second subset model), both estimated coefficient of both explanatory variables are significant.

TABLE 3: REGRESSION OF SATISFACTION WITH EMPLOYEE COOPERATION FACTOR ON PERSONAL CHARACTERISTICS AND BIG FIVE PERSONALITY FACTORS

Period	Regression Equation		
	Full Model	First Subset Model	Second Subset Model
Intercept	3.4767*** (4.55)	3.3600*** (7.97)	3.8830*** (13.98)
Sex	-0.2401* (-1.75)	-0.2412** (-1.99)	-0.2203* (-1.84)
Age	0.0208 (0.17)		
Educational Status	0.0903 (0.94)	0.0991 (1.19)	
Work Experience	-0.0632 (-0.62)		
Marital Status	-0.1484 (-0.63)		
Job Position	0.0573 (0.45)		
Conscientiousness	-0.0451 (-0.50)		
Extraversion	0.1207 (1.17)	0.1195 (1.28)	
Agreeableness	0.0225 (0.21)		
Neuroticism	0.1167 (1.15)	0.1370 (1.52)	0.1442* (1.68)
Openness	0.0596 (0.58)		
R ²	0.1002	0.0809	0.0547
Adjusted R ²	-ve	0.0422	0.0352
F Value	0.89 ^{NS}	2.09*	2.81*

Source: Annual Reports.

Figures in parentheses are t-values.

*Significant at 10% level. **Significant at 5% level ***Significant at 1% level

Though the estimated coefficients of the explanatory variables in the second subset model are significant, the overall fit of the model is not the best as the adjusted R^2 value is less than that of first subset model. That is, explained variation after adjusting for degrees of freedom in the dependent by second subset model is less than that of first subset model. Therefore, first subset model is considered to be the appropriate model for final inferences.

According to first subset model, the coefficient of sex is significant at 5 per cent level. The coefficients of education status, extraversion and neuroticism are insignificant. But the presence of extraversion and neuroticism increases the explanatory power of gender as well as the overall coefficient of determination. H_0^1 is rejected in the first and second subset model at 10% level of Significance there is relationship between Socio-personal characteristics and Big-Five personality traits of telecom employees. Hence, on the whole, it is concluded that male telecom employees have more satisfaction with cooperation of the employees even if the increase in education status, extraversion and neuroticism is marginal.

TABLE 4: REGRESSION OF JOB SATISFACTION FACTOR ON PERSONAL CHARACTERISTICS AND BIG FIVE PERSONALITY FACTORS

Period	REGRESSION EQUATION		
	Full Model	First Subset Model	Second Subset Model
Intercept	3.4977*** (3.84)	3.2692*** (5.65)	3.1998*** (6.01)
Sex	-0.3147* (-1.92)	-0.2913* (-1.86)	-0.2744* (-1.90)
Age	-0.2157 (-1.49)	-0.1927	
Educational Status	0.0107 (0.09)	-(1.44)	
Work Experience	0.1427 (1.16)	0.1559	
Marital Status	-0.2233 (-0.80)		
Job Position	-0.0913 (-0.61)	(1.37)	
Conscientiousness	0.2275 (2.09)	0.2183	0.2271** (2.16)
Extraversion	-0.0381 (-0.31)		
Agreeableness	0.1054 (0.82)	(2.07)	
Neuroticism	-0.2071 (-1.72)	-0.1897 (-1.79)	-0.2063 (-1.95)
Openness	0.2548** (2.07)	0.2524** (2.18)	0.2471** (2.14)
R^2	0.1825	0.1672	0.1460
Adjusted R^2	0.0803	0.1135	0.1100
F Value	1.79*	3.11***	4.06***

Source: Annual Reports.

Figures in parentheses are t-values.

*Significant at 10% level. **Significant at 5% level ***Significant at 1% level.

Table 4 depicts the results of regression for telecom employee's satisfaction with various job oriented factors with their personal characteristics and Big-Five personality traits. The table shows that the fit of the full model (F value = 1.79, $p < 0.10$), first subset model (F value = 3.11, $p < 0.01$) and second subset model (F value = 4.06, $p < 0.01$) are significant.

The variation explained in the dependent by the explanatory variables of the full model is 8.03 per cent, first subset model is 11.35 per cent and second subset model is 11.00 per cent after adjusting for degrees of freedom. But in full model, the estimated coefficients of only 2 (sex and openness) out of 11 explanatory variables are significant. Hence, first subset model, after dropping out very least significant independent variables, is run.

The fit of the first subset model has improved and explanatory power of the model has increased to 11.35 per cent. Yet, there are some more explanatory variables with insignificant coefficients. Therefore, second subset model is run after eliminating some more independent variables. The second subset model with four explanatory variables has almost same explanatory power as that of first subset model. Further, three out of four variables in the independent set are found with significant beta coefficients. Hence, second subset model is considered for final conclusion.

In the second subset model, the coefficient of sex (beta = -0.2744, $t = -1.90$, $p < 0.10$) with negative sign, conscientiousness (beta = 0.2271, $t = 2.16$, $p < 0.05$) with positive sign, neuroticism (beta = -0.2063, $t = -1.95$, $p < 0.10$) with negative sign and that of openness (beta = 0.2471, $t = 2.14$, $p < 0.05$) with positive sign is significant. H_0^2 is rejected in all the three model i.e 10% significant level in the first model, 1% level in other two models, hence there is relationship between Socio-personal characteristics and job satisfaction of telecom employees. From the above results, it is found that telecom employees' satisfaction with their job increases remarkably with increase in the level of conscientiousness and openness and decrease in the neuroticism and the increase in the satisfaction level is significantly higher for male employees compared to their female counterparts.

TABLE 5: REGRESSION OF OVERALL JOB SATISFACTION FACTOR ON PERSONAL CHARACTERISTICS AND BIG FIVE PERSONALITY FACTORS

Period	REGRESSION EQUATION		
	Full Model	First Subset Model	Second Subset Model
Intercept	2.1266** (2.28)	2.6443*** (4.23)	2.6464*** (4.90)
Sex	-0.0036 (-0.02)		
Age	0.1224 (0.83)		
Educational Status	0.1597 (1.36)	0.1634 (1.50)	0.2026* (1.92)
Work Experience	-0.1535 (-1.23)	-0.0854 (-1.04)	
Marital Status	0.0515 (0.18)		
Job Position	0.1911 (1.24)	0.1908 (1.32)	0.2377* (1.69)
Conscientiousness	0.0958 (0.86)		
Extraversion	0.2055 (1.63)	0.2379** (2.01)	0.2741** (2.41)
Agreeableness	0.0499 (0.38)		
Neuroticism	0.0128 (0.10)		
Openness	0.1124 (0.89)	0.1297 (1.07)	
R ²	0.1187	0.1015	0.0825
Adjusted R ²	0.0085	0.0537	0.0538
F Value	1.08 ^{NS}	2.12*	2.88**

Source: Annual Reports.

Figures in parentheses are t-values.

*Significant at 10% level. **Significant at 5% level. ***Significant at 1% level.

Table 5 is presented with the results of multiple regressions for telecom employee's satisfaction with overall performance of the organization with personal characteristics and Big Five personality traits. Table indicates that the full equation model with all selected explanatory variables is not fitted significantly (F value is insignificant). Further none of the coefficients of the explanatory variables is found to be significant. Therefore, another regression is run after dropping very least significant explanatory variables, such as sex, age, marital status, conscientiousness, agreeableness, neuroticism.

The regression (first subset model) without the above explanatory variables is fitted significantly at 10 per cent level explaining 5.37 per cent of the variation in the dependent after adjusting for degrees of freedom (Adjusted R² = 0.0537, F = 2.12, p < 0.10). In the first subset model also, the estimated coefficients of educational status, work experience and openness is found to be significant. Again another model (second subset model), after dropping two very least significant variables, namely Work experience and Openness, is run. There is not much improvement in the fit of the second subset model, but the estimated coefficients of all the explanatory variables in the model are significant.

Therefore, the second subset model, which could explain 5.38 per cent of the variation in the dependent with just three explanatory variables are considered to be the model of best fit for further inferences. In the second subset model, the coefficients of educational status (beta = 0.2026, t = 1.92, p < 0.10), job position (beta = 0.2377, t = 1.69, p < 0.10) and that of extraversion (beta = 0.2741, t = 2.41, p < 0.05), all with positive sign are found to be at mentionable level. Hence, based on the above picture, it is concluded that the satisfaction of telecom employees with overall performance of the organization increases with increase in the level of neuroticism if higher the educational status and lower the job position (top level management is coded as 1 and middle/bottom level management is coded as 2. Therefore positive coefficient related to increase in the value).

Table 6 is depicted with the results of t-test comparing the mean perception of the private and public employee groups about Big Five personality traits.

TABLE 6: DIFFERENCE IN BIG-FIVE PERSONALITY TRAITS BETWEEN PRIVATE AND PUBLIC SECTOR TELECOM EMPLOYEES GROUPS

Big Five Personality Trait Factors	Telecom Sector				t-Value
	Private		Public		
	Mean	SD	Mean	SD	
Conscientiousness	3.26	0.69	3.34	0.50	-0.73 ^{NS}
Extraversion	3.08	0.60	3.20	0.53	-1.04 ^{NS}
Agreeableness	3.25	0.55	3.32	0.54	-0.62 ^{NS}
Neuroticism	2.89	0.57	2.83	0.63	0.53 ^{NS}
Openness	3.30	0.51	3.30	0.58	-0.02 ^{NS}

Source: Primary Data.

SD – Standard Deviation; ns – not significant

From the table, it can be seen that the mean perception of private sector telecom employees, 3.26 for conscientiousness, 3.08 for extraversion, and 3.25 for agreeableness is slightly less compared to that of those in public telecom services. On the other hand, the mean opinion level, 2.89 for neuroticism is slightly higher for private sector telecom employees whereas the in respect of openness it is equal between two groups (Mean = 3.30). However, the t-values obtained from the analysis for the difference in group means are insignificant for all five personality trait factors. Hence, it is found that there is no difference in Big-Five personality traits between private and public sector telecom employees. H₀³ is failed to reject, there is no significant difference in the level of Big-five personality traits between private and public sector telecom employees.

Table 7 is presented with the t-test results identifying the significance of the difference in job satisfaction factors between private and public sector telecom employees.

TABLE 7: DIFFERENCE IN JOB SATISFACTION BETWEEN PRIVATE AND PUBLIC SECTOR TELECOM EMPLOYEES GROUPS

Job Satisfaction Dimensions	Telecom Sector				t-Value
	Private		Public		
	Mean	SD	Mean	SD	
Satisfaction with Employees' Cooperation	4.03	0.50	4.01	0.54	0.85 ^{ns}
Job Satisfaction	3.75	0.74	3.92	0.53	0.19 ^{ns}
Overall Satisfaction	4.25	0.55	4.19	0.72	0.64 ^{ns}

Source: Primary Data.

SD – Standard Deviation; ns – not significant

According to table, both private and public sector employees are satisfied with employees' cooperation as the mean values for both groups are around 4, the value for 'agree'. With regard to job related factors and overall performance of the organization also, both groups have expressed satisfaction (Mean values for job related factors is 3.75 and 3.92 and for overall performance of the organization, it is 4.25 and 4.19 for private and public sector employees respectively. The calculated t-values, which are insignificant for all job satisfaction dimensions, reveal that the level of satisfaction is similar between two groups. Therefore, it is well found that there is no difference in the satisfaction with employees' cooperation, job, and overall performance of the organization between private and public sector telecom employees. H_0^4 is failed to reject there is no significant difference in the level of Job satisfaction between private and public sector telecom employees

In this chapter, the opinion of the telecom employees working in both private and public sector telecom services are evaluated to ascertain the status of Big-Five personality traits, Job satisfaction as well as the relationship between both. From the discussion of the results of the analysis of the data, it is concluded that telecom employees either private sector or public sector, are with Conscientiousness, Extraversion, Agreeableness, Openness and unlikely to be with neuroticism. Both employee groups have expressed satisfaction with employees' cooperation, job and overall performance of their organization. The socio-personal characteristics of the telecom employees do not have any notable influence on their Big-Five personality traits. It is concluded that there is some relationship between Big-Five personality traits (except agreeableness) and job satisfactory related factors. It is finally concluded that conscientiousness on satisfaction with employees' cooperation, Neuroticism on satisfaction with job oriented factor, and extraversion on satisfaction with overall performance of the organization has significant unique influence.

FINDINGS

- It is found that the telecom employees, on the whole, likely to be with Conscientiousness, Extraversion, Agreeableness and Openness and unlikely to be seen with Neuroticism.
- It is found that status of Big-five personality traits among telecom employees does not differ by age, gender, educational level and job experience.
- It is found that job satisfaction of the telecom employees comprises of three dimensions, namely "satisfaction with employees' cooperation", "satisfaction of job" and "satisfaction with overall performance of organization".
- It is elicited that job satisfaction of the telecom employees is independent of their work experience, educational status and job related factors.
- It is further found that telecom employees' satisfaction with their job increases remarkably with increase in the level of conscientiousness and openness and decrease in the neuroticism and the increase in the satisfaction level is significantly higher for male employees compared to their female counterparts.
- It is identified that the satisfaction of telecom employees with overall performance of the organization increases with increase in the level of neuroticism if higher the educational status and lower the job position.
- It is found that there is no difference in Big-Five personality traits between private and public sector telecom employees.
- It is finally found that there is no difference in the satisfaction with employees' cooperation, job, and overall performance of the organization between private and public sector telecom employees.

SUGGESTIONS

The Organisation has to concentrate on employees job attitudes and work performance, they can adopt big five personality traits practices of giving special benefits to the employees. They have to simplify the business process to enhance the employees. Further has to make way on employees' co-operation.

CONCLUSION

The socio-personal characteristics of the telecom employees do not have any notable influence on their big-five personality traits. It is concluded that there is some relationship between big five personality traits (except agreeableness) and job satisfactory related factors. It is concluded that telecom employees from both private sector and public sector, are with openness, conscientiousness, extraversion, agreeableness and unlikely to be with neuroticism. Both private and public employee's groups have expressed satisfaction with employees' cooperation, job and overall performance of their organisation. It is finally concluded that conscientiousness on satisfaction with employees' cooperation, neuroticism on satisfaction with job oriented factor, and extraversion on satisfaction with overall performance of the organization has significant unique influence.

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A STUDY ON THE OPERATION OF INDIAN DOMESTIC AIRLINES

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ABSTRACT

As the use of airlines increases nowadays number of airline companies is originating in the world. Airlines which are consistent in providing air services are the only airlines which can able to survive in the heavy competition countries especially in India. Kingfisher airlines is an example for failure because of its worst performance as it losing the competency and consistency in providing the air services in India as well as international carriers as a result Indian director of Civil Aviation cancelled its license in 2012 and thus Kingfisher airlines is wind up to provide its debt to its creditors. This gave an idea to attempt a study on the performance and the various aspects related to the utilizing capacity of Indian domestic airlines like Indigo, Spice jet, Air India, Jet Airways, and Air India subsidiary Air India Express.

KEYWORDS

domestic airlines, air services.

INTRODUCTION

The civil aviation has played a very significant role in Indian's economy. It provides fast and reliable mode of transport across the country and is particularly important for many areas still not adequately connected by road or rail. In 2000-01, 42.03 million domestic and international cargos were handled at various airports in the country. With increasing globalisation this sector is expected to play a significant role in integrating the Indian economy with the rest of the world.

There have been many fast pace changes which have been taken place in the last few years. Also, there has been substantial increase in passenger traffic too. From being a service which could be afforded by just a select few, today it has become a sector which the masses can afford. There has been a perceptible shift in the attitude of the public; with strong preference for the air travel. Airlines have therefore graduated to a position of being a fiercely competitive industry with presence of a number of private and public airlines and several consumer oriented offerings.

REVIEW OF LITERATURE

Archana.R.,Subha.M.V (2012) examined that the underlying forces of service quality influences on passengers satisfaction in aircraft transport. The study analysed which dimensions have a positive influence on service quality and which dimensions have the most and least important impact on service quality in international air travel, as perceived by airline passengers. The results suggested that there are different factors of in-flight service quality that are important according to the customer seat class. The dimensionality of perceived service quality in international air travel was explored and three dimensions were identified. These dimensions include in-flight service, in-flight digital service and back-office operations. The findings revealed that these three dimensions are positively related to perceive service quality in international air travel and of these dimensions, Cuisines provided, seat comfort safety are the most important dimension in in-flight service quality. Online ticket booking is another dimension in back-office operations. In addition, the findings indicate that passenger's satisfaction on different airline companies on the basis of the

Dipa Mitra (2010) made a study on "A Comparative Study between Indian Public and Private (Low Cost) Airlines with respect to their Passenger Service". In the study researcher has given importance on healthy relationship between customer and the Airline service provider. From the study it was found that some of the private players are very much concerned about their passengers as well as some of them are implementing low price strategy to attract the passengers. The study suggested that Airlines Industry should aim not only at delivery of the service to the passengers, but also focus on satisfying the passengers with the services. So in this competitive age, the success of Airlines is very much dependent on the passenger service provided at all levels, after and during the journey to make their passengers satisfied.

Vaishali.C Mahajan, Rau.S.S, (2010) made a study on "Customer Satisfaction with Domestic Airlines in India". The research paper focuses on the objectives to identify major service determinants of airlines and measuring customer satisfaction on these, and to find out association between customer profile and satisfaction. Results of the study explored that In-flight facilities and comfort is the most important factor while selecting a particular airline. The result also indicated that there is statistically significant association between profile and satisfaction level of the customers. Thus, low cost airlines should understand the expectations of target market before introducing new product in the market. Hence the study suggested that low cost airline should improve their in-flight services to meet the satisfaction level of customers in order to survive in this competitive environment.

STATEMENT OF PROBLEM

As the use of airlines increases nowadays number of airline companies is originating in the world. Airlines which are consistent in providing air services are the only airlines which can able to survive in the heavy competition countries especially in India. Kingfisher airlines is an example for failure because of its worst performance as it losing the competency and consistency in providing the air services in India as well as international carriers as a result Indian director of Civil Aviation cancelled its license in 2012 and thus Kingfisher airlines is wind up to provide its debt to its creditors. This gave an idea to attempt a study on the performance and the various aspects related to the utilizing capacity of Indian domestic airlines like Indigo, Spice jet, Air India, Jet Airways, and Air India subsidiary Air India Express.

OBJECTIVES

- To study the operations of Indian domestic airlines
- To understand the utilization of freight and passengers carried by Indian domestic airlines.
- Analyze the trend in the operations of Indian domestic airlines.

METHODOLOGY OF STUDY**SOURCES OF DATA**

The research is based on the secondary data collected.

TOOLS USED FOR ANALYSIS

- Mean
- Variance
- Standard Deviation
- Trend analysis

LIMITATIONS OF THE STUDY

- This study is fully based on the secondary data.
- Data is collected only for the period of 4 years from 2009 to 2012.
- Domestic information is used therefore it excludes the international flight traffic.

FINDINGS

- It was found that most of the passengers prefer Jet Airways; it holds 35% of total passengers carried.
- It was found that Jet Airways had the highest kilometers flown; it has 31% of share among total share in kilometers flown as compared to other domestic airlines.
- It was found that Jet Airways holds the highest share in freight carrying; it holds 35% of market share in carrying freight.
- It was found that Majority of the mail carried is from Jet Airways; it handled 98% of total mail carried in tons.
- It was found that Jet Airways has the highest departures of 475959 and holds 43% of total departures in Indian domestic airlines.
- It was found that Jet Airways has the highest percentage of hours flown among various domestic airlines. It holds 40 % of share in total hours flown.
- Indigo has most of the available seats with the share of 32% of share in available seats in Indian domestic airlines.
- Indigo holds the highest passenger utilization therefore Indigo tops the list as it has the highest utilizing capacity with its available seats. Indigo utilizes 80% of its capacity out of the total capacity during the study period.
- Spice jet has the highest weight utilization in carrying freight and mail. It utilizes 65% of its weight carrying capacity and it also leads in carrying freight and mail carried.
- Indigo has the highest on time performance and it has topped the list to give 95% of on time performance for every departures made.
- From the analysis it is found that on time delay are the major reasons for delay in departures as well as arriving 73% of delay is due to on time delay.

SUGGESTIONS**AIR INDIA EXPRESS**

Despite being a low cost carrier Air India Express offer a compliment of snack box with veg and non-veg option, limited entertainment facility is only available. In order to increase passenger they should increase competitive entertainment to all class of people.

AIR INDIA

Air India though has a variance of 158.04. In 2012 the passenger carried has increased to 1091 percentage as compared to the previous year 2011. This is due to the low cost offers provided by the Air India. But in 2012 mail carried depreciated to 100 percentages as compared to the previous year 2011. Air India stands last in utilization of its available capacity and this reveals that capacity is not fully utilized as it used only an average of 28 percentage of its capacity from 2009 to 2012. Therefore Air India should give offers to both freight and mail.

JET AIRWAYS

Jet Airways remains the tough competitor in aviation industry. Passenger, freight and mail carried are in an increasing trend. In August 2013 low ticket sale was introduced and extended for weeks which boost its operation in 2013.

INDIGO

Indigo is the second best airlines which is able to provide consistent services after Jet Airways. Indigo wasn't able to carry freight and mail as nearly an average of 83% of its capacity is being utilized only for carrying passengers and therefore it is essential to increase the capacity by buying new Boeing aircrafts.

SPICE JET

Despite the losses, Kalanithi Maran doubled his stake in Spice jet to 16% by investing ₹100 crore (US\$17 million) in the airline and saved the decline in 2011 and thus it is able to retain its operation. Spice jet has to increase their operation towards carrying mail as there was no operation from 2009 to 2012 in carrying mail. Passenger traffic in these airlines is also on the increasing trend therefore it has to offer low fares to passengers.

CONCLUSION

With the introduction of private stake airline industry, India is with huge competition, therefore various offers, incentives, rewards, bonus, services are made innovative. There is an immense scope of improving the capacity utilization in Indian Airlines. But this is not to understate the importance of the renewal of fleet from time to time, as long as it is done in a phased and cautious manner. A smaller size of fleet with efficient management should surely help the Indian Airlines in overcoming its losses and confidently face the growing competition in the years to come.

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ROLE OF LOCAL POPULATION IN ECOTOURISM PROMOTION: A STUDY OF SOUTHERN AREA OF KASHMIR DIVISION

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ABSTRACT

Ecotourism has become one of most rapidly growing forms of tourism in recent years as it provides the countries an opportunity to capitalize on their natural attractions and to gain all the economic benefits that tourism has to offer without destroying the resources that they are based upon. The current study is carried out in Kashmir valley which is a popular tourist destination for domestic and foreign tourists. The purpose of the study is to find the general awareness among the local population and at the same time how much importance they give to the ecotourism. A well structured questionnaire was drafted for the purpose to get the response from the different stakeholders. The study revealed that the awareness and importance among the local population about the ecotourism is not that great. The local population has to be educated about the impacts that the conventional tourism has on tourist destination. The study recommends that a participative approach should be adopted where the local community should be taken in confidence at every step in development of Eco-tourism as; after all, it is they who can make a move successful or otherwise.

KEYWORDS

Eco-Tourism, local population, Tourism development, Eco-tourism in Kashmir, Eco- tourism and local community.

INTRODUCTION

The recent growth of sensitivity to ecological issues and awareness of conservation has shifted the way people view travel and energized the rising industry known as eco-tourism. Eco-Tourism, as defined by ICUN, is "environmentally responsible travel and visitation to relatively undisturbed natural areas, in order to enjoy and appreciate nature (and any accompanying cultural features - both past and present) that promotes conservation, has low visitor impact, and provides for beneficially active socio-economic involvement of local populations."

Ecotourism is currently the fastest growing sector of the global tourism industry. Most estimates indicate that the demand for ecotourism is growing at an annual rise of 10 to 30 percent. Although the origins of the concept of ecotourism are not certain, one of the first sources to have contributed to the discourse appears to be Hetzer, who identified four pillars or principles of responsible tourism. These four pillars are minimizing environmental impact, respecting host cultures, maximizing benefits to local people and maximizing tourist satisfaction.

Early references to ecotourism are found in the work of Miller (1998), who worked on national park planning for eco development in Latin America and documentation produced by Environment Canada in relation to a set of road-based 'ecotours' they developed from the mid-1970s through to early 1980s, Moreover the development of ecotourism is due to the environmental movement during 1970s and 1980s (Honey, 1999, p.19). Environmental concern along with mass tourism led to increase demand for nature-based experiences of an alternative nature. By the mid 1980s, many developing countries had identified ecotourism as a means of achieving both conservation and development goals.

Around the world, ecotourism has been hailed as panacea: ways to fund conservation and scientific research, protect fragile and pristine ecosystems, benefit rural communities, promote development in poor countries, enhance ecological and cultural sensitivity, instill environmental awareness and a social conscience in the travel industry, satisfy and educate the discriminating, and, some claim, build world peace.(Honey, 1999, p.4)

Ecotourism is defined as "responsible travel to natural areas that conserves the environment and improves the well-being of local people." (TIES, 1990)

Ecotourism is about uniting conservation, communities, and sustainable travel. This means that those who implement and participate in ecotourism activities should follow the following ecotourism principles:

- Minimize impact, build environmental and cultural awareness and respect
- Provide positive experiences for both visitors and hosts.
- Provide direct financial benefits for conservation.
- Provide financial benefits and empowerment for local people.
- Raise sensitivity to host country's political, environmental, and social climate.

Ecotourism can be integrated with other sectors of the rural economy, creating mutually supportive linkages and reducing financial leakage away from the area. It can also be coordinated with agriculture, in terms of the use of time and resources and in providing markets for local produce. Ecotourism markets are small, seasonal and sensitive to external influences such as political changes or economic instability in the host or generating country. On the other hand, ecotourism can shield against threats to other sectors. Ecotourism is important for the livelihood of the local communities. Ecotourism engage local communities so they benefit from conservation, economic development and education. By bringing residents into the business of ecotourism, not only can local people meet their economic needs, but they also can maintain and enhance the sense of place that is critical for guaranteeing long-term conservation. People involved should include representatives of the local community, knowledgeable tourism operators, local entrepreneurs, relevant NGOs, conservation agencies including protected area managers, and local authorities. Links should be made as appropriate to the regional and national government level.

STUDY AREA

The State of J&K has three distinct regions, viz. Jammu, Kashmir and Ladakh and all three have immense potential for tourism from both domestic as well as international tourists. There are number of locations which are untapped and can be developed as major tourist destinations, having all the natural as well as the cultural resources for attracting tourists. Some of the important natural resources are excellent climate, beautiful lakes, locations for adventure sports, wild life, trout fish, natural and manmade parks like Shalimar and Nishat of the Mughal period, flora and fauna, alpine forests, natural waterfalls and streams etc. As for the cultural resources, the state has some of the most important religious shrines of Hindus, historical monuments, plethora of local festivals, distinct cuisine, craftsmanship skills for intricate and fine woodwork, woolens, carpets, textiles, paper mache, inlay work etc.

Kashmir valley is particularly, a popular tourist destination for domestic and foreign tourists. Among the popular tourist places in the valley are Gulmarg that has a ski resort, Dal Lake that has popular house boats, Pahalgam and Amarnath Shrine. Tourism is an important part of the Kashmiri economy Thousands of Hindu pilgrims visit holy shrine of Amarnath every year and this significantly benefits the state's economy. But this yatra has put Kashmir on the verge of ecological disaster.

The southern part of Kashmir Valley consists of four districts namely Anantnag, pulwama, Shopian and Kulgam. There are numerous tourist destinations that fall within this area. Among the prominent ones are Pahlagam, Kokernag, Verinag, Daksun, Achabal, Aharbal and trekking base from Kungawattan meadows to Kounsar nag Lake. These destinations provide variety of tourist attracts including mountain biodiversity, pastures, clean environment, wildlife viewing, mountain biking, rafting, skiing, rivers and streams, springs, village's greenery, archeological and built heritage, climbing and the most important is the hospitality of the host community.

Resting on the above logic and notions of host community importance and sustainable role in the development of ecotourism the study in hand is design with the following objectives.

OBJECTIVES OF THE STUDY

1. To study the role of host community in promotion of eco-tourism in Southern Areas.
2. To find the importance of eco-tourism opportunities in the study area.
3. To give recommendations on the basis of study findings

MATERIALS AND METHODS

This study was conducted during May 2014, with the main objectives to identify the role of host community in the promotion of eco-tourism in Southern parts of Kashmir valley. The universe of the study comprised purposively selected three village's i.e. Pahalgam, Achabal and Verinag of district Anantnag. District Anantnag consists of many tourist places and every year a large numbers of tourists visit this area. Also in these villages a large segment of the society are involved in tourism industry and depends on it for their livelihood on one way or the others. Stakeholders involved in ecotourism activities i.e. tour operator, tour guides and tourist were the respondents of the study. But due to time limitation and financial constraints data were collected for 15 tour operators, 45 tour guides, 15 tourists and 25 local residents. Thus the total sample size reached to 100. Data were collected with the help of a pre-tested interview schedule. The instruments used for data collection was pre- tested structural questionnaire having closed ended questions. Data collection through questionnaire is a useful tool in social and scientific research (Cohen et al. 2002, Bassey, 1999). But large scale surveys through questionnaire are sometimes difficult because of their high costs, errors and other defects (Gill, 1993, Inglis, 1991, 1992). Data collected through questionnaire was edited, coded and analyzed for determination of frequencies and percentages.

LIMITATIONS OF THE STUDY

Following are some of the limitations of this study:

1. Firstly, the research work covered only 03 villages of Anantnag district.
2. Secondly, the respondents didn't want to disclose their lack of personal knowledge.
3. Thirdly, the sample size taken in this study does not ensure representativeness and conclusive findings.
4. Finally, detailed study is needed to be taken at larger scale to reach a strong conclusion.

RESULTS AND DISCUSSION

KNOWLEDGE OF THE SAMPLE RESPONDENTS ABOUT ECO-TOURISM

Knowledge and educational background played important role in identifying the level of awareness among the community on the importance of taking care of different nature resources. There is general lack of understanding, knowledge and confusion about eco-tourism by the stakeholders. A proper understanding is essential because eco-tourism, if not properly planned and managed can do more harm than conventional tourism. Data presented in Table I shows that 49% respondents having enough knowledge, 20% have much knowledge about eco-tourism, 17% having very much and 14% sample respondents have little knowledge about eco-tourism. The table concludes that majority of the respondents having enough knowledge about ecotourism in the area. According to Watkin (2003) knowledge, capacity building and training of the stakeholders is necessary for tourism development. Moreover, communities have to agree that ecotourism is a business venture that they are prepared to endeavor to make it successful. The Howe (1983) also said that education and knowledge acquisition have long been themes guiding ecotourism. UN, (1992) mentioned that education is critical for promoting sustainable development and improving capacity of people to address environment and development issues. There is a growing recognition that sustainable policies, plans, and action have more chances of implementation when they are supported by an educated, informed people (UNEP, 1999).

TABLE I: DISTRIBUTION OF SAMPLE RESPONDENTS ON THE BASIS OF KNOWLEDGE ABOUT ECO-TOURISM

Sample Respondents	Little		Enough		Much		Very Much		Total
	No.	%age	No.	%age	No.	%age	No.	%age	
Tourists	---	----	8	53.3	4	26.7	3	20.0	15
Tour Operators	---	----	6	40.0	5	33.3	4	26.6	15
Tour Guides	10	22.2	20	44.4	8	17.8	7	15.6	45
Local Residents	4	16.0	15	60.0	3	12.0	3	12.0	25
Total	14	14.0	49	49.0	20	20.0	17	17.0	100

IMPORTANCE OF ECO-TOURISM FOR THE AREA DEVELOPMENT

The Southern Areas of Kashmir are one of the important international tourism destinations. The region is renowned for its natural beauty, including its rugged valleys, high mountain peaks and waterfall s. These features attract a significant number of trekking and mountaineering expeditions every year. In order to sustain these attractions, it is vital that the stakeholders are fully aware of its importance. Ecotourism generates local jobs and income and provides opportunities for local community to earn their livelihood at local level through a sustainable way. The data in Table II depicts that 26% of respondents think eco-tourism is very important. Fifty five percent of the sample respondents mentioned that it is important. While 19% respondents think it is not important. This concludes that most of the respondents were aware about the importance of ecotourism. Liu (2005) argued that the current academic understanding of community participation suggests that if local residents want to benefit from tourism they must be integrated into decision-making process.

TABLE II: DISTRIBUTION OF SAMPLE RESPONDENTS ON THE BASIS OF IMPORTANCE OF ECO-TOURISM IN THE AREA

Sample Respondents	Not Important		Important		Very Important		Total
	No.	%age	No.	%age	No.	%age	
Tourists	---	----	10	66.7	5	33.3	15
Tour Operators	---	----	9	60.0	6	40.0	15
Tour Guides	10	22.2	25	55.6	10	22.2	45
Local Residents	9	36.0	11	44.0	5	20.0	25
Total	19	19.0	55	55.0	26	26.0	100

STATUS OF STAFF TRAINING

Training is an effective people skill necessary for the development of an organization. It provides tremendous advantages in building the capacity and skill of the new hired employees. It improves the productivity of an organization; motivate the organization staff, building consistency and improve their overall performance. The data in table III present the status of staff training according to the sample respondent's view. The staff includes all those stakeholders who directly involved in the management of ecotourism in the area. The data reveals that 59% of the sample respondents thought that the staff is well trained, while 41% of the respondents said that the staff is not well trained.

TABLE III: DISTRIBUTION OF SAMPLE RESPONDENTS ON THE BASIS OF STATUS OF STAFF TRAINING

Sample Respondents	Well Trained		Not Well Trained		Total
	No.	%age	No.	%age	
Tourists	9	60.0	6	40.0	15
Tour Operators	10	66.7	5	33.3	15
Tour Guides	30	66.7	15	33.3	45
Local Residents	10	40.0	15	60.0	25
Total	59	59.0	41	41.0	100

TRAINING NEEDS IDENTIFICATION BY THE SAMPLE RESPONDENTS

Training needs identification allows organizations to identify their training needs. It also helps the organization to identify complete organization needs. Proper training of staff in the form of hotel management courses, refresher courses and tour guide training is important for tourism development in the area. Training need identification is important for such courses which are relevant to the staff needs, improve the performance, create a difference in the work and to solve the organization problem. The sample respondents were asked whether there is a need for training of the staff or not. Table IV shows that the majority (60%) of the sample respondents urged the need for training, while 40% did not feel such a need.

TABLE IV: DISTRIBUTION OF SAMPLE RESPONDENTS ON THE BASIS OF TRAINING NEEDS IDENTIFICATION

Sample Respondents	Training Needed		No Training Needed		Total
	No.	%age	No.	%age	
Tourists	8	53.3	7	46.7	15
Tour Operators	7	46.7	8	53.3	15
Tour Guides	30	66.7	15	33.3	45
Local Residents	15	60.0	10	40.0	25
Total	60	60.0	40	40.0	100

ROLE OF HOST COMMUNITY IN THE PROMOTION OF ECO-TOURISM

Local community should be benefited from employment opportunities, conservation, social services, more jobs, better infrastructure, improving their livelihood by having opportunity for multiple portfolio of income. The direct beneficiaries from ecotourism development seem to be the employees, craft producers, guides and committee members for they will have additional earnings. The host community plays an important role in the promotion of ecotourism in the area. The data in table V illustrates that majority (69%) of the sample respondents were of the view that the host community has a role to play in the promotion of ecotourism, while 31% of the sample respondents denied the role of host community in this connection. So, maximum respondents think that host community has a significant role in the promotion of eco-tourism in the area. Most of the denied reasons were the illiteracy of the tour guides respondents, who lack knowledge about the ecotourism in the area. This statement was supported by UN (1992) findings, stated that education is critical for promoting sustainable ecotourism and improving capacity of people to address environment and development issues. Also Sproule (1996) noted that community-based ecotourism the local community play a key role in the development of tourism. Watkin (2003) argued that local community plays a key role in the development and implementation of ecotourism. He further stated that education, capacity building and training opportunities for community members should also be included in the development of ecotourism. The data conclude that majority of the respondents replied for the role of host community in the ecotourism in the area.

TABLE V: DISTRIBUTION OF SAMPLE RESPONDENTS ON THE BASIS OF ROLE OF HOST COMMUNITY IN THE PROMOTION OF ECOTOURISM

Sample Respondents	Having Role in ecotourism		Having No Role in Ecotourism		Total
	No.	%age	No.	%age	
Tourists	12	80.0	3	20.0	15
Tour Operators	11	73.3	4	27.7	15
Tour Guides	30	66.7	15	33.3	45
Local Residents	16	64.0	9	36.0	25
Total	69	69.0	31	31.0	100

ATTITUDE OF HOST COMMUNITY TOWARDS ECO-TOURISM

It is imperative for the promotion of any cause that its promoters must be clear in their thinking and attitude towards the very cause in its entirety. So, it was deemed necessary to determine the attitude of host community, being a stakeholder and partner in promotion of eco-tourism, as seen by the respondents in positive or negative. It is evident from the data in Table VI that 85% of the sample respondents were of the view that the attitude of host community is positive towards eco-tourism while 15% of the sample respondents replied in negative. McCool & Moisey (2001) argued that if local people are not included in ecotourism development, thus remaining far away from the desired sustainability. Lawrence (1997) also argued that when people do not receive sufficient benefits from ecotourism, they are prone to develop a negative attitude towards ecotourism development. So, an overwhelming majority of respondents see the attitude of host community positively, which is a significant factor for the promotion of eco-tourism.

TABLE VI: DISTRIBUTION OF SAMPLE RESPONDENTS ON THE BASIS OF ATTITUDE OF HOST COMMUNITY TOWARDS ECO-TOURISM

Sample Respondents	Positive Role		Negative Role		Total
	No.	%age	No.	%age	
Tourists	12	80.0	3	20.0	15
Tour Operators	13	86.7	2	13.3	15
Tour Guides	40	88.9	5	11.1	45
Local Residents	20	80.0	5	20.0	25
Total	85	85.0	15	15.0	100

CONCLUSION AND RECOMMENDATIONS

It is evident from the main findings of the study that the host community plays a vital role in the promotion of eco-tourism. The attitude of the host community is also positive towards it. The study reveals that majority of the tour operators, tour guides and tourists had enough knowledge about eco-tourism. They also considered eco-tourism very important. The staff engaged with tourism is not that well trained and there is a need for further trainings. These trainings when further imparted by the government, tour operators and NGO's collaboratively for building the capacity of different stakeholders will see an increase in the tourism development in the area. The study as a whole concludes that for the promotion of eco-tourism, the local community and their attitude play an important role in the establishment of sustainable tourism. Therefore, the role of local community cannot be neglected in the promotion of eco-tourism in Southern Areas.

Ecotourism, often occurring in regional, rural and remote areas where alternative sources of livelihood are scarce and levels of poverty are frequently high, can provide a much needed addition to local income from an activity that values and supports conservation. Attention must be paid to sound business practices and market access if it is to be economically sustainable. Local and Indigenous communities should not only be involved in the planning and benefits of ecotourism products, but must also be recognized and supported as equal stakeholders and business leaders in the continued development of sustainable enterprises.

In conclusion, community awareness and knowledge of ecotourism is limited and this lack of knowledge will hinder efforts to promote ecotourism within the community. Unless further and appropriate education is provided, the community will not obtain a proper understanding of ecotourism and misconceptions about this form of tourism is likely to continue. It is likely that similar results would be found in other communities elsewhere around the world and it would be interesting to extend this study to compare community perceptions towards ecotourism with other communities.

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TIME TO CRACK THE GLASS CEILING: INDIA CONTEXT

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ABSTRACT

In India the presence of professional women at workplace is growing drastically. The women's are no more the home makers, but are standing shoulder-to-shoulder with men. Today women are entering into global labour force in record members and its bringing a new gender dimension in the workplace. Women have attained incredible success in what was once considered as the "male domain", of the working world. The women's are entering into every field and have left no stone unturned. But still due to unbreachable barrier the percentage of women occupying top-notch managerial positions is very low. The fact that still the women are facing "the glass ceiling", "a barrier so subtle that it is transparent, yet so strong that it impedes women's from advancing up the job ladder to higher level management positions". In India women's are still seen as weak, emotional and unaggressive to hold higher level management positions. Gender-based discrimination is still subsisting at senior levels and there is male bastion hold. Although few women's have break the glass ceiling and struggled hard to achieved the corporate ladder to the top. The present paper is an attempt to identify the factors that create barriers for the working women and to reveal why there are few women in top positions in India. The paper will also investigate the presence of social norms and taboos that cause gender discrimination at the workplace.

KEYWORDS

Glass ceiling, Gender-based, masculine, feminine

INTRODUCTION

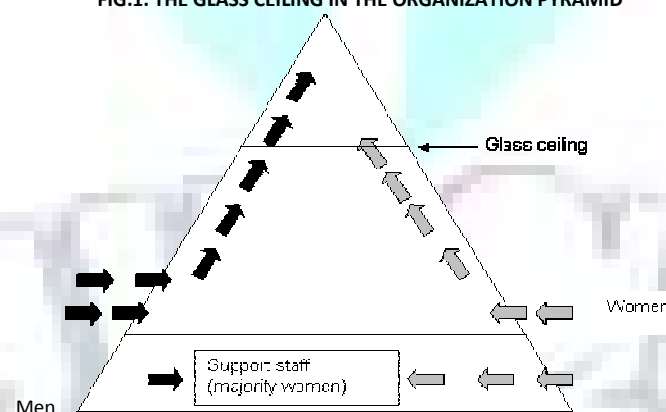
While gender inequalities in many arenas have been on the agenda of social research and activism for decades, gender inequalities in organizational leadership has been sadly overlooked. The number of working women force has increased tremendously with an increase in the number of highly educated women equipped with technical expertise. India has a rich history of women in positions of power, yet the country ranks 129 out of 146 countries on the Gender Inequality Index and women in India face barriers at all levels in areas. The presence of "Glass Ceiling" is covert which prevent women to get behold of the top positions in an organizations.

The article highlights the issues why women's are lagging far behind the men in top managerial jobs.

David Cotter and colleagues defined four distinctive characteristics of "Glass Ceiling" existence. It represents:

- i) "A gender or racial difference that is not explained by other job-relevant characteristics of the employee."
- ii) "A gender or racial difference that is greater at higher levels of an outcome than at lower levels of an outcome."
- iii) "A gender or racial inequality in the chances of advancement into higher levels, not merely the proportions of each gender or race currently at those higher levels."
- iv) "A gender or racial inequality that increases over the course of a career."

FIG.1. THE GLASS CEILING IN THE ORGANIZATION PYRAMID



As appears from extant literature, the "glass ceiling" comes in many forms: women's under-representation at the corporate hierarchy, gendered wage gap, occupational segregation, discriminative corporate policies, lack of attention to the specific needs women have, sexual harassment at the workplace, exclusion of women from informal networks. The "Glass Ceiling" exists across all countries and is most evident at higher executive levels, particularly at the most senior level where female chief executives are very rare (Oakley 2000). A consultant firm in women's employment surveyed CEO's and personnel officers at 1000 leading companies and found that women hold a executives and board directors in the 70000 largest German companies was between 1 % and 3 %, while their share of senior and middle management was 6% and 12% respectively, by Catalyst, 1990. The fig.1 shows that women reaching at top level are very few in compare to men.

OBJECTIVES

Study is being conducted to focus on the following objectives:

- i) To explore why there are few women's at top positions.
- ii) Is the Glass Ceiling a myth or reality?
- iii) To recommend few suggestions as of how to overcome this problem by professionals and organizations.

METHODOLOGY

The present study has been done with the analysis of secondary data. The data has been collected from various articles, newspapers, journals and archives. In addition to this the data has been collected from various interim and annual reports presented to The Centre of Women's Business Research, Centre for Advanced Human Resource Studies etc. Many published, unpublished and electronic sources has been referred.

BARRIERS FACED BY WOMEN IN MANAGEMENT JOBS**1- MALE –DOMINATED WORLD**

There are various reasons that why women's drop out? That can be an individual or societal factor which intrudes on their career development. The socio-cultural, legal, personal and organizational that affects women's to rise to the upper echelons of an organization. Women's generally prefer sitting jobs rather than a movable jobs. Like men they can't stay late nights at work and tour frequently as they are loaded with home responsibilities. They are paid less than the male counterparts as they are considered to be less productive. Theoretically, every women are capable and competence to reach at the top of her organization. If we look women like Indra Nooyi and Chanda Kochchar, they were highly self-confidence and emotional quotient, persistence and patience, a good leader and an extremely supportive family and luck somewhere, which differs them from other talented females. Often women's are having technical competencies, they are deprive of the opportunities that would capitulate them to the upper echelons.

2- LACK OF LEADERSHIP STYLE

Jobs like doctors, teachers, nurses etc are "feminine" where as jobs like senior manager, Vice-president, CEO etc. are viewed as "masculine". Women are seen as "soft and indecisive" or "hard and pushy". Many organizations have deep-rooted notions about women's capability to pursue high leadership positions. These approaches reduce the leadership capabilities of women and discourage them to hold leadership positions in organizations. Ms. Sunita Sharma, MD & CEO, LIC Housing Finance, who has break the glass ceiling, in an interview with "Times of India" said, she dislikes being labeled a 'women' achiever. She says that today women are climbing the corporate ladder more in India than in abroad. Further her advice, never feel that we are different from men and we have to stand shoulder-to-shoulder with men.

3- STRUGGLING WITH WORK-FAMILY BALANCE

The biggest challenge that women face while climbing the corporate ladder is to make a proportionate balance between work and family. They have managed with multiple roles of being a wife, mother, daughter-in-laws and working women off course. However, the idea of male "homemaker" is still alive to Indian culture.

A survey conducted on 3900 executives in 39 countries by "Accenture Global Study" states that only 28 in 100 women are able to maintain equilibrium between professional and personal lives. Especially women's at the age of 30's face this problem a lot. ICICI Bank Chief Chanda Kochhar says, due to these many women's drop out at this age. Shikha Sharma, Managing Director of Axis Bank, agreed that now a days the concept of nuclear family is growing because of which family support systems are definitely breaking down. Now a day the outlook of grandparents are changing they think that why they should take care of your baby when they had already looked after you, said Sharma.

They are restricted with family reasons due to which they can't take transfers or promotions. Women's resist mobility and compromise to stick with their current position. The ASSOCHAM study highlight that because of health problems, gender discrimination and possessive husband are some prominent factors that obstructing growth prospects of career women.

4- GENDER-BIASED COMPENSATION

One of the big hurdle faced by female executives are gender-biased compensation. They are substantially paid lower than their male colleagues. Indra Nooyi, who runs on of the leading US brand companies, has an annual compensation package that is worth half of her male counterpart at McDonald's(MCD-news people). In a survey conducted at India Inc. about employment discrimination reveals that only 1% of Chief Executive Officers in India are Women and only 465 out of 9000 board members in 1500 companies were women. The survey reveal that women's are getting 40% less salary than men and that 90% of them are underpaid. India poor ranked 115 out of 128 countries in terms of economic empowerment of women in a survey conducted by consulting firm Booz & Company in 2012. There is a stereotyped view that she is weaker and acquiescent person. At most of the work place they have to face inequality as they are considered low productive than the male peers.

Further it shows that women's are trapped under the invisible glass ceiling and it's hard to break, but not impossible. They possess the competencies, skills, knowledge and capabilities, only they need is the awareness among themselves. They have to overcome the obstructions and challenge their colleagues such as "why him and not me?" Despite the presence of a notional labyrinth and an unyielding glass ceiling, there are several successful and ambitious women's like Arundati Bhattacharya, first lady Chairperson at SBI, Chandda Kochhar (ICICI Bank), Naina Lal Kidwani (HSBC), Amirta Patel (National Dairy Development Board), Kalpana Morparia (JP Maorgan India) and many have proofed themselves as they are superior than men.

CRACK THE GLASS- CEILING

Indian women's are facing social, economic and political challenges. These challenges has to crack down by them only. "Women are capable of bringing about lasting change to improve their lives and that of their community", said Kurunji Ulaka, a tribal women from the State of Odisha. Mrs. Sunita Sharma, MD & CEO, LIC Housing Finance says that "women should never feel they are different from men, today women are climbing the corporate ladder more in India than abroad." The following leadership lessons, synthesize and update the women who know what it takes to get to the top:

- a- Be Determined : If the women want to get into the top they have to stay determined. Beth Brooke, global vice chair of Ernst and Young, was diagnosed with a degenerative hip disease at the age of 13 yrs and doctors told her that she will never walk. But before going for the surgery she was determined that she would walk and aspired to become one of the best young athletes of the world. Today she ranked amongst 100 most powerful women in the world.
- b- Be Courageous: Women have to be fearless and courageous to take up the roles. Rekha Menon, MD,geographic ops, Accenture says men often rush to conclusions about women workers can't travel, she has a baby. But have they even bothered to ask her? Women get excluded from roles without even getting the opportunity to raise their hands. She says we have taken initiatives to implement flexi hours and work to home.
- c- Think Bigger: To achieve big success, women have to have big impact. She prides herself more as a team player than an individual achiever and believes in the power of human potential to scale up any business.
- d- Take calculated risk: To move the needle, you have to make a big bets- but never rush or give-up, but put yours all afford to hit the challenges. Women's have the problem of own self-limiting beliefs, they feel guilt that they can't devote enough time at home. Women have to set their priority and have to get out from their comfort zone.
- e- Remain Disciplined: To achieve something and maintain success it needs to be disciplined. One can simply can't do everything and the world's most powerful women stay focused on the areas that will have the biggest impact from both a leadership perspective and a career management perspective.
- f- Balance and understanding your own need: Its important to achieve balance in her life and take care of herself. She should take care of her health. Women should not belief that self care is selfish.

CONCLUSION

Women in management across the countries and in India shows that there are certain universal features apart from the cultural attributes and specificities for which unable the women' sto break the Glass- ceiling. Women have to work harder than men to gain the same recognition. In India the women's are facing societal pressure. On the other hand, the sense of familial duty and support helps women get back on track after a hiatus.

In one of the report the number of women at the top management positions as well as on companies boards is likely to increase by 2020, a report by consulting and technology company Accenture has said. Around 40% Indians feel there will be slight increase in the percentage of women who hold seats on Boards of Director at Companies.

Apart from all these society have to understand the problems and feelings of woman. Indian society and coporate have to understand and improve their working life. The corporate should adopt for flexible working hours, compensatory leaves and medical benefits. Companies can provide them training and be in touch with them while they are on maternity leave or when there's a long break in their work cycle. Offering reliable child care options is the key which will help women's to grow in their career.

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INNOVATIVE STRATEGIES USED FOR SUSTAINABLE LEADERSHIP

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ABSTRACT

A good leader must have the discipline to work toward his or her vision single-mindedly, as well as to direct his or her actions and those of the team toward the goal. Action is the mark of a leader. A leader does not suffer "Analysis Paralysis" but is always doing something in pursuit of the vision, inspiring others to do the same. This article highlights the issues like, Top 10 Leadership Qualities for sustainability, Positive and Consistent Leader for sustainability, the role and relevance of consistent leader in an organisation, Relational Model for Sustainability Leadership, Five action-and-mind sets for effective leaders. The paper is also conveying the major duties of sustainable leader. The study concludes as the Companies should be aware of framing as well as implementation of best practices of HR for sustainability according to the workforce environment. The article has come out with suggestion through best ideas which Companies can make utilise of it.

KEYWORDS

Innovative strategies, sustainable leadership.

INTRODUCTION

Leadership can be defined as one's ability to get others to willingly follow. Every organization needs leaders at every level. A leader must be able to communicate his or her vision in terms that cause followers to buy into it. He or she must communicate clearly and passionately, as passion is contagious. A good leader must have the discipline to work toward his or her vision single-mindedly, as well as to direct his or her actions and those of the team toward goal. Action is the mark of a leader. A leader does not suffer from "analysis paralysis" but is always doing something in pursuit of the vision, inspiring others to do the same.

PHILOSOPHICAL VIEW ON LEADERSHIP

What is the philosophy of leadership? How the leader should behave? Is there is any inner code or philosophy, that guides leader's behavior? When leader force to articulate his own beliefs, it causes to think about them, commit to them and then to live them?

PHILOSOPHICAL THOUGHTS FOR SUSTAINABLE LEADERSHIP**LOOK INWARD FIRST**

When things don't go right, always look at yourself first to see what you could have done differently to prevent it. When someone who works for you is fired, when a good employee leaves to go somewhere else, when there is unrest or poor morale ask yourself what you could have done differently. It's too easy to blame everyone else:

COMMIT TO GROWING THE PEOPLE AROUND YOU

This is simply a great win/win. The more you help people take additional responsibility, the more they are motivated and challenged, and the more you can accomplish. There are many well-intentioned managers and business owners who don't understand the value of this.

PRACTICE TACTFUL HONESTY

It sounds so basic, yet so many people afraid to practice this simple principle. Tell people the truth about their performance. Admit when you've made a blunder. Be authentic about how you are feeling about things. It's contagious. You'll see less politicking and more people expressing their honest opinions.

RESPECT PEOPLE

If you believe this, you will strive to treat each person with as much respect as you show to the big wigs at the top of the organizational food chain. Take time to listen to your employees' concerns and ask about their families. Give them the same attention as your customers with big checkbooks. Care about their success and they will take care to help you with yours.

ACT WITH CONSISTENCY TO BUILD TRUST AND SECURITY

You need to be a rock. When deadlines are looming and stress is gushing out of everyone's pores, the people around you will take their cues from the tone you set. If you freak out, things will only get worse.

APPRECIATE LITTLE THINGS AND YOU'LL GET BIG THINGS

You can't pay people enough for the things you expect from them every day. You can't afford it. The only currency you have to give them is your appreciation. Notice when they work through their lunch hour. Comment when they've improved something, no matter how small. Pay attention when they go out of their way.

EMBODY THE VISION AND MISSION OF YOUR WORK

You need to live it and breathe it. As you make decisions, consciously mention how those decisions will support the vision and mission of the company. When you delegate work, use the opportunity to connect what employees are doing to the goals of the company. Talk about it in meetings. Involve as many people as you can when you develop business strategies and action plans. When you hear people talking about it and see them using it to guide their own decision making, you know you're making progress.

Sustainable leaders are individuals who are compelled to make a difference by deepening their awareness of themselves in relation to the world around them. In doing so, they adopt new ways of seeing, thinking and interacting that result in innovative, sustainable solutions.

ATTENTION TO THE LEADERSHIP PROBLEMS

System transformation of the type educators now aspire to cannot be accomplished without first ensuring solid leadership at all levels of the system. Establishing the high-quality leadership that will facilitate reform is difficult because we are starting in a hole: we are losing scores of talented people as demographics shift and early retirements mount. These changes, of course, also provide an opportunity for new leaders to emerge, but the turnover is so high that we need to devote massive attention to the leadership "problem." Fortunately, significant conceptual and empirical work is underway as educators and researchers seek to understand leadership under dynamically complex conditions. Presently Leaders need to create a fundamental transformation in the learning culture of Schools and Organization for better future.

According to Goleman's study, there are 18 specific competences that cut across the four domains. Goleman and his colleagues emphasize that these competencies are not innate but are learned abilities. In essence, the study found that emotionally intelligent people and leaders live better and more effectively in complex times. It doesn't mean that they live more peacefully, but that they can handle more uncertainty, conflict and are better at working through complex issues in ways that energize rather than deplete the commitment of organizational members. The study also gives Five characteristics of effective Leader: Teamwork and developing others; Drive and confidence; Vision and accountability; Influencing tactics and politics; and Thinking styles.

In the GLOBE research project on leadership worldwide, Leadership is contextual; it was found that the most important factor in order to succeed as a leader is to be accepted by your subordinates. Acceptance is based on fulfilling or exceeding their expectations. Expectations are highly individual, dependent upon the context and shaped by each worker's experience and competence. Contextual factors include variables such as the Nature of work, Type of organization and the External environment.

CONTEXTUAL FACTORS OF LEADERSHIP

Firstly, leadership is affected by the type of competence required of your employees, the competence level of your subordinates and the knowledge intensity of their work. Well educated, highly competent workers, in knowledge intensive organizations, such as medical doctors or engineers, do not accept incompetent leaders.

Secondly, leadership is affected by the organizational value configuration, hierarchical level of the unit and type of organization. Problem solving workers, in value shops, working in central staff departments, for public sector organizations, such as senior advisers and experts, do not accept invisible and unavailable leaders without an opinion.

Thirdly, leadership is affected by the nature of products, services, customers, suppliers and competition, the stage in the organizational life cycle and the cultural context. Employees in a company, delivering services highly dependent upon tight interaction with customers and suppliers, and in the start-up phase, such as software developers, do not accept leaders that try to control subordinates and enforce structure. They prefer leaders that communicate a vision, provide the necessary resources and recruit talented co-workers. Moreover, in the GLOBE project they found that as many as thirty-five personal attributes of leaders are viewed as contributing to good leadership in some societies, and as inhibiting good leadership in other societies.

Individuals' experience from everyday life, education and job, encounters with subordinates, co-workers and leaders, professional knowledge, knowledge of leadership and management per se, personal skills, talents and aptitudes, will also shape their leadership expectations. Employees that have experienced punishing teachers, leaders focusing on individual performance pay, and have studied leadership and motivation, do not accept leaders that focus on extrinsic motivational factors. They embrace leaders that promote intrinsic motivation and a cooperative working environment.

Consequently, people have different perceptions and expectations of leadership and leaders influenced by contextual factors in the present, past experiences, and knowledge, skills, talents and aptitudes. There is no one best way of leadership. Then how can we ensure sufficient consistency while adapting to each individual's needs and expectations? hence, leadership is performed in the relation with other people and the most important task is to lead and manage.

POSITIVE AND CONSISTENT LEADER FOR SUSTAINABILITY

The people follow the leader who demonstrates the willingness to bring a positive result. One can follow the leader in his extremely difficult times, when he believe he is on the right track. The leader has to shed the positivity and the messages have to be about simple positive messages, one can believe in.

THE TOP 10 LEADERSHIP QUALITIES FOR SUSTAINABILITY

- Analysis:** A leader does not suffer from "analysis paralysis" but is always doing something in pursuit of the vision, inspiring others to do the same.
- Integrity:** It is the integration of outward actions and inner values. A person of integrity is the same on the outside and on the inside. Such an individual can be trusted because he or she never veers from inner values, even when it might be expeditious to do so. A leader must have the trust of followers and therefore must display integrity.
- Dedication:** Means spending whatever time or energy is necessary to accomplish the task at hand. A leader inspires dedication by example, doing whatever it takes to complete the next step toward the vision. By setting an excellent example, leaders can show followers that there are no nine-to-five jobs on the team, only opportunities to achieve something great.
- Magnanimity:** Means giving credit where it is due. A magnanimous leader ensures that credit for successes is spread as widely as possible throughout the company. Conversely, a good leader takes personal responsibility for failures. This sort of reverse magnanimity helps other people feel good about them and draws the team closer together. To spread the fame and take the blame is a hallmark of effective leadership.
- Humility:** Recognize that they are no better or worse than other members of the team. A humble leader is not self-effacing but rather tries to elevate everyone. Leaders with humility also understand that their status does not make them a god.
- Openness:** Means being able to listen to new ideas, even if they do not conform to the usual way of thinking. Good leaders are able to suspend judgment while listening to others' ideas, as well as accept new ways of doing things that someone else thought of. Openness builds mutual respect and trust between leaders and followers, and it also keeps the team well supplied with new ideas that can further its vision.
- Creativity:** It is the ability to think differently, to get outside of the box that constrains solutions. Creativity gives leaders the ability to see things that others have not seen and thus lead followers in new directions.
- Fairness:** Means dealing with others consistently and justly. A leader must check all the facts and hear everyone out before passing judgment. He or she must avoid leaping to conclusions based on incomplete evidence. When people feel that they are being treated fairly, they reward a leader with loyalty and dedication.
- Assertiveness:** It is not the same as aggressiveness. Rather, it is the ability to clearly state what one expects so that there will be no misunderstandings. A leader must be assertive to get the desired results. Along with assertiveness comes the responsibility to clearly understand what followers expect from their leader.
- Sense of humor:** It is a vital to relieve tension and boredom, as well as to defuse hostility. Effective leaders know how to use humour to energize followers. Humour is a form of power that provides some control over the work environment. And simply put, humour fosters good camaraderie. Intrinsic traits such as intelligence, good looks, height and so on are not necessary to become a leader. Anyone can cultivate the proper leadership traits.

THE ROLE AND RELEVANCE OF CONSISTENT LEADER IN AN ORGANISATION

The leader gives a vision to the organization, why it has to exist and what improvements it brings to our lives. The role of the leader is not set the clearly financial targets, but the leader sets the organization in several years. The leader has its vision, about the market and the vision about the products, the company sells and will sell in the future.

The leader has to make the decision influencing the future of the organization and the decisions have to be consistent with the leader's vision. The leader cannot just make judgments; the leader has to make a real follow-up of the decisions made. Especially, when the leader makes the important decision, he has to do a follow-up to see a successful implementation of the decision.

The leader sets the basic scope for the strategic initiatives leading to the implementation of the vision. The leader cannot leave the employees and managers to implement it without the following and providing the strategic advices. The leader has to be fully consistent as the members of the organization expect the leader to make the strategic decisions during the implementation. The leader cannot leave the strategic initiatives. The leader can leave the strategic initiative, when the implementation is finished and the employees can see the positive results affecting their lives in the organization.

The leader can show hesitation. The hesitation is not a sign of fragility. It is a sign of weighting pros and cons, which is natural. The leader can easily answer the question "I do not know". The leader cannot answer "I do not care". The employees expect the leader to be interested in their issues and troubles. The hesitation can help as the employees see, the leader does want to understand the problem before making the advice or a decision.

The positive and consistent leader is a must as the employees will not follow the positive leader in a long run as the leader does not promise any positive in the future and the bad habits start to spread across the organization. Without the positive and consistent leader the organization will die. Sooner than later Honesty, respect for others, consistency part of being a leader.

SUSTAINABILITY LEADERSHIP RELATIONAL MODEL

This research based Sustainability Leadership Relational Model illustrates the interrelationship of behavioral themes practiced by effective sustainability leaders.

It includes:

- Take responsibility,
- look for holistic interconnections,
- convene constructive conversation,
- embrace creative tension,
- facilitate emerging outcomes,
- understand social change dynamics,
- experiment learn and adjust,
- expend conscious awareness,

What standards were to the 1990s, leadership is to the future? This shift depicts awareness that standards strategies by themselves are not powerful enough to accomplish large-scale, sustainable reform.

Leaders from successful educational organizations with those from successful businesses, it found similar traits between the two groups. School leaders have an edge on moral purpose (but only an edge), and business leaders have an advantage in developing and sharing knowledge and setting expectations for excellence. But these are differences of degree. Essentially, leaders across all organizations shared a core of action-and-mind sets.

FIVE ACTION AND MIND SETS FOR EFFECTIVE LEADERS

1. A strong sense of moral purpose
2. An understanding of the dynamics of change
3. An emotional intelligence as they build relationships
4. A commitment to developing and sharing new knowledge
5. A capacity for coherence making.

MAJOR DUTIES OF SUSTAINABLE LEADER**THE TEAMWORK CHALLENGE**

The one area that was most difficult to carry out for both business and education leaders was developing and sustaining teamwork. The teams across airline crews, symphony orchestras, and multiple business organizations and concluded that not only must the leader be enormously sophisticated about team development, but also certain conditions must be in place for effectiveness to transpire.

Effective work teams are "operate in ways that build shared commitment, collective skills, and task-appropriate coordination strategies--not mutual antagonisms and trails of failure from which little is learned" the leader then delves into the five conditions that he and his colleagues found were required for teams to be effective over time.

THE SPIRITUAL DOMAIN

According to Charles Handy, he suggest five interrelated themes that have simultaneous cause and effect properties--that is, in combination they create conditions that enhance the chances of sustainability.

The themes are opportunity and depth of learning, policies for individual development, learning in context and systemness, leadership succession and leaders at many levels, and improving the teaching profession.

LEADERSHIP SUCCESSION AND LEADERS AT MANY LEVELS

Succession planning needs attention at all levels. There is no more-neglected topic in research, policy, or practice. Researchers should investigate the optimum conditions for successful succession as much as we focus on new leaders and startups. Organization should select leaders in terms of their capacity to create the conditions under which other leaders will flourish, leaving a continuing effect beyond their term. In this sense, the main mark of successful leaders are not their effect on the bottom line--of profit & achievement of organization goal--in the short run, but rather how many effective leaders there are in the organization at the end of their tenures.

CONCLUSION

Sustainable working practices result in clear business benefits that are now, more than ever, of vital importance. Greater efficiency and productivity from a more motivated and committed workforce along with better recruitment quality and retention of key staff are just some of the outcomes resulting from the implementation of effective Leadership. For this one has to understand the need of leadership sustainability clearly. And has to give importance for the major emerging issue of the era HR sustainability. Companies should be aware of implementation of best practices in HR according to the workforce environment. In this paper I have intended to bring out some of the best ideas which companies can best practices in HR for Sustainability through Leadership.

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CSR – SERVICE TO THE STAKEHOLDERS: INITIATIVES AND PRACTICES IN INDIA

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ABSTRACT

Economic globalization, besides offering opportunities for economic growth, has also given rise to a number of interrelated concerns in the social and environmental realms. The corporate world has been under immense pressure from various stakeholders to behave in a socially responsible manner through corporate self-regulation and voluntary initiative referred to as Corporate Social and Environmental Responsibility (hereafter referred to as CSR). Authors argue that the idea of corporate involvement in social welfare and responsible behaviour in business is as old as business itself in India. This paper attempts to show that business charity or corporate philanthropy – regarded as the earliest manifestation of CSR – is no longer considered an adequate response to the demands for social responsibility, given its limited rationale and scope. It further attempts to differentiate between charity, philanthropy, CSR and corporate citizenship and captures the shifts from corporate charity and philanthropy to corporate citizenship in India, with CSR in between. It identifies the common thread running through the constructs such as charity, philanthropy, CSR and corporate citizenship is service motive; the very idea which was envisioned by Sri Ramakrishna and explained by Swami Vivekananda. In the words of Swami Vivekananda “It is our privilege to be allowed to be charitable, for only so can we grow. The poor man suffers that we may be helped; let the giver kneel down and give thanks, let the receiver stand up and permit”. In line with the CSR practices, the paper finally delineates various corporate initiatives in India prompted by service to the employees, customers, suppliers, owners, environment, government and the community in general.

KEYWORDS

CSR, corporate citizenship, philanthropy, service.

INTRODUCTION

Corporate social and environmental responsibility (hereafter referred to as CSR) is predominantly considered a western phenomenon due to its strong institutions, standards and appeal system which are found to be relatively weak in developing countries in Asia (Chapple & Moon, 2005). Aaronson (2002) argues that the concept, though evolved and developed in US, matured in Europe. As per a survey by KPMG (2005) Asian firms have been found to lag behind their western counterparts on CSR practices. By drawing practical instances from the corporate world, this paper is a humble effort to portray that the lifeblood of CSR is service first and service last.

UNDERSTANDING CSR

Authors argue that the idea of corporate involvement in social welfare, as voluntary response to social issues and problems (Vardarajan & Menon, 1988) and responsible behaviour in business, is as old as business itself (Sood & Arora, 2006). The term CSR includes environmental, social and human rights based impacts and initiatives of companies (Ward & Fox, 2002) and in many countries both concept and practice taken very seriously (Hopkins, 2003). A firm's survival and success depends on the ability of its managers to create sufficient wealth and satisfaction for its primary stakeholders (Clarkson, 1995). Primary stakeholders include employees, shareholders, customers, suppliers, communities and natural environment. When stakeholders lose confidence in a firm's performance, the firm loses its critical support structure and customer base (Lee, 2008). Customers stop buying products or go for legal suits, shareholders sell their stocks, employees do not perform and environmental advocates sue (Wood, 1991). On the other hand, firms that are able to establish relationship with primary stakeholders beyond market transactions gain competitive advantage (Barney & Hansen, 1994; Fombrun & Shanley, 1990). Effective management of key shareholders acts as a value driver by leveraging performance and reducing stakeholder-inflicted costs. Lower employee turnover reduces hiring and training costs; legal suppliers reduce quality certification costs; supportive communities reduce legal and public relations overhead and stable shareholders reduce stock market volatility (McVea & Freeman, 2005). In order to achieve sustainability and prosperity, firms must identify key stakeholders affecting its business, identify their needs and design organizational policies and practices to cater to them. As per definition by Asian Productivity Organisation (APO) social responsibility is a series of actions taken by business enterprises and the professional managers for the employees, customers, suppliers, owners, government and the community in general to meet the needs and interests of these publics because business is a creation of society and must therefore, serve that society if it is to remain viable. Such actions are either to be made voluntary for goodwill, business necessity and cultural requirements or compulsorily to satisfy legislation and social pressures (APO, 1983).

CSR IN INDIA

The social background of India's business class is not homogeneous but made up of several traditional business communities (Tripathi, 2004). In keeping with the caste system prevalent in India, production was carried out by the artisan caste while production and distribution was largely financed by merchants (Rothermund, 2000). The Parsis, the Marwaris, the Gujratis and the Chettiars, had established examples not only in business but also in philanthropy (Sundar, 2000). Srivastava and Venkateswaran (2000) gave four reasons for adoption of CSR policies and practices by Indian companies. Contributing to society without expecting anything in return, or philanthropy, is the first reason; internal reasons, such as desire to improve relations with local communities, employees, customers and shareholders, is the second reason; better relations with the local communities, whether for publicity or for benefits, is the third; and finally, enlightened self interest. Sundar (2000) differentiates between charity, philanthropy, CSR and corporate citizenship and captures the shifts from merchant charity to corporate citizenship in India, with CSR in between. She highlights three distinctive features of Indian philanthropy. First, it is largely a story of Indian businessmen (not women). Second, it is a story of indigenous rather than expatriate business. Third, as in most of Asia, philanthropy is largely story of family business. She has clearly delineated four phases of Indian philanthropy which is relevant for our consideration.

DURING EARLY INDUSTRIALISATION (1850 – 1914)

This phase witnessed a shift from charity for purely religious reasons toward a more western form of philanthropy supposedly which is more secular in nature, extending benefits regardless of caste, creed and community and is aimed at bringing progress to society through modern institutions (Sundar, 2000). Rich business families set up trusts and institutions such as schools, colleges, hospitals, orphanages, widow homes, art galleries and museums. Such a movement was spearheaded by Jamsetji Jejeebhoy (1783 – 1859), Jamsetji Tata (1839 – 1904), Dinshaw M. Petit (1823 – 1901) and Premchand Roychand (1831 – 1906) of Gujrati and Parsi communities of the then Bombay. Lala (2004) states that Jamsetji Tata established J.N. Tata Endowment Fund (in 1892) to offer scholarships to students and pioneered labour welfare (installation of a humidifier and water sprinklers in his Nagpur Textile Mill in the 1870s; institution of pension funds; initiation of compensation for accidents etc). The substantial amount of Rs. 110 million left by Sir Dorab Tata was used to establish the Sir Dorabji Tata Trust, which eventually promoted Tata Memorial Centre for Cancer Research and Treatment, Tata Institute of Social Sciences (TISS) and Tata Institute of Fundamental Research (Lala, 2004).

GOLDEN AGE OF INDIAN PHILANTHROPY (1914 – 1960)

Industrialists like G.D. Birla (1894 – 1983), Jamanlal Bajaj (1884 – 1942), Lala Shri Ram (1884 – 1963) and Ambalal Sarabhai (1890 – 1967), all believed to have been influenced by Mahatma Gandhi and his theory of the “trusteeship” of wealth (Narayan, 1966), contributed greatly to Gandhi’s reform programs, such as those targeting the situation of the untouchables, women’s empowerment and rural development (Sood & Arora, 2006). In 1944 a group of industrialists, including J.R.D. Tata (1904 – 1993) and G.D. Birla, developed a survey called the Bombay Plan identifying India’s post war economic requirements and a detailed plan to achieve them (Tomlinson, 1979; Das, 2002). After independence, initiatives such as establishing institutes of scientific and technical research, study of Indian history and culture and scholarship funds to needy students etc., undertaken by the private business houses have been credited more to enlightened self interest rather to philanthropic activities.

REFINED PHILANTHROPY UNDER SOCIALIST POLITICAL PATTERN (1960 – 1980)

This period was fraught with social, economic and political troubles. The national strategy of import substitution, industrialization, foreign exchange control, reservation for and protection of small scale industries, industrial licence and raw materials etc. led to decline in interest in corporate philanthropy. At the same time there was surge in corporate malpractices and manoeuvring for survival and growth (Sood & Arora, 2006). Situation worsened by bureaucracy and corruption at both national and state levels. Unethical practices by some businesses and their narrow focus on profits contributed to a feeling of mistrust in the Indian business society (Sundar, 2000). A variety of changes such as growing dislike of the private sector, increasing efforts on the part of the Government to curb concentration of wealth in the hands of few industrialists, unwillingness on the part of the business to abide by principles and initiation of several enquiry committees by the Government provided impetus to renewed interest in social concerns in the new form of corporate philanthropy, as opposed to family business philanthropy. A seminar organized by Jayaprakash Narayan in 1965 ended with the adoption of a declaration that the social responsibility of an enterprise is responsibility to itself, its customers, workers, shareholders and the community (Narayan, 1966). The concept therefore matured from narrower notion of charitable giving for community affairs (Upadhyay, 1976) to the idea that business must be profitable, just, humane, efficient and dynamic (Narayan, 1976). The shift was considered essential for protecting business autonomy and interests as well as restoring its own power and prestige in order to better resist government control. Concerns over ethical practices and environmental issues started gaining importance. Business becomes concerned with wider aspects such as forest protection, scientific and technical education, preservation of monuments, women’s rights and consumer education (Sundar, 2000).

SOCIETY, RESPONSIBILITY AND NEW ACTORS (1980 ONWARDS)

Socially, underdeveloped persisted in the 1980s and much of 1990s. large population living below poverty line, high rate of adult illiteracy, villages with no potable drinking water, shrinking forest cover, child labour, widespread human rights abuse, infant mortality, children drop out from schools and discrimination against girl children etc. were found in high proportion. On the other hand, corporate sector witnessed high productivity and increasing revenue. Several new family-owned businesses such as Reliance Industries, Escorts, Gujarat Ambuja and Ranbaxy etc. became successful in very short time. Around the same time apolitical grassroot social formations began to emerge which eventually took the organizational form of NGOs (Kothari, 1986a, 1986b). These NGOs started drawing attention of the Government and the prospering corporate sector to the social poverty and deprivation. Sundar (2000) has termed this stage of renewed perspective, scope and rationale of social responsibility of business as ‘corporate citizenship’ as it moved away from charity and traditional philanthropy towards more direct engagement in mainstream development concerns and helping disadvantaged groups in society.

SERVICE: THE COMMON THREAD

Having considered the concept of CSR and how it has evolved over the last century in India, the focus is now turned to the very idea of service which CSR seeks to render to the various stakeholders. Besides other great personalities who defined and redefined service, in the words of Swami Vivekananda, “It is our privilege to be allowed to be charitable, for only so can we grow. The poor man suffers that we may be helped; let the giver kneel down and give thanks, let the receiver stand up and permit”. This section makes an attempt to present what the corporate world may draw from the teachings and practices of Sri Ramakrishna and Swami Vivekananda in keeping with its objective of becoming more and more socially responsible.

One of the objectives of Ramakrishna Math (which is a monastic organization for men brought into existence by Sri Ramakrishna (1836-1886), the great 19th century saint of Bengal, who is regarded as the Prophet of the Modern Age) and Ramakrishna Mission (it is a registered society in which monks of Ramakrishna Math and lay devotees cooperate in conducting various types of social service mainly in India. It was founded by Sri Ramakrishna’s disciple Swami Vivekananda (1863-1902), one of the foremost thinkers and religious leaders of the present age.), which are twin organizations forming the core of a worldwide spiritual movement (known as Ramakrishna Movement or Vedanta Movement), is all-round development of human faculties, social equality and peace for all humanity, without any distinctions of creed, caste, race or nationality. Based on the principles of practical Vedanta, the twin organizations make all possible attempts to alleviate human suffering by spreading education, rendering medical service, extending help to villagers through rural development centres, etc. They also work for the all-round welfare of humanity, especially for the uplift of the poor and the downtrodden. Swami Vivekananda has given a noble philosophy of work for the modern world. He taught that all work is sacred. Even menial work such as sweeping the floor or mending shoes is to be done with as much attention and devotion as work in the shrine. In Ramakrishna Math and Mission, service is not restricted to a particular type of activity conducted at a particular time, but is a *way of life*. Various activities cover different areas of human need and social welfare such as education, health, rural development, self-employment, women’s welfare, moral life, spiritual guidance and relief to victims of calamities. All these activities are conducted as service, service to God in man. *Service as a way of life* as practiced in these twin organisations has distinct features, such as, selflessness, sacrifice, love; liberty, equality, fraternity; excellence, efficiency, teamwork; truthfulness, honesty, transparency and social commitment without politics. It seems these are the very features that the corporate world has been required to engage in and fulfil. The very idea of CSR is service to the society as business is a social organization even before it is a corporate organization. What Sri Ramakrishna taught about service to humanity was practiced by Swami Vivekananda. Ramakrishna Math and Mission, following the footsteps of both of them, have moved into medical service, educational service, work in rural and tribal areas, relief and rehabilitation work, welfare programs for youth and women and mass contact etc. As per data available till March 2011, Ramakrishna math and Mission has established 1010 centres for medical facilities including hospitals, dispensaries, mobile medical units, medical camps, old age homes, nurses’ training institutes and institutes for paramedical courses etc. The Math and the Mission centres lived up to their reputation in the field of education. They have established 1239 educational centres including degree colleges, Sanskrit college, teachers’ training institute, junior basic training institute, secondary and higher secondary schools, hostels, student homes, orphanages, polytechnics, junior technical and industrial schools, computer training centres, schools of language, vocational training centres, rural development training centres, non-formal education centres and coaching centres etc. Rural and tribal welfare work has come to occupy a prominent place in the list of services rendered by the Math and the Mission. Besides their multifarious permanent constructive works, from their very inception, the Ramakrishna Math and Mission have ever been ready to promptly organize ameliorative and healing services whenever the nation has been faced with sudden calamities caused by freaks of nature, follies of men, or scourges of epidemics. Its relief activities have also extended well beyond Indian borders. To date the Ramakrishna Math and Mission have together conducted hundreds of relief works in India, Burma, Bangladesh and Sri Lanka, during calamities and hardships issuing from such a variety of causes as famines, floods, fires, epidemics, cyclones, tornados, riots, earthquakes, landslides and droughts. Relief works for evacuees and refugees were carried out on a very large scale during some of the worst national calamities. More than hundred years of uninterrupted service have given the Math and Mission the experience and expertise from which scores of other organizations have drawn lessons. In 1897, when the Ramakrishna Mission started its first relief work, there were hardly any other organized services in the field. It was in fact a pioneering activity of the movement. Sri Ramakrishna warned against philanthropy being demeaned by desire for name and fame, he commended selfless acts of charity as being ‘very noble’. In another occasion he said that “Our principle, therefore, should be love, and not compassion. ... for us, it is not to pity but to serve” (see www.belurmath.org).

CORPORATE INITIATIVES AND PRACTICES IN INDIA

The corporate sector has engaged itself in giving to the needy of the society by way of scholarship funds, establishment of schools, colleges, institutions of higher studies, hospitals, arrangement of drinking water, development of roads, localities, maintenance of garden, forests, pilgrimage and rehabilitation works as and

when needed etc. Gautam and Singh (2010) have conducted a survey on the CSR practices of 30 Indian companies and their impact on the society. Most of the companies have undertaken projects which, directly and/or indirectly, led to community service, contributed to community development and provided for environmental protection. Castrol India has undertaken rehabilitation of earthquake affected victims in Gujrat. WIPRO, the IT giant, has been providing rehabilitation to the survivors of natural calamities and enhancing learning abilities of children from underprivileged sections. BPCL has provided for rain water harvesting, health awareness, HIV care and prevention measures. NIIT has launched International Women's Month uplifting Indian women, spread computer literacy and created awareness about AIDS. NTPC founded Global Compact Society for India in 2003 and has focussed on rehabilitation and resettlement policy, community work, gender equality and policy of grant of paternity leave etc. It has also been identified that CSR practices of companies such as Bajaj Auto, Mahindra and Mahindra, ITC, ICICI, Colgate Palmolive and few others, have directly and/or indirectly contributed to development of the community. Bajaj Auto by undertaking long term projects in rural areas seeks to develop the weaker sections of the society. Mahindra and Mahindra, another leader in the automobile industry, sets aside 1% of profit after tax for CSR practices such as free education for girls, free surgeries etc. ITC, the FMCG major, through its 'e-choupal' projects helps farmers to plan and build water harvesting structures, livestock development, promotes social forestry and integrated watershed development. Colgate Palmolive provides free oral care through different community programs. Hero Honda stresses that the company must do something for the community from whose land the company generates wealth. ICICI, though its various initiatives, seeks to empower million of economically and socially challenged Indians. Hindalco Ltd bagged the Asian Award for Integrated Rural Poverty Alleviation Program. Dabur India, the pharmaceutical FMCG, not only extracts its raw materials from the environment but, at the same time, promotes ecological regeneration and protection of endangered plant species. BHEL, the engineering major, adopted 56 villages and provided for infrastructure for schools for physically challenged children. Launching of wind electric generators, solar heating systems, solar photovoltaic systems, solar lanterns and battery powered road vehicles are some of its environment friendly innovations. Tata Steel in its "Green Millennium" campaign planted more than 1.5 million trees in order to contribute to healthy environment. Dr. Reddy's Lab, the pharmaceutical major, believes that prosperity of communities is integral to success of companies. It has greatly contributed to areas such as water usage, energy usage, wastewater usage, COD and TDS load discharge, HW-hazardous waste disposal and GHG emissions etc.

CONCLUSION

What the corporate world is doing today in order to remain socially and environmentally responsible seems to have been visualized, expounded and practiced by Sri Ramakrishna and Swami Vivekananda long ago. The real motive of CSR, regardless of how it is executed today, should be selfless service, honest and transparent disclosure of all relevant information to the stakeholders and social commitment leading to equality and excellence. Such service should be proactive, selfless and wholesome. The corporate world needs to be guided the philosophy of *service as a way of life*. The greater call is to 'give' than to 'receive'.

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CONSUMERS' PERCEPTION ON GRAND KERALA SHOPPING FESTIVAL AND ITS RELATION WITH BUYING BEHAVIOUR

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ABSTRACT

The investigator intended to identify the relationship between Perception on Grand Kerala Shopping Festival of Consumers and their Buying Behaviour during Grand Kerala Shopping Festival season 7. The other objectives of the study were to find the significant difference in Buying Behaviour of consumers at different levels of income and different age groups. Descriptive survey among consumers at Palakkad district was conducted by using Questionnaire on Consumer perception and Buying Behaviour Questionnaire. Correlational analysis, t test and one way ANOVA were used to analyze the data using SPSS 13.0. The result of the study reveals that there is low positive correlation between Perception on Grand Kerala Shopping Festival of Consumers and their Buying Behaviour during Grand Kerala Shopping Festival season 7. But there is a significant difference in the Buying Behaviour of Consumers at different levels of income and age group. The study would help the consumers to evaluate their perception on Grand Kerala Shopping Festival and to develop a better Buying Behaviour in the forthcoming year.

KEYWORDS

Grand Kerala Shopping Festival, Consumers' Perception, Buying Behaviour, Gender, Level of income, Age group, Locality.

INTRODUCTION

Grand Kerala Shopping Festival is a Shopping festival initiated by Government of Kerala and sponsored by Federal Bank started in the year 2007. It is conducted in the period of December to February every year. The main aim of Grand Kerala Shopping Festival is to develop the state as a hub for international shopping experience and helping the traditional marketing centres to develop their infrastructural facilities. The Grand Kerala Shopping Festival provides several offers for the traders and the discounts, offers and prizes for customers. Government of Kerala initiated this type of festival for the objectives like developing International trade, development in trade and commerce sector. The other objectives are to propagate traditional products and cultural heritage of the state and helping for brand building opportunities and promote tourism.

Grand Kerala Shopping Festival season 7 is conducted in the year of 2014 with several prizes and mega prizes. The Mega prizes were Rupees 1 Crore for one person, Rupees 10 Lakhs for 15 persons, Rupees 5 Lakhs for 20 persons and Rupees 1 Lakh for 5 persons. Besides these there are weekly prizes of gold coins in each district separately.

Traders are benefited with prizes for selling lucky coupons. The seller of first prize winning coupon will get Rupees 1 lakh and the sellers of second, third and fourth prize winning coupons will get Rupees 25000, 10000 and 5000 respectively. State Government signed a Memorandum of Understanding with 'Vyapari Vyavasayi Ekopana Samiti', the association of traders in Kerala and the Traders are provided with the opportunity of free registration for Grand Kerala Shopping Festival.

REVIEW OF RELATED LITERATURE

The investigator has tried to review studies on the shopping festival and found no reviews on Grand Kerala Shopping Festival specifically.

Timothy and Butler (1995) wrote that Shopping has been acknowledged to be a common tourist activity and a motivation for travel, especially in the case of cross-border trips.

Getz (2010) conducted a study on the festival motivations and actual experience of consumers in cross cultural context. He found that the cross cultural differences of festivals help consumers to develop new ideas on purchasing.

Peter and Anandkumar (2011) studied on the course competitive advantages of Dubai as a shopping Tourism Destination and focused on the importance of shopping festival on tourism development and retail success of Dubai. They found that the shopping festival provide Dubai a competitive advantage in positioning as a shopping tourism destination.

STATEMENT OF THE PROBLEM

CONSUMERS' PERCEPTION ON GRAND KERALA SHOPPING FESTIVAL AND ITS RELATION WITH BUYING BEHAVIOUR DURING GRAND KERALA SHOPPING FESTIVAL SEASON 7.

NEED AND SIGNIFICANCE OF THE STUDY

The number of traders registered for the Grand Kerala Shopping Festival is increasing year by year. This evidenced the positive attitude of the traders on the festival. Now the investigator wants to know the level of consumer perception on Grand Kerala Shopping Festival. The study may throw light towards the consumer's attitude and awareness on the Shopping festivals.

The main objective of Grand Kerala Shopping Festival is to increase shopping during the season among the Keralites and attract tourists for shop from Kerala. Thus the investigator wanted to study the buying behaviour of the consumers during Grand Kerala Shopping Festival season 7.

OBJECTIVES OF THE STUDY

1. To study the relationship between the Perception of Consumers on Grand Kerala Shopping Festival and their Buying Behaviour during the Grand Kerala Shopping Festival season 7.
2. To find is there any significant differences in the perception on Grand Kerala Shopping Festival among the consumers on the basis of their:
 - a. Gender,
 - b. Locality,
 - c. Income level and
 - d. Age.
3. To find is there any significant differences in the their buying behaviour during the Grand Kerala Shopping Festival season 7 on the basis of their:
 - a. Gender,
 - b. Locality,
 - c. Income level and
 - d. Age.

4. To find is there any significant relationship between the perception on Grand Kerala Shopping Festival and their buying behaviour during the Grand Kerala Shopping Festival season 7.

HYPOTHESES OF THE STUDY

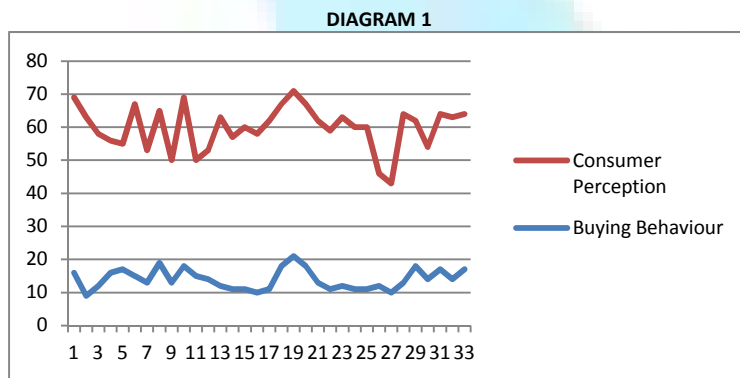
1. There is no significant relationship between the Consumers’ Perception on Grand Kerala Shopping Festival and their buying behaviour during the Grand Kerala Shopping Festival season 7.
2. There is no significant difference in the Buying behaviour of the consumers during Grand Kerala Shopping Festival season 7 on the basis of their gender.
3. There is no significant difference in the Buying behaviour of the consumers during Grand Kerala Shopping Festival season 7 on the basis of their locality.
4. There is no significant difference in the Buying behaviour of the consumers during Grand Kerala Shopping Festival season 7 on the basis of their income level.
5. There is no significant difference in the Buying behaviour of the consumers during Grand Kerala Shopping Festival season 7 on the basis of their age.
6. There is no significant difference in the perception on Grand Kerala Shopping Festival among the consumers on the basis of their gender.
7. There is no significant difference in the perception on Grand Kerala Shopping Festival among the consumers on the basis of their locality.
8. There is no significant difference in the perception on Grand Kerala Shopping Festival among the consumers on the basis of their income level.
9. There is no significant difference in the perception on Grand Kerala Shopping Festival among the consumers on the basis of their age.

METHODOLOGY

The methodology used for the study was Survey method. The investigator prepared a Questionnaire for Consumers’ perception on Grand Kerala Shopping Festival and Questionnaire on Buying behaviour of the consumers during the Grand Kerala Shopping Festival season 7. The dimensions used for Questionnaire on Consumers’ perception on Grand Kerala Shopping Festival are Gifts offered by the festival, Objectives of the festival, Awareness on the Festival. The dimensions of the Questionnaire on Buying behaviour of the consumers during the Grand Kerala Shopping Festival season 7 were Types of consumers, purchasing behaviour, Items purchased and efforts taken for getting informed. The tools were administered among thirty three consumers of Palakkad district, Kerala and the statistical techniques used were Percentage analysis, Correlation analysis, T Test and One way ANOVA.

RESULT AND DISCUSSION

The investigator used Correlation analysis for testing whether there any significant relationship between Consumers’ perception on Grant Kerala Shopping Festival and their Buying Behaviour during the Grant Kerala Shopping Festival season 7. The correlation value aroused was 0.017 and it evidenced that there is no significant relationship between the two variables. Thus the Hypothesis 1 There is no significant relationship between the Consumers’ perception on Grand Kerala Shopping Festival and their buying behaviour during the Grand Kerala Shopping Festival season 7 was accepted. The graphical representations of the values of the Consumers’ perception on Grant Kerala Shopping Festival and their Buying Behaviour during the Grant Kerala Shopping Festival season 7 are represented in the diagram 1.



Source – Primary data

The investigator used t test for testing whether there any significant difference in the Buying Behaviour between the consumers on the basis of gender. The result of the test is shown in Table 1.

TABLE 1: T TEST (TEST FOR SIGNIFICANT DIFFERENCES IN BUYING BEHAVIOUR AMONG THE CONSUMERS ON THE BASIS OF GENDER)

	GENDER	N	MEAN	T	Sig
BUYING BEHAVIOUR	M	10	13.3	1.107	0.301
	F	23	14.3		

Source – Primary data

From Table 1 it is clear that the T value aroused is not significant at 0.05 level. Thus the Hypothesis 2, There is no significant difference in the Buying behaviour of the consumers during Grand Kerala Shopping Festival season 7 on the basis of their gender is accepted.

The investigator used t test for testing whether there any significant difference in the Buying Behaviour between the consumers on the basis of locality. The result of the test is shown in Table 2.

TABLE 2: T TEST (TEST FOR SIGNIFICANT DIFFERENCES IN BUYING BEHAVIOUR AMONG THE CONSUMERS ON THE BASIS OF LOCALITY)

	LOCALITY	N	MEAN	T	Sig
BUYING BEHAVIOUR	URBAN	13	13.92	0.442	0.511
	RURAL	20	14.05		

Source – Primary data

From Table 2 it is clear that the T value aroused is not significant at 0.05 level. Thus the Hypothesis 3, there is no significant difference in the Buying behaviour of the consumers during Grand Kerala Shopping Festival season 7 on the basis of their locality, is accepted.

The investigator has used ANOVA test for studying whether there any significant differences in the consumer’s Buying Behaviour during Grant Kerala Shopping Festival season 7 on the basis of their Income level. The result of the analysis is included in the Table3.

TABLE 3: ONE WAY ANOVA (TEST OF SIGNIFICANT DIFFERENCE OF BUYING BEHAVIOUR OF CONSUMERS ON THE BASIS OF THE INCOME LEVEL)

INCOME LEVEL	SUM OF SQUARES	DF	MEAN SQUARE	F	SIG
Between Groups	58.155	2	29.077	3.52*	0.042
Within Groups	247.845	30	8.262		
Total	306.00	32			

Source – Primary data

* - Significant at 0.05 level

Table 3 evidenced that the F value is significant at 0.05 level. Thus the investigator went for Post Hoc test. The result of Post Hoc is as shown in the Table 4.

TABLE 4: MULTIPLE COMPARISONS (DEPENDENT VARIABLE: BUYING BEHAVIOUR) Tukey HSD

ANNUAL INCOME	ANNUAL INCOME	MEAN DIFFERENCE	STD. ERROR	SIG.
Below 50000	50000-100000	-4.458*	1.808	0.05
	Above 100000	-1.696	1.052	0.256
50000-100000	Below 50000	4.458*	1.808	0.05
	Above 100000	2.762	1.829	0.30
Above 100000	Below 50000	1.696	1.052	0.256
	50000-100000	-2.762	1.829	0.30

Source – Primary data

* - Significant at 0.05 level

Post Hoc test showed that there is a significant difference between the two income levels, below 5000 and 5000-10000, in their Buying Behaviour during Grand Kerala Shopping Festival season 7. There are no significant differences between the others. So Hypothesis 4 ie. There is no significant difference in the Buying behaviour of the consumers during Grand Kerala Shopping Festival season 7 on the basis of their income level is not to be accepted. The mean value of Buying Behaviour of Consumers having an annual income below 50000 is more than that of the consumers having an annual income between 50000 and 10000. The investigator has done ANOVA test for studying whether there any significant differences in the consumer's Buying Behaviour during Grant Kerala Shopping Festival season 7 on the basis of their age. The details of the test are included in table 5.

TABLE 5: ONE WAY ANOVA (TEST OF SIGNIFICANT DIFFERENCE OF BUYING BEHAVIOUR OF CONSUMERS ON THE BASIS OF THE AGE)

AGE	SUM OF SQUARES	DF	MEAN SQUARE	F	SIG
Between Groups	104.857	2	52.429	7.820*	0.002
Within Groups	201.143	30	6.705		
Total	306.00	32			

Source – Primary data

* - Significant at 0.05 level

Table 3 evidenced that the F value is significant at 0.05 level. Thus the investigator went for Post Hoc test and the result of the Post Hoc is furnished in the Table 6.

TABLE 6: MULTIPLE COMPARISONS (DEPENDENT VARIABLE: BUYING BEHAVIOUR) Tukey HSD

AGE WISE	AGE WISE	MEAN DIFFERENCE	STD. ERROR	SIG.
Below 20	20-40	-4.571*	1.199	0.002
	40-60	-2.333	1.495	0.278
20-40	Below 20	4.571*	1.199	0.002
	40-60	2.238	1.199	0.166
40-60	Below 20	2.333	1.495	0.278
	20-40	-2.238	1.199	0.166

Source – Primary data

* - Significant at 0.05 level

Post Hoc test showed that there is a significant difference between the two age groups, below 20 and 20- 40, in their Buying Behaviour during Grand Kerala Shopping Festival season 7. There are no significant differences between the others. Thus the Hypothesis 5 ie. There is no significant difference in the Buying behaviour of the consumers during Grand Kerala Shopping Festival season 7 on the basis of their age is not to be accepted. The mean value of the Buying Behaviour of Consumers below 20 years is more than that of the consumers in the age group 20 to 40.

The investigator used T test for testing whether there any significant difference in the Perception on Grand Kerala Shopping Festival between the consumers on the basis of gender. The result of the test is shown in Table 7.

TABLE 7: T TEST (TEST FOR SIGNIFICANT DIFFERENCES IN PERCEPTION ON GRAND KERALA SHOPPING FESTIVAL AMONG THE CONSUMERS ON THE BASIS OF GENDER)

	GENDER	N	MEAN	T	Sig
CONSUMER	M	10	45.00	12.730*	0.001
PERCEPTION	F	23	46.30		

Source – Primary data

* - Significant at 0.05 level

Table 7 evidenced that the T value is significant at 0.05 level thus the Hypothesis 6, There is no significant difference in the perception on Grand Kerala Shopping Festival among the consumers on the basis of their gender is not to be accepted. Mean of the Female consumers are higher than that of Male consumers and thus there is a female consumers are perceived more on Grand Kerala Shopping Festival than their counterparts.

The investigator used another t test for testing whether there any significant difference in the Perception on Grand Kerala Shopping Festival among the consumers on the basis of locality. The result of the test is shown in Table 8.

TABLE 8: T TEST (TEST FOR SIGNIFICANT DIFFERENCES IN PERCEPTION ON GRAND KERALA SHOPPING FESTIVAL AMONG THE CONSUMERS ON THE BASIS OF LOCALITY)

	LOCALITY	N	MEAN	T	Sig
CONSUMER	URBAN	13	47.46	0.222	0.641
PERCEPTION	RURAL	20	44.90		

Source – Primary data

From Table 8 it is clear that the T value aroused is not significant at 0.05 level. Thus the Hypothesis 7, there is no significant difference in the Perception on Grand Kerala Shopping Festival of the consumers on the basis of their locality, is accepted.

The investigator has use ANOVA test for studying whether there any significant differences in the consumer's Perception on Grant Kerala Shopping Festival on the basis of their Income level. The details of the test are given in Table 9.

TABLE 9: ONE WAY ANOVA (TEST OF SIGNIFICANT DIFFERENCE IN PERCEPTION ON GRAND KERALA SHOPPING FESTIVAL OF CONSUMERS ON THE BASIS OF THE AGE)

INCOME LEVEL	SUM OF SQUARES	DF	MEAN SQUARE	F	SIG
Between Groups	11.623	2	5.812	0.160	0.853
Within Groups	1091.104	30	36.370		
Total	1102.727	32			

Source – Primary data

The F value aroused was not significant at 0.05 level and thus the Hypothesis 8, There is no significant difference in the perception on Grand Kerala Shopping Festival among the consumers on the basis of their income level is accepted.

The investigator has done ANOVA test for studying whether there any significant differences in the consumer's Perception on Grant Kerala Shopping Festival on the basis of their age. The details of the test are included in table 10.

TABLE 10: ONE WAY ANOVA (TEST OF SIGNIFICANT DIFFERENCE IN PERCEPTION ON GRAND KERALA SHOPPING FESTIVAL OF CONSUMERS ON THE BASIS OF THE AGE)

AGE	SUM OF SQUARES	DF	MEAN SQUARE	F	SIG
Between Groups	169.323	2	84.662	2.721	0.082
Within Groups	933.405	30	31.113		
Total	1102.727	32			

Source – Primary data

Table 10 evidenced that the F value is not significant at 0.05 level. Thus the Hypothesis There is no significant difference in the perception on Grand Kerala Shopping Festival among the consumers on the basis of their age is accepted.

FINDINGS

The result of the study reveals that there is no significant relationship between the Consumers' Perception on Grand Kerala Shopping Festival and the Buying Behaviour of Consumers during Grand Kerala Shopping Festival Season 7. The statistical analysis evidenced that there is no significant differences on the Buying Behaviour of Consumers during Grand Kerala Shopping Festival Season 7 on the basis of their Locality and Gender but there were significant differences between different age groups and income level on the Buying Behaviour of Consumers during Grand Kerala Shopping Festival Season 7. The investigator found that the Perception on Grand Kerala Shopping Festival of Male consumers is significantly different from that of Female consumers. The female consumers have much more perception than male consumers. But there is not evidenced any significant differences on the Perception of Consumers on the basis of their Income level and Age.

SUGGESTION

Like Dubai, Kerala will be a place of attraction as Shopping Tourism destination when the organisers provide more incentives to international buyers. The consumers in Kerala have awareness on the festival but they are not being motivated for deciding their buying behaviour in this light. It evidenced that the prizes are not much attractive to them. Thus there should be a drastic change in the lottery system and gift pattern to attract consumers.

CONCLUSION

In the present study, it was found that most of the consumers have a moderate Buying behaviour. A significant relationship could not be established between the Consumers' Perception on Grand Kerala Shopping Festival and the Buying Behaviour of Consumers during Grand Kerala Shopping Festival Season 7. A very low positive correlation was found between the Consumers' Perception on Grand Kerala Shopping Festival and the Buying Behaviour of Consumers during Grand Kerala Shopping Festival Season 7. So it can be inferred that the Perception on Grand Kerala Shopping Festival of consumers don't have much influence on their Buying Behaviour during Grand Kerala Shopping Festival season 7. The Low income group have difference in the Buying behaviour than the medium income group. The consumers below adulthood are different in Buying Behaviour than the consumers in early adulthood. No much difference in the perception on Grand Kerala shopping festival among consumers on the basis of income level, age and locality, but the female consumers have better perception than male consumers. It may be due to the nature of particular sample selected for the study.

LIMITATION

The survey was conducted at Palakkad district a backward district of Kerala. The samples selected were not to be the representatives of the whole Kerala, so the results aroused cannot be generalised.

SCOPE FOR FURTHER RESEARCH

Only a few studies were conducted in this area and thus there is a scope for further study. This research is only in the Consumer Perception and Buying Behaviour on Grand Kerala Shopping Festival season 7. The further researches can be conducted on the financial aspects of the Festival and its impact on the growth of the Kerala economy.

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RESERVE REQUIREMENTS IN THE BANKING SECTOR: A CRITICAL ASSESSMENT

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ABSTRACT

Banking institutions are legally empowered to invite public deposits and this exercise is circumspect by an element of risk. As a result of this risk, the banks venture into risk management. One of the important risk management tools is the reserve requirements in the form of Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR). The CRR is the amount of reserves that a commercial bank has to maintain with the central banking authority at all times thereby acting like a cushion deposit with the central bank. The SLR, on the other hand, is the amount of reserves that a commercial bank has to maintain with itself at all times in order to maintain liquidity and enable itself to honour the depositors' demand as and when they arise. In India, as per the Banking Regulations Act, 1949 and the Reserve Bank of India Act, 1934 the maintenance of SLR is mandatory while the CRR is an operative requirement as prescribed by RBI from time-to-time. This maintenance of statutory reserves has an unfavorable bearing on the financial health of banks as it limits their credit creating capacity. While commercially deployable or loanable resources are reduced, the banks have to pay interest on total deposits mobilized from their customers. The present paper seeks to examine the justification of such reserves and the rationality behind the continuation of the reserve requirements, deriving no interest income from such reserves.

JEL CODE

E58

KEYWORDS

risk, reserve, interest, monetary policy, central banks.

INTRODUCTION

Banking institutions are institutions for creating credit and imbibing depositors' faith. Banking institutions are legally empowered to invite public deposits, accept it and use it for deriving margin or spread over the deposits accepted. A part of this spread is shared by several stakeholders; one part is shared with the depositors by way of interest payments, the other part is appropriated to the equity stock holders and investors by way of dividend and the remaining part is shared with the public revenue authorities as tax.

The entire exercise of a bank is circumspect by an element of risk; it assumes a risk on accepting deposits and thereby making itself liable to the depositors, while on the other when it formulates credit policy for deployment of deposits to the applicant borrowers, the bank again embraces credit assessment risk, credit delivery risk and credit recovery risk. Thus, risk management becomes a key function of a banking institution. Obviously when it handles public money, it is in the tight rope of regulating agencies and in the process it has to distribute the credit risk among a large number of selected potential borrowers so that the default risk of one segment of borrowers can be spread among large number of assured borrowers. This kind of lending function is also looked upon by the governmental authorities of a nation as a boosting input for attaining a desired level of economic growth coupled with employment generation, maximum deployment of credit resources for public good and at the same time, fulfilling the election manifesto of the political parties coming into ruling position in the legislative body. As a result of this risk, the banks venture into an area called reserve requirement to provide a cushion against the in-built risk in the institution. Hence, keeping monetary resource in reserve of both the central banking authorities as well as a banking institution is imperative in order to counter such risk. In this article, the authors examine the kind of reserve requirements imposed on a bank for the purpose of risk management as discussed hereunder.

One of the important risk management tools is the reserve requirements in the form of Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR) which have been deliberated hereunder. The CRR is the amount of funds that all Scheduled Commercial Banks (SCB) excluding Regional Rural Banks (RRB) are required to maintain, without any floor or ceiling rate, with the Reserve Bank of India (RBI) with reference to their total Net Demand and Time Liabilities (NDTL) to ensure their liquidity and solvency (Section 42(1) of RBI Act, 1934). Default in maintenance of CRR requirements on a daily basis (presently 70% of the total requirement) by SCBs attracts penal interest for that day at 3% above the Bank Rate on the shortfall. And, in case, the shortfall continues the next succeeding day/s, penal interest at the rate of 5% p.a. above the Bank Rate is applicable.

Apart from CRR, every bank operating in India is required to maintain, at the close of business every day, a minimum proportion of their NDTL as liquid assets in the form of cash, gold and un-encumbered approved securities known as the SLR. In the event of SCBs SLR holdings falling below the statutory requirement, they can avail the Marginal Standing Facility (MSF) upto 2% of their NDTL outstanding at the end of the second preceding fortnight and they do not have the obligation to seek specific waiver of the default in SLR compliance arising out of use of this facility (w.e.f. 17.04.12).

Currently, the CRR and SLR in India stand at 4% (w.e.f. 09/02/2013) and 23% (w.e.f. 11/08/2012) respectively. The total deposits in all SCBs as on June, 2013 stands at Rs.7,06,01,8221. Therefore, the total deposits in the form of CRR @4% to be maintained with the RBI would amount to around Rs. 28,24,072. As the RBI does not pay any interest on the CRR, this acts as a tax on the banking system and places banks at a competitive disadvantageous position. Besides the CRR, every SCB has to maintain a minimum proportion of their NDTL as liquid assets with itself at all times in the form of SLR which again tells upon the financial health of the bank. The central banking authority has the prerogative to increase or decrease these ratios. An increase in these ratios restricts the bank's leverage position to pump more money into the economy and limit its credit creation ability.

It is believed that the requirement to maintain these reserves has put banks in a prejudicial position as compared to other financial institutions who can charge interest on every rupee they lend. Commercial banks also finance several government schemes at lower interest rates and invest a lion's share of their time and demand deposits in government securities to meet the reserve mandate for which they are not being offered any interest, which is putting a toll on its financial feasibility and profitability. The commercial banks, while creating the CRR, are again losing an alternative income earning opportunity by not being authorized to lend at a commercial rate because the money is already parked with the central bank. To add to these, the priority sector lending requirements further exerts pressure on the bank's profitability. The moment the central bank raises the CRR and SLR the banks are deprived of the resources otherwise available for lending purposes and other alternative profitable avenues. The present study makes an attempt to justify the imposition of CRR and SLR by the central banking authorities.

OBJECTIVES OF THE PRESENT STUDY

After considering the aforesaid matters, we now lay down the objectives of the present study:

1. To make a brief review of historical perspective of the requirement of CRR and SLR;
2. To examine the justification for making CRR and SLR deposits;
3. To examine the rationality behind the continuation of the reserve requirements deriving no interest income from such reserves.

¹ Quarterly Statistics on Deposits and Credit of Scheduled Commercial Banks, June, 2013

HISTORICAL PERSPECTIVE OF RESERVE REQUIREMENTS

The CRR is the amount of reserves that a commercial bank has to maintain with the central banking authority at all times. It is a kind of hedge whereby the possibility of faltering in repayment of depositors' money is made remote. Thus, the CRR acts like a cushion deposit with the central bank. The Statutory Liquidity Ratio (SLR), on the other hand, is the amount of reserves that a commercial bank has to maintain with itself at all times in order to maintain liquidity and enable itself to honour the depositors' demand as and when they arise.

The arrangement of CRR emerged in England in as early as 1826 following the establishment of private joint stock commercial banks. The banks were required to park their surplus cash with the Bank of England which was the issuer of notes circulated in the country and thereby commanded public confidence as the banker of the government.

With the establishment of the US Federal Reserve Bank in 1914, cash reserves began to be treated as a financial stability provision. Cash reserves with central banks worked as a great source of strength to commercial banks and thus generated depositors' faith and trust with the banking system. The centralized cash reserves offered a more elastic credit structure.

Initially, the cash reserves with central banks performed the following functions:

- Safety to deposits with commercial banks.
- Facilitation of inter-bank settlement, transaction clearance.
- Fund transfers to needy banks.
- Liquidity to the financial sector.

Control the volume of primary deposits with a potential to generate secondary deposits. This function is required in order to regulate the money supply, inflation, credit flow and stability in the money market.

Formerly, the central banks desired separate cash reserves to be maintained with them against time and demand deposits. For instance, the US Federal Reserve Bank specified 3% reserves against the time deposits and 7-13% against demand deposits, while the New Zealand Central Bank kept the ratios at 5% and 20% respectively.

This arrangement in the 19th century was converted into mandatory ratio under the legal authority of central banks that empowered them to prevent injurious growth and to enhance supply of credit. In India, as per the Banking Regulations Act, 1949 and the Reserve Bank of India Act, 1934 the maintenance of SLR is mandatory while the CRR is an operative requirement as prescribed by RBI from time-to-time. By virtue of its operation, CRR has, also in reality, assumed the character of a mandatory statutory requirement, failing which banks are subjected to levying penalty by the RBI.

CHANGING ROLE OF CRR AND SLR

Central banks have been using CRR for the following purposes:

- To control the volume of primary deposits and potential to generate secondary deposits in order to regulate the money supply and inflation.
- To prevent excess credit expansion or contraction, to regulate money supply, to assist growth and to control inflation.
- It has been effectively used as an instrument to regulate money supply, its velocity and liquidity in the financial system.
- To induce the banking system to address and adjust its deposit liabilities to its actual reserves more rapidly within each reserve maintenance period.

The CRR is partly a prudential requirement for banks to maintain a minimum amount of cash reserves to meet their payments obligations in a fractional reserve system. The Reserve Bank of India Act, 1934 implicitly prescribed the CRR originally at a minimum of 3 percent of any bank's NDTL. That restriction was removed by an amendment in the year 2006. While the RBI is now free to prescribe this rate, any CRR above 3 per cent can still be viewed as a monetary tool to contain expansion of money supply by influencing the money multiplier.

Historically, the CRR had a much wider role to play. It was mainly used to neutralise the inflationary impact of deficit financing of the government during the 1970s, 1980s and 1990s. During the period of financial repression before 1990s, CRR was the most preferred monetary policy tool. This period witnessed a substantial influx of foreign funds through NRI deposits which prompted the central banking authorities to prescribe a differential CRR on such deposits to restrict their inflows. This role of CRR as being used as an instrument of regulating NRI deposit flows reduced once the relative attraction of such deposits vis-a-vis rupee deposits was removed. With the introduction of multiple indicator approach, the use of CRR as an instrument of monetary control was sought to be de-emphasised and liquidity management in the system was increasingly undertaken through indirect instruments such as open market operations (OMO), both outright and repos.

After 2004, when there was a huge influx of foreign capital through varied forms of debt and non-debt flows, and the RBI ended up accumulating large foreign exchange reserves, the CRR became an optional instrument to sterilise the rupee resources released from dollar purchases. This was particularly enabled by not paying any interest on CRR balances maintained by banks with the RBI. Since 2004, the use of CRR as an instrument of sterilisation and monetary tool has gained ground.

The CRR was gradually raised from its statutory minimum of 3 per cent in September 1962 to 15 per cent by July 1989. However, the Narasimham Committee of 1991 recommended the gradual reduction in CRR and increased the use of indirect market-based instruments. This was broadly accepted and the CRR was reduced from more than 15 per cent to 4.5 per cent by 2003. Presently, the CRR stands at 4% and is a direct monetary instrument used by the RBI for monetary policy intervention.

The Reserve Bank of India Act, 1934, was amended in June 2006 with a view to enhancing the RBI's operational flexibility and providing it with greater maneuverability in monetary management. The Act gives discretion to the RBI to decide the percentage of scheduled banks' NDTL to be maintained as CRR without any floor of 3 per cent and ceiling of 20 per cent. The payment of interest on CRR balances attenuates the effectiveness of the CRR as an instrument of monetary policy. From the fortnight beginning June 24, 2006, it was decided, with the concurrence of the Government of India, that no interest shall be payable on CRR balances.

The SLR is not a monetary tool and is only a prudential requirement to serve as a cushion to meet contingencies against potential liquidity threats to banking operations. The SLR can be seen more as a way of finding a captive market for government securities. For the SLR too, the Narasimham Committee's view was to bring it down to 25 per cent and resort to auctioning government securities at market related rates and accordingly it was reduced to 25 per cent by 1997. Just like CRR, RBI has the freedom to determine the level of SLR.

In the current period, central banks undertake monetary management by the instruments such as discount rate, repo, reverse repo and open market operations along with CRR and SLR. The CRR instrument is used to prevent excess credit expansion or contraction; to regulate money supply; to assist growth; and to control inflation. It is also useful to regulate money supply. It induces the banking system to address and adjust its deposit liabilities to its actual reserves more rapidly within each reserve maintenance period. The method of variable CRR is comparatively a new method of credit control used by the central banks. This method was first adopted by the Federal Reserve System of the USA in 1935 in order to prevent injurious credit expansion or contraction.

DEBATE OVER PAYMENT OF INTEREST

Banks maintain the CRR with the central banking authority which is currently 4% of their aggregate deposits without earning any interest on it. Besides, they are also mandated to maintain 23% of their NDTL as liquid assets with itself at all times. This maintenance of statutory reserves has an unfavorable bearing on the financial health of banks as it limits their credit creating capacity. While commercially deployable or loanable resources are reduced by 27%, the banks have to pay interest on total deposits mobilized from their customers. The interest earned by lending the remaining 73% of the deposits (other than NPAs) is not enough to meet the interest paid to depositors and operating expenses. It, thus, creates stress on spread or Net Interest Income (NII).

This matter can be further elucidated from the following data: On 4th November, 2012 RBI lowered the CRR by 25 basis points to 4.25%. This reduction injected around Rs. 17,500 crores into the banking system. Again on 29th January, 2013 RBI continued with policy rate reduction and reduced the CRR by 25 basis points to 4%, thereby again releasing Rs.18,000 crores into the liquidity and banking system. We now realize that the release of additional liquidity by a reserve cut

empowers the banking institution to undertake more of credit delivery activity and in turn meeting the urgent credit requirements of the business units in the economy. If the SLR is reduced and CRR is done away with, possibly the banks could invest surplus funds in more remunerative commercial ventures and earn better returns and even pay better rate of interest to their depositors.

A cut in the CRR also prompts banks to trim their base rates. The base rate, which is the benchmark rate for most loans, is the minimum rate below which banks cannot provide loans. Therefore, a CRR cut would make a vast amount of cash available to banks and thereby reduce their need for deposits, thus paving the way for a lending rate cut.

All major central banks in the world either do not mandate a reserve ratio or pay an interest on the mandatory reserves they ask banks to set aside and park with central banks. In this context, we could cite the examples of some countries. In the UK, Canada, Sweden, Australia and New Zealand the CRR system does not exist in any form and any maintenance of reserves is completely voluntary. In USA, there is graded system, i.e. 'small banks' don't need to maintain any CRR with their central bank, while 'big banks' need to maintain CRR according to their size and the USA FED pays interest on such CRR deposits. In these countries, generally liquidity is regulated through open market operations (OMO).

These countries are able to use OMO successfully to carry out monetary policy because of their developed financial markets. In India due to constraints arising from lack of autonomy, the RBI has to use the OMO to groom the market for the floatation of government securities through buybacks, thus monetizing fiscal deficits retroactively. Until this situation improves, it has to rely on CRR for having some control on money supply.

The following arguments are generally put forward against the maintenance of CRR:

1. CRR is an inflexible instrument of monetary policy that drains liquidity across the board for all banks without distinguishing between banks having idle cash balances and those that are deficient.
2. In case CRR is not remunerated, it has the distortionary impact of a 'tax' on the banking system.
3. CRR is also discriminatory as it has an in-built bias in favour of financial intermediaries that are not required to maintain balances with the RBI. It does not apply to regional rural banks, non banking financial companies, mutual funds or insurance companies.

Earlier, RBI had to pay interest rates on CRR deposits. But in 2007, government amended the RBI Act and according to the new rules the RBI does not have to pay any interest on the CRR deposits. As the RBI does not pay any interest on CRR, this acts as a tax on the banking system and places banks at a competitive disadvantage vis-à-vis NBFCs and mutual funds, which do not maintain CRR. Moreover, debt mutual funds and insurance companies are attracting a sizeable chunk of public deposit.

However, some policymakers have suggested that SCBs should be paid at least 7% interest on the CRR balance kept by them with the RBI. The then SBI Chairman, P. Choudhuri, at a FICCI event in Kolkata on 23rd August, 2012 urged that RBI should phase out CRR as banks cumulatively lose nearly Rs. 3 lakh crores of lendable resources in a capital starved country like India. If the CRR is phased out, this would allow banks to lower lending rates, helping commerce and industry. Another school of thought argues that if CRR cannot be phased out completely, then initiate steps to amend the RBI Act paving the way for compensating the banks by paying them interest on the CRR maintained by them with the central banking authority. The CRR as one of the last remaining systematic inefficiencies has added to the cost base and resulted in a tax on banks, and in turn, a tax on borrowers. SLR securities are adequate as a solvency and liquidity reserve and additional pre-emption towards CRR is largely superfluous. There is a debate whether the RBI should continue to impose CRR on banks at all as a statutory pre-emption, especially when they have to park 23% of its deposits in government bonds. In course of our present research enquiry, we have come across a kind of similar debate among the bankers. We lay down here under the subject matter of the debating issues:

- While the government contends that interest payment on CRR will bring down interest rates in the economy, actually the earnings of the government from the RBI will drastically fall if such a course of action is exercised.
- RBI's contention is different. It says that the payment of interest will interfere with the conduct of monetary policy. The RBI would run into losses if asked to pay interest on mandatory percentage of deposits that banks have to park with the RBI called CRR. The RBI has stopped paying interest on such mandatory reserves since 2007.
- Another argument is put forward by M.Y. Khan (2012) that if cash reserves have to be abolished, then commercial banks should have to achieve the status of zero NPAs along with a satisfactory level of investment risk reserves in order to protect the depositors in case of a financial breakdown.

How a central bank utilizes the money mobilized in the form of CRR is not publicly disclosed. The RBI had indicated that it has to pay commission to banks handling government transactions, security printing charges, etc. which is a considerable expenditure. Payment of interest on CRR would proportionately reduce RBI's money transfer to the government and paying interest on CRR will dilute the effectiveness of the tool in terms of monetary policy changes. But the fact remains that interest on reserves takes a toll on the Treasury and hence, the RBI is not keen on interest payment to SCBs.

While there is a counter argument prevailing against this proposition, we know that CRR is one of the instruments of credit control and monetary policy implementation employed by the RBI to regulate and influence money supply, keeping in view the inflationary pressures and rising prices. CRR has a different vision altogether as a controlling instrument over risk management in banking operations. When a bank encounters financial risk owing to ir-recoverability of loans and advances and lands in teething problems, RBI then comes to the rescue of such banks. CRR accumulated over the years gives a cushion, both to the banker and also to its customers.

CONCLUSION

The present researchers in this article do not contest the principle of maintaining CRR by the central banking authorities. This is necessary in order to protect the security of the banking system, to exercise monetary control over credit flow, to control and ration the credit delivery system in the economy; what is debatable is the refusal of paying interest on the CRR deposits maintained by the commercial banks with the central bank. In a hypothetical case, we believe that a central bank's balance sheet is window-dressed and at the same time the balance sheet of the highly regulated commercial banks is under-dressed. Out of the total CRR amount mobilized by the RBI from which the central bank generates income whereas the commercial banks in turn do not accumulate any income out of this amount. We strongly believe payment of interest on CRR may not be unjust; at least it will allow the banks to get an alternative source of income which otherwise they have been deprived of.

Our research analysis, on the same ground over the arrangement in the UK, USA, France, Italy, China where they pay a nominal interest on the CRR deposits, advocates the payment of interest by the RBI to the SCBs. We further strongly believe that the rate of interest may be nominal but when it is paid on the incremental amount accumulated over the periods the amount runs into billion dollars. In case, we totally deny payment of interest on CRR, it leads to under-reporting of liability by the central banks in its financial statements and it suffers from the limitation of fair value accounting and reporting. By denying of interest on CRR, the central bank is deriving a gain out of the endeavour of the commercial banks to mobilize demand and time deposit from the customers. If that situation continues, the commercial banks would attract a dis-incentive in mobilizing public deposits in the fold of the banking system. Once that dis-incentive sets in, there is a possibility that potential deposit in banking sector might be diverted to other institutional alternatives and the target of attaining growth rate of the country may suffer in the long run.

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EXPORT PERFORMANCE OF COIR AND COIR PRODUCTS FROM INDIA

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ABSTRACT

India is one of the top producers and exporters of coir and coir products in international market. The Indian Coir Products are in great demand in the international market because of their special attributes like fitness, price, craftsmanship, quality, attractiveness and Eco-friendly, biodegradable renewable natural resources and non-pollutant. Moreover, India is the major exporter of value added coir goods. The trend in the overall sales volume of coir and coir products significantly changed from the sixties when more than 50 percent of the production used to be exported. The export figures have moved up from Rs. 605.17 crore in 2006-07 to Rs 1052.63 crore during 2011-12, but slowed to Rs. 586.94 crore in 2012-13 (upto 30 September 2012). Export trade is dominated by private merchants and manufacturers who control about 90 percent of export trade. A few Government companies and some large co-operatives account for the remaining 10 percent. USA is the largest importer of coir and coir products from India followed by China and Netherlands. The Central and State Governments, Coir Board and NGOs should take necessary steps to increase the coir and coir products exports from India by improving the quality of coir products with International standards, and also conduct export campaigns. The present paper attempts to analyze the value-wise and volume-wise exports of Coir and Coir products from India. Primary objective of this paper is to highlight the trends in exports of Coir and Coir products from India both in terms of volume and earnings.

KEYWORDS

export performance, coir products.

INTRODUCTION

The coir industry in India has had a strong export orientation since its early days when the trade was dominated by European business enterprises. With the dawn of Independence the trade came into the native hands which was a turning point in the history of coir industry in India. The structure and production relations have undergone drastic changes. The patterns of exports and product mix have also changed. From the level of the fibre and yarn exporter, India became an exporter of value added goods. This has in turn brought about a major shift in the total volume and value of exports to India.

The Coir Industry is one of the traditional cottage industries in India and is primarily located in Southern States, namely Kerala, Tamil Nadu, Andhra Pradesh, Karnataka, Maharashtra, Goa, and other states Orissa, Assam, Andaman & Nicobar, Lakshadweep and Pondicherry. The Coir Industry utilizes agro wastes of coconut plantations and the development coir industry has all along been in areas where there is concentration of coconut cultivation and availability of coconut husks. Coir, popularly known as the "Golden Fibre" is a natural fibre extracted from fibrous husk of the coconut shell and is used to make a wide range of products such as ropes, mats, mattresses, baskets, brushes, brooms etc. India accounts for more than two-thirds of the world production of coir and coir products. Kerala is the home of the Indian coir industry, particularly white fibre, accounting for 61 per cent of coconut production and over 85 per cent of coir products. Not more than 50 per cent of the coconut husk is used in the coir industry. The Coir sector in India is very diverse and involves households, Co-operatives, NGOs manufacturers and exporters is one of the important.

In the initial years the export was mostly of coir yarn to European countries, for agricultural purposes in hop and beans cultivation and as a raw - material for industrial units engaged in the manufacture of coir products. With the easy availability of synthetics, at competitive prices, and the rising cost of wages the European coir industries were constrained to either close down or to reduce their output, leaving a gap in the international market. But India could not effectively capitalize this opportunity, paving way for the synthetics to capture the scene unchallenged. The substitution of natural floor covering segment with the synthetics was irreversible, to the detriment of Indian coir industry and trade, the ill-effects of which continue even now.

PERFORMANCE OF COIR AND COIR PRODUCTS IN INDIA

The volume of Coir and Coir exported from India from 1998-99 to 2012-13, the absolute as well as percentage increase or decrease over the previous years and the trend value are presented in Table-1. During 1998-99 the total quantity of coir and coir products produced in India was 55490.02 mts, had market value 29218.88 lakh. Within the stipulated period from 1999-2k, the production increased to 61030.88 mts with 109.99 per cent growth rate, has 29218.88 lakh of market value with 103.72 per cent growth rate over its previous period. With 110.59 per cent growth rate over previous period in 2000-01, the production 67493.09 mts had Rs.31366.22 lakh market value with 103.50 per cent growth rate. There after the production of coir and coir products saw an emerging trend besides substantial improvement in their market value, i.e. from 71334.83 mts with 32058.36 lakh market value in 2001-02 to 294508.05 mts with 80405.22 lakh market value in 2009-10. During 2010-11 to 2012-13 also the production raised from 321016.02 mts, had 80707.08 lakh market value to 429500.94 mts, had 111602.72 lakh with paltry fluctuations.

Eventually it is inferred that export of Coir and Coir Products from India, significantly increased from 55490.02 metric tonnes in 1998-99 to 429500.94 metric tonnes in 2012-13. This table also shows compound annual growth rate in exports 16.63 percent, and their values also rose from 29218.88 metric tonnes in 1998-99 to 111602.72 metric tonnes in 2012-13 by registering compound annual growth rate of 11.64 percent.

The value of Coir and Coir Products exported from India was the maximum of Rs.111602.72 lakh in 2012-13. The value increased from Rs. 29218.88 lakh in 1998-99 to Rs.60516.59 lakh in 2012-13 registering compound annual growth rate of 9.53 percent. In 2007-08 there was a sleep in the value i.e., rupees 59228.08 lakh but again it rose from rupees 63997.43 lakh in 2008-09 to rupees 111602.72 lakh in 2012-13 by recording compound annual growth rate of 14.92 per cent.

TABLE-1: YEAR-WISE EXPORTS AND MARKET VALUE OF COIR AND COIR PRODUCTS IN INDIA

Year	Exports (QT in MTs)	Market Value (Rs. in Lakh)	Growth rate in exports	Growth rate in market value
1998-99	55490.02	29218.88	100.00	100.00
1999-2k	61030.88	30305.35	109.99	103.72
2000-01	67493.09	31366.22	110.59	103.50
2001-02	71334.83	32058.36	105.69	102.21
2002-03	84182.58	35270.57	118.01	110.02
2003-04	102253.41	40749.66	121.47	115.53
2004-05	122926.77	47340.27	120.22	116.17
2005-06	136026.97	50844.76	110.66	107.40
2006-07	168754.74	60516.59	124.06	119.02
2007-08	187566.74	59288.08	111.15	97.97
2008-09	199924.93	63997.43	106.59	107.94
2009-10	294508.05	80405.22	147.31	125.64
2010-11	321016.02	80707.08	109.00	100.38
2011-12	410853.90	105262.54	127.99	130.43
2012-13	429500.94	111602.72	104.54	106.02
LGR	14.96	10.00	--	--
R²	0.88	0.91	--	--
CAGR	15.74	10.05	--	--

Source: Ministry of MSME, Government of India (different annual reports).

EXPORT OF COIR AND COIR PRODUCTS (METRIC TONNES) FROM INDIA

India's product-wise export of coir and coir products in terms of quantity is represented in table-2. During 1989-99 to 2012-13 there was an increase in the export of coir fibre (28.51), Curled coir (24.52 per cent), Coir pith (19.95 per cent), Tufted mats (14.99 per cent), Geo textiles (6.96 per cent), Coir rope (3.69 per cent), Rubberised coir (1.27 per cent) and handloom mats (1.36 per cent) and decrease in Coir yarn (-8.62 per cent), Handloom matting (-10.74 per cent), powerloom matting (-16.98 per cent), Coir rugs (-16.93 per cent), powerloom mats (-12.48 per cent) and Coir other sorts (-23.77 per cent). It is also revealed that the Compound Annual Growth Rate is high for coir fibre (46.90 per cent). This rate is -4.05 for rubberised coir which is the lowest among the products.

Due to the Promotion of export of coir and new products through undertaking viable market promotion measures abroad and research and development activities like process improvement, product development and diversification and elimination of drudgery and pollution abatement, extending Research and Development findings through field demonstrations, developing coir industry in all coir producing States in association with the State Governments, providing adequate credit for export of coir and coir products, liberalizing export tariff barriers in the context of export of coir and coir products, maintaining long lasting trade relationships with the neighbor countries, enhancing infrastructural and transportation facilities for smooth export of coir and coir products through minimization of cost, drawing productive policies for better production and export of coir and coir products etc had a significant impact in promoting the exports of coir and coir products from India.

EXPORT OF COIR AND COIR PRODUCTS (VALUES) FROM INDIA

The volume of export of coir and coir products in various segments from 1998-99 to 2012-13 are presented table-3. Total exports increased by 10.00 percent from Rs 29218.88 lakh in 1998-99 to Rs. 111602.72 lakh in 2012-13. The segment "Coir Fibre" dominates coir exports exhibiting compound annual growth rate of 47.30 percent during the period. Segments registering a significant growth during the period 1998-99 to 2012-13 are coir fibre (29.15 percent), Curled coir (27.10 percent), Coir pith (22.41 percent), Tufted mats (17.46 percent), Geo textiles (9.95 percent), Coir rope (8.69 percent), Rubberised coir (5.23 percent) and Handloom mats (2.98 percent). On the other hand, segments showing a steep decline between 1998-99 and 2012-13 are Coir yarn (-4.30 percent), Handloom matting (-9.20 percent), power loom matting (-16.52 percent), Coir rugs (-17.45 percent) and Coir other sorts (-21.43 percent). It also shows compound annual growth rate the highest for coir fibre (47.30 percent). This rate is only -4.91 percent for coir yarn which is the highest negative growth among the export products.

TABLE-2: YEAR-WISE AND PRODUCT-WISE EXPORT OF COIR AND COIR PRODUCTS FROM INDIA (Quantity in tonnes)

Year	Curled Coir	Coir Fibre	Coir Rugs	Coir Pith	Coir Rope	Coir Other sorts	Coir Yarn	Geo-Textiles	Handloom Mats	Handloom Matting	Power loom Mats	Power loom matting	Rubberised Coir	Tufted Mats
98-99	445.13	645.76	2934.37	2215.39	211.20	2204.15	16538.78	1207.55	21399.16	6465.77	115.19	105.51	573.15	428.91
99-2k	657.28	809.88	2889.64	6501.59	286.63	925.99	13052.58	1711.25	24292.92	6238.58	1042.61	531.35	522.88	1567.70
00-01	533.57	1053.98	2720.44	9926.97	482.12	488.23	14607.30	1402.29	24716.44	6323.37	606.97	410.71	385.06	3835.64
01-02	572.53	1010.30	1329.97	13725.65	348.64	272.91	13206.90	1752.05	26147.89	4423.27	686.50	274.04	454.64	7129.54
02-03	492.37	1036.87	1327.08	21064.20	332.40	372.85	11482.47	2140.69	33058.75	4772.62	954.85	183.18	535.22	6429.03
03-04	76.54	1120.75	1694.56	29179.35	308.88	490.21	12364.43	2599.54	36303.99	4545.56	1026.28	309.04	461.78	11772.50
04-05	69.00	1350.45	1727.34	43420.54	299.67	502.40	10987.59	2323.19	40127.35	3518.90	1433.22	188.94	475.92	16502.26
05-06	0.00	1552.98	1242.70	53444.48	162.73	123.03	9582.52	2512.32	42516.42	2915.91	1609.94	155.95	536.50	19671.49
06-07	1804.03	9356.54	488.31	67152.99	154.25	119.31	9691.17	3044.51	42986.07	3642.27	246.21	104.75	947.31	29017.02
07-08	1279.99	11101.64	178.14	83613.24	372.26	57.02	8407.09	3364.72	40917.35	3013.71	75.06	115.82	1120.35	33950.35
08-09	1438.38	19443.54	63.83	96996.32	370.28	50.50	5335.09	3251.52	35553.43	2368.45	54.21	87.52	1222.59	33689.27
09-10	3365.70	73074.93	46.17	131916.67	430.56	55.04	6108.35	3754.44	36297.71	1832.24	2.84	2.41	629.78	36991.21
10-11	5527.08	83393.01	1146.81	157854.93	211.56	45.96	5021.96	3266.63	29409.00	1406.49	0.00	0.00	383.39	33349.20
11-12	11855.97	119684.54	191.00	206424.57	792.82	58.36	5562.87	3680.91	27656.17	1473.78	36.14	0.00	415.60	33021.17
2012-13	8883.14	140692.93	94.83	208399.28	419.62	30.37	4202.31	3597.30	24150.93	1418.31	1.94	0.00	321.47	37288.51
LGR	24.52	28.51	-16.93	19.95	3.69	-23.77	-8.62	6.96	1.36	-10.74	-12.48	-16.98	1.27	14.99
R²	0.57	0.67	0.77	0.90	0.13	0.53	0.95	0.92	0.07	0.94	0.27	0.62	0.02	0.92
CAGR	23.84	46.90	-21.74	38.34	5.03	-26.36	-9.32	8.11	0.87	-10.27	-25.30	-100.00	-4.05	37.57

Source: Ministry of MSME, Government of India (different annual reports).

TABLE-3: YEAR-WISE AND PRODUCT-WISE EXPORT OF COIR AND COIR PRODUCTS FROM INDIA (Rs. in lakh)

Year	Curled Coir	Coir Fibre	Coir Rugs	Coir Pith	Coir Rope	Coir Other sorts	Coir Yarn	Geo-Textiles	Handloom Mats	Handloom Matting	Powerloom Mats	Powerloom matting	Rubberised Coir	Tufted Mats
98-99	445.13	645.76	2934.37	2215.39	211.20	2204.15	16538.78	1207.55	21399.16	6465.77	115.19	105.51	573.15	428.91
99-2k	657.28	809.88	2889.64	6501.59	286.63	925.99	13052.58	1711.25	24292.92	6238.58	1042.61	531.35	522.88	1567.70
00-01	533.57	1053.98	2720.44	9926.97	482.12	488.23	14607.30	1402.29	24716.44	606.97	606.97	410.71	385.06	3835.64
01-02	572.53	1010.30	1329.97	13725.65	348.64	272.91	13206.90	1752.05	26147.89	4423.27	686.50	274.04	454.64	7129.54
02-03	492.37	1036.87	1327.08	21064.20	332.40	372.85	11482.47	2140.69	33058.75	4772.62	954.85	183.18	535.22	6429.03
03-04	76.54	1120.75	1694.56	29179.35	308.88	490.21	12364.43	2599.54	36303.99	4545.56	1026.28	309.04	461.78	11772.50
04-05	69.00	1350.45	1727.34	43420.54	299.67	502.40	10987.59	2323.19	40127.35	3518.90	1433.22	188.94	475.92	16502.26
05-06	0.00	1552.98	1242.70	53444.48	162.73	123.03	9582.52	2512.32	42516.42	2915.91	1609.94	155.95	536.50	19671.49
06-07	1804.03	9356.54	488.31	67152.99	154.25	119.31	9691.17	3044.51	42986.07	3642.27	246.21	104.75	947.31	29017.02
07-08	1279.99	11101.64	178.14	83613.24	372.26	57.02	8407.09	3364.72	40917.35	3013.71	75.06	115.82	1120.35	33950.35
08-09	1438.38	19443.54	63.83	96996.32	370.28	50.50	5335.09	3251.52	35553.43	2368.45	54.21	87.52	1222.59	33689.27
09-10	3365.70	73074.93	46.17	131916.67	430.56	55.04	6108.35	3754.44	36297.71	1832.24	2.84	2.41	629.78	36991.21
10-11	5527.08	83393.01	1146.81	157854.93	211.56	45.96	5021.96	3266.63	29409.00	1406.49	0.00	0.00	383.39	33349.20
11-12	11855.97	119684.54	191.00	206424.57	792.82	58.36	5562.87	3680.91	27656.17	1473.78	36.14	0.00	415.60	33021.17
12-13	8883.14	140692.93	94.83	208399.28	419.62	30.37	4202.31	3597.30	24150.93	1418.31	1.94	0.00	321.47	37288.51
GR	24.52	28.51	-16.93	19.95	3.69	-23.77	-8.62	6.96	1.36	-10.74	-12.48	-16.98	1.27	14.99
R²	0.57	0.67	0.77	0.90	0.13	0.53	0.95	0.92	0.07	0.94	0.27	0.62	0.02	0.92
CAGR	23.84	46.90	-21.74	38.34	5.03	-26.36	-9.32	8.11	0.87	-10.27	-25.30	-100.00	-4.05	37.57

Source: Ministry of MSME, Government of India (different annual reports).

TABLE-3: YEAR-WISE AND PRODUCT-WISE EXPORT OF COIR AND COIR PRODUCTS FROM INDIA (Rs. in lakh)

Year	Curled Coir	Coir Fibre	Coir Rugs	Coir Pith	Coir Rope	Coir Other sorts	Coir Yarn	Geo-Textiles	Handloom Mats	Handloom Matting	Powerloom Mats	Powerloom matting	Rubberised Coir	Tufted Mats
98-99	76.38	91.46	2300.56	251.26	59.25	1030.26	4827.41	546.91	14610.12	4641.00	65.20	88.86	427.01	203.20
99-2k	114.57	117.15	2259.62	562.77	73.41	328.29	3738.40	808.41	15688.72	4338.55	699.12	395.05	387.52	793.77
00-01	80.33	148.17	1958.64	752.79	145.21	164.48	4187.50	625.38	15917.69	4287.86	442.72	284.04	267.24	2104.17
01-02	80.63	122.15	1039.76	1014.30	108.04	106.82	3728.59	780.13	17009.85	2921.04	458.19	226.10	350.38	4112.38
02-03	80.05	103.81	932.42	1493.01	102.05	138.56	2996.76	985.23	20711.79	3191.44	585.52	111.79	403.43	3434.71
03-04	14.02	142.44	1071.36	1975.92	111.46	196.90	3498.71	1184.74	22133.69	2838.66	672.13	215.44	334.67	6359.52
04-05	11.97	186.03	1002.64	3042.41	116.91	199.38	3358.16	1049.76	25129.27	2334.04	931.16	138.92	340.57	9499.05
05-06	0.00	196.05	730.38	3872.60	70.41	74.65	3019.00	1140.56	26698.73	1913.38	1027.10	118.89	377.05	11605.96
06-07	208.34	1075.80	328.55	5382.07	68.87	66.04	3161.57	1335.22	27370.67	2354.63	168.84	85.11	697.86	18213.02
07-08	152.06	1224.14	134.40	6384.77	139.99	57.83	2666.90	1444.65	24299.85	1879.33	52.69	88.30	852.19	19910.98
08-09	223.85	2390.89	67.63	8462.30	164.60	19.03	1925.92	1591.05	23537.53	1716.56	40.06	85.09	1174.77	22598.15
09-10	668.33	9742.03	45.38	12347.06	165.92	28.53	2461.21	2023.77	25428.01	1425.28	2.03	3.04	713.39	25351.24
10-11	1056.52	12148.55	826.22	14829.02	86.72	35.84	2685.34	1823.05	21525.80	1244.72	0.00	0.00	476.89	23968.41
11-12	3171.30	20323.98	185.55	22150.70	340.99	68.75	3140.70	2433.12	23545.00	1582.83	24.56	0.00	549.80	27745.26
12-13	2112.46	20707.66	133.37	24727.61	282.41	39.32	2387.22	2628.74	22810.10	1702.76	3.15	0.00	495.01	33572.91
LGR	27.10	29.15	-17.45	22.41	8.69	-21.43	-4.30	9.95	2.98	-9.02	-12.59	-16.52	5.23	17.46
R²	0.50	0.64	0.76	0.82	0.44	0.42	0.68	0.91	0.49	0.85	0.28	0.63	0.25	0.96
CAGR	26.76	47.30	-18.41	38.79	11.80	-20.81	-4.91	11.87	3.23	-6.91	-19.46	-100.00	1.06	44.02

Source: Ministry of MSME, Government of India (different annual reports).

INDIA’S MAJOR IMPORTERS OF COIR AND COIR PRODUCTS

Table-4 shows the details of the major importers of coir and coir products from india during 2012-13. China is the largest importer of coir and coir products from India accounting for 145520.22 mts having 21623.15 lakh export value. Succeedingly, USA is second largest importer 55539.96 mts of coir and coir products have 25436.43 lakh export value. In the next places South Korea (51020.83 mts have 5027.18 lakh export value), Netherland (47995.44 mts have 8453.07 lakh export value), Spain (16169.35 mts have an export value of 3218 lakh), UK (13666.85 mts have 8121.85 lakh), Italy (11829.59 mts have 4233.99 lakh), Australia (9753.12 mts have 3370.19 lakh export value), Germany (7447.74 mts have 6062.04 lakh value), Russia (6207.51mts have 1924.45 lakh export value), France (4728.02 mts have 2910.2 lakh export value), Canada (4583.1 mts have 1962.02 lakh value), Japan (3173.99 mts have 1589.79 lakh of export value), Belgium (1967.24 mts have 1247.75 lakh export value) and Brazil (1547.89 mts have 1321.6 lakh export value) stood during 2012-13.

TABLE-4: MAJOR IMPORTERS OF COIR AND COIR PRODUCTS FROM INDIA DURING 2012-13

S. No.	Country	Quantity	Value	% to total quantity	% to total value
1.	USA	55539.96	25436.43	12.93	22.79
2.	China	145520.22	21623.15	33.88	19.38
3.	Netherlands	47995.44	8453.07	11.17	7.57
4.	UK	13666.85	8121.85	3.18	7.28
5.	Germany	7447.74	6062.04	1.73	5.43
6.	South Korea	51020.83	5027.18	11.88	4.5
7.	Italy	11829.59	4233.99	2.75	3.79
8.	Australia	9753.12	3370.19	2.27	3.02
9.	Spain	16169.35	3218	3.76	2.88
10.	France	4728.02	2910.2	1.1	2.61
11.	Canada	4583.1	1962.02	1.07	1.76
12.	Russia	6207.51	1924.45	1.45	1.72
13.	Japan	3173.99	1589.79	0.74	1.42
14.	Brazil	1547.89	1321.6	0.36	1.18
15.	Belgium	1967.24	1247.75	0.46	1.12

Note: 2012-13, Total Quantity: 429500.92, Total Value: 111602.74

Source: Ministry of MSME, Government of India (different annual reports).

Due to maintenance of good trade relations, technological advancements, rupee value enhancing exchange rates, favourable export conditions, liberalizing trade and tariff barriers, more attractively designed coir products especially for foreign consumers, availability of cheap & best coir products compare to other countries etc. made India as a robust exporter of both coir and coir products to the above countries.

SUGGESTIONS FOR DEVELOPMENT OF COIR INDUSTRY

The suggestions for development of Coir Sector in the country majorly should be on;

1. Modernizing Production infrastructure by means of appropriate technology without displacement of labour.
2. Expanding domestic market through proper and prompt publicity and propaganda.
3. Promoting export of coir and new products through undertaking viable market promotion measures abroad.
4. Promoting research and development activities like process improvement, product development and diversification and elimination of drudgery and pollution abatement.
5. Developing skilled manpower through training.
6. Extending Research and Development findings through field demonstrations.
7. Developing coir industry in all coir producing States in association with the State Governments.
8. Providing adequate credit for export of coir and coir products.
9. Liberalizing export tariff barriers in the context of export of coir and coir products.
10. Maintaining long lasting trade relationships with the neighbor countries.
11. Enhancing infrastructural and transportation facilities for smooth export of coir and coir products through minimization of cost.
12. Drawing productive policies for better production and export of coir and coir products.
13. Upgrading technology with a view to make the export activity most cost feasible with minimum labour effort.

CONCLUSION

The Coir Industry has been significantly export oriented and a valuable foreign exchange earner. India is one among the leading exporters of coir in the world. It is estimated that more than 90 percent of Indian Coir export revenue comes from value added products. The industry set an ambitious target of achieving Rs. 858933.73 lakh worth of exports 2712863.87 metric tonnes from 1998-99 to 2012-13. Both in terms of volume and value of coir and coir exports India occupies an importance place. The Central Government and State Governments, Coir Board and NGOs should take necessary steps to increase the coir and coir products exports from India by improving the quality of coir products with International standards, and also conduct export campaign. The Coir Board has sought higher allocation in the Indian budget to overcome any financial barriers. The Indian coir industry will see magnanimous trend if the above mentioned suggestions are followed fruitfully.

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AN ANALYSIS OF INTRINSIC FACTORS AND ITS IMPACT ON JOB SATISFACTION: A SPECIAL REFERENCE TO ACADEMIC STAFF OF SRI LANKA INSTITUTE OF ADVANCED TECHNOLOGICAL EDUCATION (SLIATE)

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ABSTRACT

Job satisfaction and motivation are very essential to the continuing growth of educational systems around the world. Academic staff is the key stakeholder in SLIATE and their job satisfaction is very important to produce quality students. This study was conducted to know the impact of intrinsic factors on job satisfaction of academic staff in SLIATE. Job satisfaction was considered as the dependent variable, and work itself, achievement, recognition, responsibility, and advancement was considered as the independent variables. The data was collected through questionnaire. 75 academic staffs were randomly selected for this study. The standard questionnaire was used with five point likert scales as the scaling method. The data was analyzed using Statistical Package for Social Sciences (SPSS) Version 16. The descriptive statistics such as mean score and standard deviation were used for univariate analysis. And correlation coefficient and regression were used for bivariate analysis. The result revealed that recognition, work itself, achievement, and responsibility are highly correlated significantly with job satisfaction of academic staff of SLIATE. The multiple regression analysis indicates that the variable can be explained by 54% of job satisfaction of academic staff. Findings on this study could enable the organizations to make suitable motivation policy to reach the organizational objectives.

KEYWORDS

Job satisfaction, Intrinsic factors, SLIATE.

1. INTRODUCTION

Job satisfaction is simply how people feel about their job and different aspects of their jobs Spector, (1997). This assumes that if employees like their jobs or certain aspects of their jobs, they will be satisfied or happy. Job satisfaction is important for organizational functioning, which refers specifically to performance, absenteeism, staff turnover and other work outcomes. A large number of studies have been designed to assess the impact of job satisfaction on a range of organizational issues such as employee productivity, absenteeism and turnover Robbins, (2003).

Sri Lanka Institute of Advanced Technological Education (SLIATE) is one of the most important technological educational sectors in Sri Lanka. The academic staff of SLIATE is very important to achieve the objectives of SLIATE. Academic staff job satisfaction is a factor; it directly affects to produce quality students. If academic staffs are unhappy it leads to inefficiency lecturer delivering, underutilization of the lecturer time period, absenteeism, turnover, and under organizational commitment. Ultimately, these factor influence on student performance and organizational performance.

Herzberg's Two-Factor theory divides into two groups of factors known as the motivation factors and hygiene factors. Herzberg, say "the motivating factors are the 'job content' factors that include recognition, achievement, responsibility, advancement and work itself. Hygiene factors are the 'job context' factors, which include salary, supervision, organization policy, relationship with supervision, work conditions, relationship with peers, salary, personal life, relationship with subordinates, status, and job security" Ruthankoon, (2003).

Basically the theory differentiates the factors between intrinsic motivators and extrinsic motivators. The intrinsic motivators, known as the job content factors, define things that the people actually do in their work; their responsibility and achievements. These factors are the ones that can contribute a great deal to the level of job satisfaction an employee feels at work. The job context factors, on the other hand, are the extrinsic factors that someone as an employee does not have much control over; they relate more to the environment in which people work than to the nature of the work itself Schermerhorn, (2003).

This study explores which motivational factors influencing on academic personnel in the academic programme of SLIATE, and explores the nature and extend of job satisfaction, using Herzberg's motivation factor theory. There are so many researchers found relationship between intrinsic factor and job satisfaction in developing country and undeveloped countries in different sectors and different areas but, there is no any research finding regarding the SLIATE academic staff. Therefore the results of the study benefit to the SLIATE to alter their system and better motivate their staff, which could lead to higher job satisfaction and better performance. The present study was an attempt to analysis the effects motivation and Job Satisfaction of academic staff of SLIATE. The study contain following objectives;

1. To identify the relationship between Intrinsic factors and job satisfaction of academic staff in SLIATE
2. To identify the impact of intrinsic factors on Job satisfaction of academic staff in SLIATE

2. LITERATURE REVIEW

According to Gibson, James, Ivancevich, John, and Donnelly, James, (2000), job satisfaction may be defined as an individual's expression of personal well-being associated with doing the job assigned. Job satisfaction depends on the level of intrinsic and extrinsic outcomes and how the jobholder views those outcomes. These outcomes have different values for different people.

Cheung and Scherling (1999) say job satisfaction or dissatisfaction is a function of intrinsic and extrinsic rewards (outcomes) offered by the job. If employees feel challenged, interested and enthused by the task at hand, they will be happy and satisfied because they innately believe that what they do is indeed value-adding. On the other hand, if employees feel discouraged, disinterested and unenthused by the task at hand, they will be unhappy and dissatisfied, because they don't see any tangible value in them doing the job.

Holly Forde, (2002) defines job satisfaction is a complex phenomenon that has been studied quite extensively. Various literature sources indicate that there is an association between job satisfaction and motivation, motivation is hard to define, but there is a positive correlation between job satisfaction, performance and motivation, whereby motivation encourages an employee, depending on their level of job satisfaction, to act in a certain manner.

Herzberg's theory is based on two factors: motivations and hygiene. The theory states that six intrinsic factors (motivations) impact job satisfaction: achievements, recognition, work itself, advancement, responsibility, and salary. Intrinsic factors have been found to have a direct impact on job satisfaction Gruenberg, (1980). Extrinsic factors (hygienes) impact job dissatisfaction: salary, supervision, company policy, working conditions.

DIMENSION OF INTRINSIC FACTORS**2.1.1 ACHIEVEMENT**

Herzberg, Maunser, & Snyderman, (1959) definition of achievement includes "it's opposite, failure, and the absence of achievement". Achievement can be identified by successfully completing a task, finding a solution to problems, showing proof of work, and seeing the results of one's work. Achievement was the most frequently appearing factor that related to what makes people happy in their jobs according to Herzberg's study.

Achievement in academia has been measured by faculty productivity, or the number of publications including journal articles, books, and presentations (August & Waltman, (2004). There are many differences between male and female faculty productivity. August and Waltman (2004) found that achievement, measured by faculty productivity, was not significantly related to job satisfaction among female faculty. Female faculty members spend their time publishing books and articles, participating in public service, and taking on greater administrative responsibilities than their male counterparts Sax, Hagedorn, Arredondo, & DiCrisi (2002). Men spend more time on research than teaching, which produces higher salaries Bellas, (1993). Female professors often have lower research productivity, more interest in teaching, and more involvement in institutional service than do their male counterparts. Women also often tend to work part-time or teach in fields unlike the ones in which they were trained (Sax, Hagedorn, Arredondo, & DiCrisi, (2002).

2.1.2 RECOGNITION

Herzberg, Maunser, & Snyderman (1959) identified recognition as an intrinsic factor that can positively affect job satisfaction. The types of recognition seen in academia include salary, tenure, rank, and support for scholarly activities such as research, teaching, and service (August & Waltman, 2004; Rosser, 2005). Olsen, Maple, and Stage (1995) found that female faculty members view recognition and institutional support as having a positive impact on job satisfaction.

2.1.3 WORK ITSELF

Herzberg, Maunser, & Snyderman (1959) also identified work itself as a factor that can positively impact job satisfaction. Herzberg et al. defined work itself as "The actual doing of the job or the tasks of the job as a source of good or bad feelings about it". Academics live by a motto: research, teaching, and service. Faculty have a wide variety of job responsibilities, encompassing those of teacher, advisor, researcher, committee member, editor, consultant, colleague, counselor, and friend, for which they may feel unprepared O'Laughlin & Bischoff, (2005). O'Laughlin & Bischoff (2005) state that the nature of academic work often causes new faculty to feel overwhelmed and stretched beyond their physical and mental capacity which can lead to dissatisfaction. Malik (2011) found that work itself accounted for 63% of the variance in overall job satisfaction of university faculty members at one university.

2.1.4 ADVANCEMENT

Herzberg, Maunser, & Snyderman defines advancement as a change in the status or position of a faculty member. Herzberg et al. (1959) found that employees with higher rank jobs had higher levels of satisfaction. Hagedorn (2000) stated that advancement in academia relates to promotion of rank and achievement of tenure. Tack & Patitu (1992) identified rank and tenure as explanatory variables in faculty job satisfaction. Oshagbemi (1997) found that rank was a significant factor of job satisfaction as compared to age and gender. Oshagbemi (1997) also reported that faculty with the rank of full professor reported greater job satisfaction than lower ranked faculty. In other research, tenured faculty reported higher job satisfaction than did faculty who were not tenured (Adkins et al., 2001; Bender & Heywood, 2006). Women also report being less satisfied than men with their promotions Okpara, Squillace, & Erundu, (2005).

2.1.5 RESPONSIBILITY

Responsibility is noted by Herzberg et al. (1959) as events that a person derives satisfaction from such as being given responsibility for his or her own work or the work of others, being given a new responsibility without any formal advancement, or being allowed to work without supervision. Many studies have shown that responsibility and job satisfaction have a positive effect on each other Bowen & Radhakrishna, (1990); Hertzberg et al., (1959); Padilla-Velez, (1993). However, Moxley (1977) reported that responsibility was related to job dissatisfaction. Conversely, other studies found that responsibility and job satisfaction have no effect on each other (Cano & Miller, (1992); Castillo, Conklin & Cano, (1998).

The researchers formulate the following hypothesis based on the literature review and the purpose of the study.

H₁: Intrinsic factors are significant and positive relationship with Job satisfaction of SLIATE academic staff.

H_{1a}: Achievement is significant and positive relationship with job satisfaction

H_{1b}: Responsibility is significant and positive relationship with job satisfaction

H_{1c}: Recognition is significant and positive correlation with job satisfaction

H_{1d}: Advancement is significant and positive correlation with job satisfaction

H_{1e}: Work itself is significant and positive correlation with job satisfaction

H₂: intrinsic factors are significantly impact on job satisfaction of SLIATE academic staff.

H_{2a}: Achievement is significantly impact on job satisfaction

H_{2b}: Responsibility is significantly impact on job satisfaction

H_{2c}: Recognition is significantly impact on job satisfaction

H_{2d}: Advancement is significantly impact on job satisfaction

H_{2e}: Work itself is significantly impact on job satisfaction

3. MATERIAL AND METHODS

Materials and methods of present study were outlined below.

3.1 RESEARCH DESIGN

The present study adopts an analytical and descriptive research design. The emphasis here is on studying a situation or a problem in order to explain the relationship between variables. The study is of empirical nature aimed to analysis the intrinsic factors and job Satisfaction of academic staff of SLIATE by using statistical tools.

3.2 POPULATION AND SAMPLING TECHNIQUE

The population of the study constitutes the employees who are working under SLIATE. The employees are divided into two broad categories. That is (1) Academic staff (2), non-Academic (administrative staff). Only academic staffs were selected as systematically from the population of this study. Total 75 responses were intended to obtain (n=75). Employees, who were randomly, approach for this purpose of the study.

3.3 DATA SOURCES AND INSTRUMENTATION

The study duly used primary data. The questionnaire was prepared on the basis of survey of existing literatures. Likert scale was used as follows, highly dissatisfied scale 1, dissatisfied scale 2, neither satisfied nor dissatisfied scale 3, satisfied scale 4, and highly satisfied scale 5

Decision rule to measure the level of job satisfaction

The mean value of these five point scale was 3. [(5 + 4 + 3 + 2 + 1)/5] Therefore, the following decision rules were formulated for each variable. "μ" denotes the mean score of the respondents for each variable.

1. If $0 < \mu < 1$, then highly job dissatisfaction
2. If $1 < \mu < 2$, then dissatisfaction
3. If $2 < \mu < 3$, then moderate level of job satisfaction
4. If $3 < \mu < 4$, then job satisfaction
5. If $4 < \mu < 5$, then highly job satisfaction

3.4 VARIABLES

Dependent Variables: The dependent variables is job satisfaction

Independent Variables: The independent variables are achievement, responsibility, recognition, advancement, and work itself.

3.5 MODE OF ANALYSIS

Descriptive statistics, Pearson product moment correlation and multiple regression methods were employed to analyze the collected data. Figures obtained from SPSS 16.0 were interpreted to come at conclusion and implications.

$$\text{Job satisfaction} = B_0 + B_1 \cdot \text{Achievement} + B_2 \cdot \text{Responsibility} + B_3 \cdot \text{Recognition} + B_4 \cdot \text{Advancement} + B_5 \cdot \text{work itself} + e_r$$

4. RESULTS AND DISCUSSION

4.1 DESCRIPTIVE ANALYSIS

Descriptive statistics were used to determine the central tendency of the data and trend of the variables. The outcome explained the strength of Job satisfaction, achievement, responsibility, recognition, advancement, and Work Itself for the point of view of academic staff working with SLIATE. Results showed that academic staff favored the achievement, responsibility, recognition, advancement, and Work Itself. They are also found averaging satisfied with their job. Table below contains data about tendency for the predicting and criterion variables

TABLE 4.1: DESCRIPTIVE STATISTICS

	N	Minimum	Maximum	Mean	Std. Deviation
Achievement	75	1.00	5.00	2.94	.782
Responsibility	75	1.00	5.00	2.84	.779
Recognition	75	1.00	5.00	2.47	.725
Advancement	75	1.00	5.00	2.89	.980
Work itself	75	1.00	5.00	2.90	.569
Job satisfaction	75	1	5	2.61	.999
Valid N (list wise)	75				

Data: surveyed data

According to the statistics, there was no significant difference between mean scores of each variable except recognition. Recognition scales reported lower mean scores as 2.47. Variables, that is, achievement, responsibility advancement and work itself scales reported lower mean scores as 2.94, 2.84, 2.89, and 2.90 respectively. The data shows that the mean value of job satisfaction is 2.61. According to the decision rule that was prepared earlier, this mean value falls in to $2 < \mu < 3$ mean value category. That means the academic staff of SLIATE are moderate level of satisfaction with their job.

4.2 CORRELATION ANALYSIS

The results presented in table indicate that the correlation coefficients for each research variable. The relationships between factors affecting to job satisfaction are direct, linear and positive.

TABLE 4.2: CORRELATION BETWEEN INDEPENDENT VARIABLE AND JOB SATISFACTION

Independent variable	Dependant Variable	r - value	p - value
Intrinsic factors	Job satisfaction	0.757**	0.000
Achievement		0.584**	0.000
Responsibility		0.514**	0.000
Recognition		0.693**	0.000
Advancement		0.247*	0.033
work itself		0.655**	0.000

Data: surveyed data

The results exposed that intrinsic factors are having significant positive association with job satisfaction of academic staff of SLIATE. Pearson correlation for intrinsic factors and job satisfaction is 0.757. This means there is a strong positive relationship between intrinsic factors and job satisfaction and there was a significant relationship between them at 1% level. And also correlation for responsibility, achievement, responsibility, recognition, advancement and work itself with job satisfaction is 0.584, 0.514, 0.693, 0.247 and 0.655 respectively. This means there is a positive relationship between achievement, responsibility, recognition, advancement and work itself with job satisfaction and there was a significant relationship at 1% and 5% levels.

4.3 MULTIPLE REGRESSION ANALYSIS

TABLE 4.3: MULTIPLE REGRESSION INDEPENDENT VARIABLE AND JOB SATISFACTION

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.757 ^a	.573	.542	.676

Data: surveyed data

The table 03 shows the multiple correlation coefficients "R", R Square (R²), and Adjusted R square of the variables. Multiple correlation of coefficient for independent variable and job satisfaction is 0.757. It indicates that there was strong relationship between independent and dependent variable. Adjusted R Square for independent variables and job satisfaction is 0.542. This means 54% variance in job satisfaction is accounted by the independent variables and other 46% variance in the job satisfaction is attributed to some other factors.

TABLE 4.4: REGRESSION ANALYSIS OF ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	42.29	5	8.45	18.53	.000 ^a
Residual	31.49	69	.45		
Total	73.78	74			

Data: surveyed data

TABLE 4.5: COEFFICIENTS OF VARIABLES

Model	Un standardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error			
1 (Constant)	-.78	.42		-1.83	.071
achievement	.16	.16	.13	1.00	.318
responsibility	-.08	.16	-.06	-.53	.596
recognition	.64	.16	.46	3.97	.000
advancement	-.06	.08	-.06	-.65	.515
work itself	.59	.19	.34	3.03	.003

Data: surveyed data

The result shows that the independent variables statistically and significantly predict the dependent variable (p-value is 0.000). This means there is strong model significance between independent and dependent variables. It reveals that there is relationship between independent variables and dependent variable.

In this table 05, the standardized co-efficient explain that the factors are influencing the job satisfaction. Since the independent variables are different nature and have different units of measure so Standardized Coefficients is considered. The beta value (0.469) with sig value = 0.000 shows that there is significant impact of recognition on job satisfaction of academic staff of SLIATE because the P-value $0.000 < 0.05$. Further, it was found that the work itself is positively impact on job satisfaction. The beta value (0.337) with sig value = 0.003 shows that there is significant impact of work itself on job satisfaction, because the P-value $0.003 < 0.05$.

5. CONCLUSION

The main objective of this study is to analysis of intrinsic factors and its impact on job satisfaction of academic staffs employed in the SLIATE. The researcher identified five factors that can be used as predictors of job satisfaction under the literature review. They were advancement, achievement, responsibility, recognition, and work itself. The research was designed and hypotheses were formulated accordingly.

According to the findings, the academic staffs of SLIATE were not satisfied with their jobs. They have moderate level of job satisfaction. In addition to this finding, a significant strong positive relationship was found between intrinsic factors and job satisfaction. Further analyses indicate that there is a significant relationship between achievement, responsibility, advancement, recognition and work itself with job satisfaction of academics of SLIATE. Therefore it can be concluded that recognition and work itself are strong significant positive predictors of job satisfaction of academic staff in SLIATE.

The regression results indicate that the intrinsic factors are significantly impact on job satisfaction of academic of SLIATE. Further variable analysis confirms that recognition and works itself are significantly impact on job satisfaction. Future study may be carried with widened scope such as the demographic considerations may be taken into account in analysis. Study may be carried out for schools and colleges or universities separately.

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ASSESSMENT OF LEADERSHIP PRACTICES AND EFFECTIVENESS IN ETHIOPIAN UNIVERSITIES

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ABSTRACT

This study attempted to examine the major leadership practices and effectiveness as perceived by leaders and their immediate subordinates in selected Ethiopian Public Universities. To do so, 117 leaders and 246 subordinates from three universities were made to participate in the study. The self and direct report forms of the Student Leadership Practice Inventory were used to collect data. Analysis of one sample t-test showed that leadership effectiveness of the leaders was above the expected mean in all components of the leadership practices. Independent samples t-test found out significant difference in perceptions of leadership effectiveness between leaders and subordinates of the three universities. From analysis of variance, there was no significant difference in leadership effectiveness among all the respondents from the three universities and among the leaders of the three universities. But it was found that there is significant difference in leadership effectiveness among the subordinates of the three universities. Even though the ratings of both leaders and their immediate subordinates indicated the effectiveness of the leaders, the significant difference between the leaders and their subordinates needs special attention as it may result in conflicting perceptions and poor performance.

KEYWORDS

leadership practices, Ethiopian Universities.

1. INTRODUCTION

Ethiopia envisages to be poverty free middle-income country where democratic rules, good-governance and social justice reign by the year 2025 (Ministry of Finance and Economic Development, 2010). To realize this vision, a variety of sectors have revised their missions. One of the sectors, the Ministry of Education, has developed various plans to prepare work forces by expanding and ensuring quality education. The Ministry has drafted its activities and programs through various sector development plans called Education Sector Development Program (ESDP). So far, ESDP had passed through three rounds of programs and now it is at its fourth phase (MOE, 2010).

The review of ESDP III reports that Ethiopia showed improvement on the accessibility of education at all levels (MOE, 2010). Remarkable expansion has been experienced in the higher education subsector; new universities and regional colleges were established in every corner of the country and enrollment has increased dramatically (MOE, 2010). Regardless of these achievements, however, currently higher education institutions are criticized for not producing qualified work force. According to the review of ESDP III, poor leadership capacity was one of the factors for not producing qualified work force (MOE, 2010). And hence, this study focused on assessing leadership effectiveness of higher education institutions.

2. LITERATURE REVIEW AND THEORETICAL FRAMEWORK

Leadership accounts for more variance in performance than do many other variables (Ivancevich & Matteson, 2002). Bass (1990) cited in Northouse (2010:2) suggested some alternative definitions of leadership as: "a group processes", "a combination of special traits or characteristics that some individuals possess", "an act or a behavior that leaders do to bring about change in a group", "the power relationship that exists between leaders and followers", "a transformational process that moves followers to accomplish more than what is usually expected of them", and "the capabilities (knowledge and skills) that make effective leadership possible".

The realization of poverty free middle income country requires each citizen and sector to exert extraordinary effort. From the different leadership perspectives such as the trait, behavioral, contingency, and transformational, the leadership approach which mobilizes each citizen to exert extraordinary effort is the transformational leadership (Kouzes & Posner, 2007). This statement is supported by empirical evidences (Bass & Riggio, 2006; Felfe & Schyns, 2004; Goewey, 2012; Silverthorne, 2005). Nowadays, transformational leadership is generally accepted as the better and more successful model of leadership.

The transformational leadership approaches subordinates by raising awareness of the importance of outcomes to the organization by (a) making them more aware of the importance of task outcomes, (b) inducing them to transcend their own self-interests for the sake of the organization or team, and (c) activating their higher-order.

There are various transformational leadership approaches. Two of them are: 1. Bass and Avolio full-range model of leadership, and 2. Kouzes and Posner transformational leadership model. The Bass and Avolio full-range transformational leadership is comprised of idealized influence, inspirational motivation, intellectual stimulation, individualized consideration, contingent reward, management-by-exception active, management-by-exception passive, and laissez-faire leadership (Sadeghi & Zaidatol Akmaliah, 2012). The Kouzes and Posner transformational leadership consists of modeling the way, inspiring the shared vision, challenging the process, enabling others to act, and encouraging the heart of the constituents (Kouzes and Posner, 2007). The authors called this model of transformational leadership as the five practices of exemplary leadership model. This model continues to confirm its effectiveness as an understandable, evidenced-based path to get extraordinary organizational outcomes (Kouzes and Posner, 2007). Besides, the model simplifies the abstract concept of leadership into skills that can be taught and learned by those who want to be effective leaders. Goewey (2012) affirmed that the work of Kouzes and Posner is widely respected and applied in business and education and might provide a foundation for framework of leadership practices. Similarly, Abu-Tineh, Khasawneh & A-Omary (2009, p. 266) stated that "the Kouzes and Posner model of transformational leadership, which is based on years of empirical research, includes a series of qualities that must be possessed and practices that must be applied to provide a school principal in every school a practical guidance on how to lead as well as practical suggestions of how to act during difficult situations." Moreover, Kouzes and Posner (2002) quoted the word of Roland Barth, Founding director of Harvard University's Principals Center, "the leadership challenge model provides school leaders with the qualities to become good leaders and to enable them to improve public schools" (Abu-Tineh, Khasawneh & A-Omary, 2009, p. 267). Thus, this study used Kouzes and Posner model of transformational leadership to assess major leadership practices and leadership effectiveness.

THE KOUZES AND POSNER TRANSFORMATIONAL LEADERSHIP MODEL

This model of Transformational leadership (Kouzes and Posner, 2007) is comprised of five interrelated roles: modeling the way, inspiring the shared vision, challenging the process, enabling others to act, and encouraging the heart of the constituents. Brief description of each component of leadership practice is given below.

Modeling the Way refers to setting the example by clarifying the values and aligning one's actions with the shared values (Kouzes & Posner, 2007). According to these writers, a leader who acts the shared values with integrity, comprehends the deeply held beliefs, values, principles, standards of the constituents; ensures constituents agreement on a set of values; asks feedback about the impact of his/her actions on constituents' performance; communicates in a way that uniquely represents who he/she is.

Inspiring a Shared Vision refers to the degree to which a leader describes an exciting vision of the future (Hugo, 2008). Leaders inspire followers by envisioning exciting possibilities, appealing to the shared values, finding a common ground with followers, speaking from the heart, looking past to improve the future over the present and putting more energy and enthusiasm into the constituents' vision (Kouzes & Posner, 2007)

Challenging the Process refers to the degree to which the leader questions the status quo and allows others to question and experiment the existing organizational operations, policies, assumptions, rules, procedures (Carless, 2001). In challenging the process the leader seeks ways to improve, searches for opportunities to get extra ordinary things done, lets others experiment and take risks, treats every job as an adventure, encourages others to open their eyes and ears outside the organization and creates an environment in which each mistake becomes a collective learning (Kouzes & Posner, 2007).

Enabling Others to Act refers to the amount of cooperative and participative decision-makings made by the leader (Carless, 2001). Leaders enable constituents by fostering collaboration and strengthening them (Kouzes & Posner, 2007). According to these writers, leaders foster collaboration by creating a climate of mutual trust and respect, supporting face-to-face interactions, facilitating positive interdependence, promoting cooperative goals and giving up their power to their followers. Leaders strengthen followers by sharing power and discretion with them. They also invest in strengthening the capacity of everyone in the organization (Kouzes & Posner, 2007).

Encouraging the Heart Encouragement strengthens trust between leaders and constituents (Kouzes & Posner, 2007). Leaders encourage the heart of their constituents by providing positive feedback, recognizing individual contributions and celebrating publicly the accomplishment of their constituents, talking with constituents to learn more about meaningful and significant rewards and treating constituents as winners to get winning performance (Kouzes & Posner, 2007). Thus, this study set out to assess the extent to which the Ethiopian universities are effective in the five leadership practices.

DIFFERENCE IN PERCEPTION OF LEADERSHIP EFFECTIVENESS BETWEEN LEADERS AND SUBORDINATES

Hughes and his colleagues (1999) believed leaders and subordinates may interpret the same behavior differently. Consequently, Yammarino and Atwater (1997) categorized self-other agreement into a 4-group model: over estimators, under estimators, in agreement good, and in agreement bad. These authors found good performance for agreement good, mixed performance for under estimators, and poor performance for in agreement bad and over estimators. As a result, this study also examined whether or not there is agreement between self and subordinate ratings of the Ethiopian Universities leadership effectiveness.

3. STATEMENT OF THE PROBLEM

Leadership is one of the major factors affecting tertiary education institution's performance (Gemechis and Ayalew, 2012). These authors also described that in the world of knowledge based economy, universities are recognized as major factors in economic growth and development. Similarly, the goal of Ethiopian higher education is "to develop highly qualified, motivated and innovative human resources and produce and transfer advanced and relevant knowledge for socio-economic development and poverty reduction with a view to turning Ethiopia into a middle-income country by the year 2025"(MOE, 2010). To attain this goal, higher education institutions need to have effective academic leadership. In developing countries like Ethiopia, where universities are expected to address multifaceted societal problems, it is very crucial to study the leadership effectiveness of the universities. Contrary to expectation, it was reported that higher education management and leadership system was not at required level (MOE, 2010). On the other hand, the review of the third ESDP had described that Business Process Re-engineering (BPR) has been used as institutional reform tool to achieve institutional transformation in Ethiopian universities. Then after this intervention, it is assumed that leadership has to be improved. Despite the existence of large body of literature in the Western world, to the best of the researchers' knowledge, there is no research on leadership effectiveness in Ethiopian public universities using Kouzes and Posner's model of transformational leadership. Initiated by lack of research on the area, this study attempted to examine styles and effectiveness across public universities using Kouzes and Posner's model of transformational leadership. Hence, this study was intended to answer the following research questions.

1. What are the major leadership practices of the three Ethiopian public universities?
2. To what extent are public universities' leaders effective in their leadership practices?
3. Is there a statistically significant difference in leadership effectiveness among the three universities?
4. Is there a statistically significant difference in perceptions of leadership effectiveness between leaders and subordinates?

4. IMPORTANCE OF THE STUDY

The researchers believe that the results of this study are helpful to all the concerned bodies such as department heads, vice deans, deans, vice presidents, presidents, management boards, regional governments, and Ministry of Education in that:

- They will get relevant information about the status of Ethiopian universities leadership effectiveness so that they may be able to help universities' leaders develop appropriate leadership competence and styles.
- They may get some insights about the existence of difference in leadership effectiveness among universities. This will be especially useful for management boards and Ministry of Education to properly intervene and support universities' leaders as well as to arrange to experience sharing programs among the universities to enhance their leadership effectiveness.
- The universities' leaders will get some insights about their own leadership effectiveness as a step toward becoming effective educational leaders.

Finally, it may also serve as a spring board for further studies in the area.

5. RESEARCH DESIGN AND METHODOLOGY**5.1. RESEARCH DESIGN**

The research design chosen for this study was descriptive survey as it aimed at examining leadership style practiced and leadership effectiveness of the Ethiopian universities' leaders and at investigating the existence of difference in leadership effectiveness among the universities, and between leaders and subordinates.

5.2. PARTICIPANTS

Three Universities were selected from 32 public universities. The selected universities are Bahir Dar, Mekele and Aksum. Among the communities of the universities, the immediate subordinates are believed to have more access to their leaders. Hence, immediate subordinates were taken as sample. 117 leaders and 246 subordinates from the three universities participated in the study. Each participant who was in leadership position at the time of data collection rated about his/her own and his/her immediate leader's leadership effectiveness.

5.3. DATA GATHERING INSTRUMENTS

The researchers used the Student Leadership Inventory (S-LPI). The inventory has 30 items and 5 components of leadership roles and 6-items for measuring each category of the leadership practice. The frequency of the leadership practice varies from "not at all" to "always". It was scaled as not at all (1), rarely (2), sometimes (3), usually (4), and always (5).

Inter-item correlations were carried out to select good items for each subscale of the inventory. All items of all subscales significantly correlated with their respective total item score. To check the internal consistency of the items, Cronbach Alpha was computed for each subscale of scale for both leaders and subordinates. The alpha coefficients were indicated in table 1.

TABLE 1: ALPHA COEFFICIENTS FOR SELF AND DIRECT REPORTS RATINGS

Leadership Practice	Self-rating (n=117)	Subordinates' rating (n = 246)
Modeling	.591	.851
Inspiring	.665	.854
Challenging	.687	.889
Enabling	.736	.867
Encouraging	.784	.894

Alpha coefficients for the whole scale are 0.898 and 0.968 for leaders and subordinates, respectively.

5.4. DATA GATHERING PROCEDURES

The objectives of the study were explained to the respondents and the respondents were also requested to evaluate how frequently their immediate leader and/or he/she perform each role and rate accordingly. During the administration, the respondents were advised to raise clarification questions as they need.

5.5. DATA ANALYSIS

Leadership effectiveness was analyzed using one sample t-test. The expected mean of the scale was used as a test value. The difference among the universities in the five components of S-LPI was tested using ANOVA and Scheffe post hoc test was employed to make pair-wise comparisons. To test whether the perception of leadership effectiveness is affected by being a leader or subordinate independent t-test was used. Alpha value of .05 was used for all significant levels.

6. RESULTS AND DISCUSSION

6.1. RESULTS

MAJOR LEADERSHIP PRACTICES OF THE UNIVERSITIES

Mean scores and standard deviations of the leadership practices of each university are summarized in Table 2. This table answers the first research question: the major leadership practices in the three universities.

TABLE 2: MEANS AND STANDARD DEVIATION OF THE THREE UNIVERSITIES' LEADERSHIP PRACTICES

University	Leadership Practices	n	Means	Standard Deviations
Bahir Dar	Modeling	183	21.16	5.19
	Inspiring	183	21.76	5.09
	Challenging	183	21.03	5.39
	Enabling	183	21.94	5.18
	Encouraging	183	20.81	5.60
Mekele	Modeling	76	20.42	5.08
	Inspiring	76	21.07	5.03
	Challenging	76	20.83	5.55
	Enabling	76	22.76	5.79
	Encouraging	76	20.67	5.36
Aksum	Modeling	104	22.24	4.64
	Inspiring	104	23.28	4.71
	Challenging	104	22.64	4.68
	Enabling	104	23.24	5.07
	Encouraging	104	21.81	5.67

It is observable from Table 2 that the mean of enabling others to act is the highest, followed by inspiring a shared vision, modeling the way, challenging the process and encouraging the heart, respectively for the three universities except in inspiring a shared vision takes the first rank and is followed by enabling others to act in Aksum University. Encouraging the heart is of the highest variability for both Bahir Dar University (sd= 5.60) and Aksum University (sd=5.67), respectively whereas enabling others to act (sd= 5.79) is the highest for Mekele University.

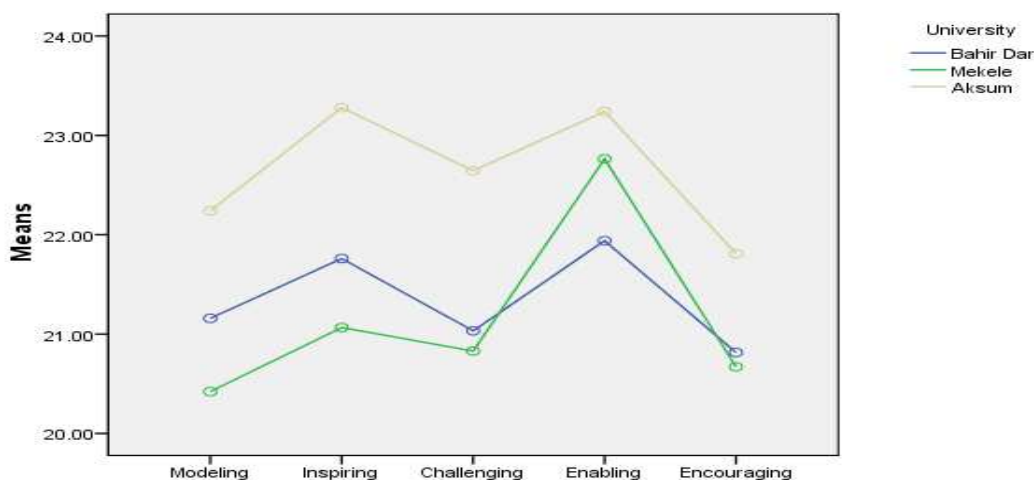


Fig. 1. Leadership Practices of the Three Universities

It can be seen from Figure 1 that the mean scores of enabling others to act, inspiring a shared vision and modeling the way take the first three ranks, respectively in Bahir Dar University and Mekele University. But in Aksum University inspiring a shared vision ranks first and is followed by enabling others to act and modeling the way, respectively. Encouraging the heart has the lowest mean followed by challenging the process for all the universities.

Mean scores, Standard deviations and one sample t-test result of leaders' and subordinates' perceptions of leadership effectiveness in the five components of leadership practices of each university and their grand total are summarized in Table 3. This table answers the second research question: the extent of leadership effectiveness in the three universities.

TABLE 3: MEANS, STANDARD DEVIATION AND ONE SAMPLE T-TEST RESULT OF THE THREE UNIVERSITIES LEADERSHIP COMPETENCE IN THE FIVE COMPONENTS OF LEADERSHIP PRACTICES

University	Leadership Components	Descriptive, test Value = 18				t	df	Sig.(2-tailed)
		Group	N	Mean	Std. Dev			
Bahir Dar University	Modeling	Leaders	71	24.15	2.57	20.20	70	.000
		Subordinates	112	19.26	5.54	2.40	111	.018
	Inspiring	Leaders	71	24.48	2.47	22.09	70	.000
		Subordinates	112	20.04	5.57	3.87	111	.000
	Challenging	Leaders	71	24.24	2.34	22.35	70	.000
		Subordinates	112	19.02	5.79	1.86	111	.066
	Enabling	Leaders	71	24.68	2.52	22.38	70	.000
		Subordinates	112	20.21	5.67	4.12	111	.000
	Encouraging	Leaders	71	23.85	2.32	21.21	70	.000
		Subordinates	112	18.89	6.20	1.52	111	.130
Mekele University	Modeling	Leaders	18	24.00	2.56	9.92	17	.000
		Subordinates	58	19.31	5.16	1.93	57	.058
	Inspiring	Leaders	18	24.17	3.52	7.44	17	.000
		Subordinates	58	20.10	5.06	3.16	57	.002
	Challenging	Leaders	18	24.00	3.45	7.39	17	.000
		Subordinates	58	19.84	5.72	2.46	57	.017
	Enabling	Leaders	18	25.28	3.99	7.73	17	.000
		Subordinates	58	21.98	6.06	5.00	57	.000
	Encouraging	Leaders	18	23.28	3.58	6.26	17	.000
		Subordinates	58	19.86	5.58	2.54	57	.014
Aksum University	Modeling	Leaders	28	24.68	3.37	10.50	27	.000
		Subordinates	76	21.34	4.73	6.15	75	.000
	Inspiring	Leaders	28	25.54	3.28	12.15	27	.000
		Subordinates	76	22.45	4.89	7.92	75	.000
	Challenging	Leaders	28	24.79	3.66	9.82	27	.000
		Subordinates	76	21.86	4.79	7.02	75	.000
	Enabling	Leaders	28	25.50	3.27	12.13	27	.000
		Subordinates	76	22.41	5.37	7.16	75	.000
	Encouraging	Leaders	28	24.36	3.53	9.53	27	.000
		Subordinates	76	20.87	6.02	4.15	75	.000
Combined ratings of all the three universities	Modeling	Leaders	117	24.26	2.76	24.48	116	.000
		Subordinates	246	19.91	5.28	5.69	245	.000
	Inspiring	Leaders	117	24.68	2.87	25.17	116	.000
		Subordinates	246	20.80	5.34	8.21	245	.000
	Challenging	Leaders	117	24.32	2.87	23.81	116	.000
		Subordinates	246	20.09	5.60	5.85	245	.000
	Enabling	Leaders	117	24.97	2.97	25.41	116	.000
		Subordinates	246	21.30	5.74	9.03	245	.000
	Encouraging	Leaders	117	23.88	2.85	22.29	116	.000
		Subordinates	246	19.73	6.040	4.50	245	.000

SOURCE: as Perceived by Leaders and Subordinates

As can be seen from Table 3 above, the mean scores for the three universities leadership effectiveness in all components of leadership practices were above the expected mean. Though the mean scores of leadership effectiveness were above the expected mean in all components of leadership, there are differences between leaders' and subordinates' perceptions in leadership effectiveness in all sampled universities.

Analysis of one sample t-test showed that the obtained mean scores of the five components of leadership for both the combined and separate reports of the three universities is significantly above the expected mean except in challenging the process and encouraging the heart in Bahir Dar University and modeling the way in Mekele University, as perceived by subordinates.

DIFFERENCE AMONG THE UNIVERSITIES

The existence of difference among the three universities in leadership effectiveness is tested by one way ANOVA. This was done by comparing mean scores of all respondents of the three universities, and leaders, and subordinates of these universities. The results of the comparisons indicated tables 3 to 5.

TABLE 4: TESTS OF BETWEEN-SUBJECTS EFFECTS AMONG THE THREE UNIVERSITIES

Sources of Variations	Sum of Squares	df	Mean Square	F	Sig
Between groups	3466.87	2	1733.44	2.98	0.052
Within groups	209443.66	230	581.79		
Total	212910.53	363			

The ANOVA test shows that the difference among all the respondents of the three universities in leadership effectiveness in the five components of leadership is not significant, $F(2,230) = 2.98, p > 0.5$.

TABLE 5: TESTS OF BETWEEN-SUBJECTS EFFECTS AMONG LEADERS OF THE UNIVERSITIES

Source	Dependent Variable	Sum of Squares	df	Mean Square	F	Sig.
University	Modeling	6.91	2	3.45	0.45	.640
	Inspiring	28.12	2	14.06	1.73	.183
	Challenging	8.75	2	4.38	0.53	.592
	Enabling	15.70	2	7.85	0.89	.413
	Encouraging	12.99	2	6.49	0.79	.454
Error	Modeling	879.40	114	7.71		
	Inspiring	929.18	114	8.15		
	Challenging	946.55	114	8.30		
	Enabling	1004.16	114	8.81		
	Encouraging	931.36	114	8.17		
Total	Modeling	886.31	116			
	Inspiring	957.30	116			
	Challenging	955.30	116			
	Enabling	1019.86	116			
	Encouraging	944.33	116			

As can be seen from the table, there is no significant difference among perceptions of the leaders of the universities in leadership effectiveness in the five components of leadership. So, there was no further testing of the contribution.

TABLE 6: TESTS OF BETWEEN-SUBJECTS EFFECTS AMONG SUBORDINATES OF THE UNIVERSITIES

Source	Dependent Variable	Sum of Squares	df	Mean Square	F	Sig.
University	Modeling	224.19	2	112.09	4.119	.017
	Inspiring	299.81	2	149.91	5.438	.005
	Challenging	369.08	2	184.53	6.132	.003
	Enabling	254.52	2	127.26	3.953	.020
	Encouraging	177.99	2	88.99	2.469	.087
Error	Modeling	6613.01	243	27.21		
	Inspiring	6698.03	243	27.56		
	Challenging	7312.98	243	30.09		
	Enabling	7823.62	243	32.19		
	Encouraging	8760.29	243	36.05		
Total	Modeling	104399.00	245			
	Inspiring	113394.00	245			
	Challenging	106964.00	245			
	Enabling	119737.00	245			
	Encouraging	104716.00	245			

Test of ANOVA for the subordinates' perception of leadership effectiveness among the three universities show significant difference in the four components of leadership practices, except in encouraging, $F(2, 243) = 2.469, p > .05$. Since one-way ANOVA indicated the presence of significant differences among ratings of the subordinates of the three universities, multiple comparisons was employed to find source of the difference among the universities.

TABLE 7: MULTIPLE COMPARISONS OF THE MEAN DIFFERENCES AMONG SUBORDINATES

Dependent Variable	(I) University	(J) University	Mean Difference (I-J)	Std. Error	Sig.
Modeling	Bahir Dar	Aksum	-2.01*	.78	.029
Inspiring	Bahir Dar	Aksum	-2.42*	.78	.009
	Mekele	Aksum	-2.34*	.92	.039
Challenging	Bahir Dar	Aksum	-2.84*	.82	.003
Enabling	Bahir Dar	Aksum	-2.20*	.84	.035

Scheffe post hoc test of subordinates' perceptions of their immediate leader's leadership effectiveness showed significant difference between Aksum and Bahir Dar Universities in all leadership practices, except in encouraging the heart. Yet, there is no significant difference between subordinates of Bahir Dar and Mekele Universities in perception of leadership effectiveness. According to the subordinates' perception of leadership effectiveness, Aksum and Mekele Universities have significant difference only in inspiring component in favor of Aksum University.

DIFFERENCE IN PERCEPTIONS OF LEADERSHIP EFFECTIVENESS BETWEEN LEADERS AND SUBORDINATES

Variation in responses among individuals is inevitable; what matters is whether the difference is significant or not. Independent sample t-test analysis showed significant difference between perceptions of the leaders themselves and their immediate subordinates in leadership effectiveness in all components of leadership, both on the separate (for each university) and combined (ratings of all universities) reports in favor of leaders (Tables 8 to 11).

TABLE 8: INDEPENDENT SAMPLES T-TEST FOR ALL UNIVERSITY LEADERS AND SUBORDINATES

Leadership Practices	Role	n	Means	Std Dev.	Std. Error Difference	t	df	Sig. (2-tailed)
Modeling	Leaders	117	24.26	2.64	0.26	8.36	361	.000
	Subordinates	246	19.91	5.28	0.34			
Inspiring	Leaders	117	24.68	2.87	0.27	7.37	361	.000
	Subordinates	246	20.79	5.34	0.34			
Challenging	Leaders	117	24.32	2.87	0.27	7.70	361	.000
	Subordinates	246	20.09	5.59	0.38			
Enabling	Leaders	117	24.97	2.97	0.27	6.49	361	.000
	Subordinates	246	21.30	5.74	0.37			
Encouraging	Leaders	117	23.88	2.85	0.26	7.06	361	.000
	Subordinates	246	19.73	6.04	0.39			

Table 8 shows significant difference between leaders' and subordinates' perceptions of leadership effectiveness of the three universities in all leadership practices. Figure 2 also shows that mean scores of leaders of all the three universities are higher than the mean scores of the immediate subordinates.

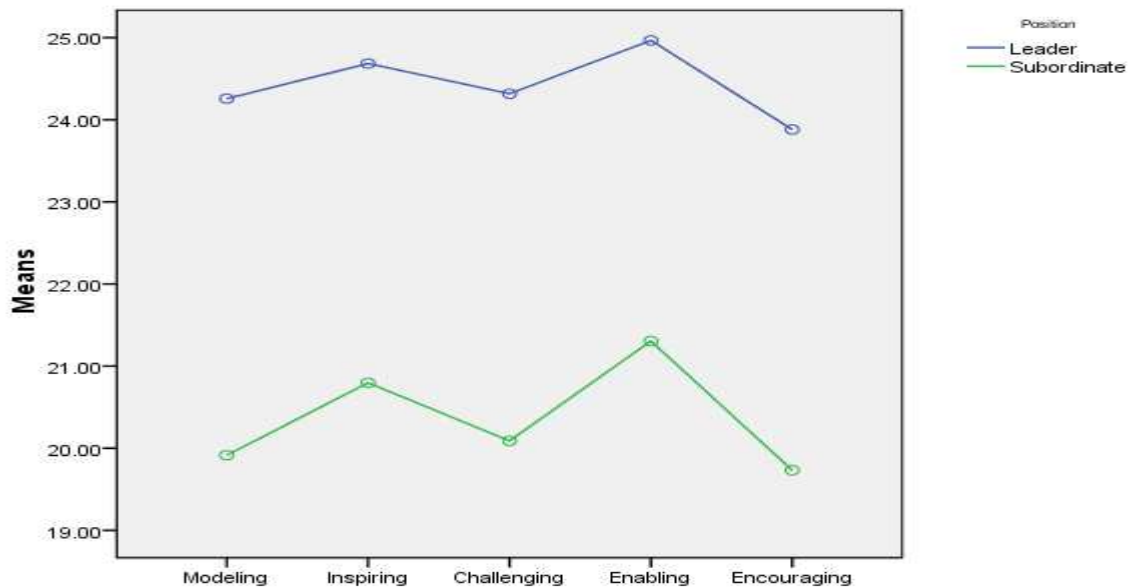


Fig. 2. Leadership Effectiveness as by Leaders and their immediate Subordinates

TABLE 9: INDEPENDENT SAMPLES T-TEST FOR BAHIR DAR UNIVERSITY'S LEADERS AND SUBORDINATES

Leadership Practices	Role	n	Means	Std Dev.	Std. Error Difference	t	df	Sig. (2-tailed)
Modeling	Leaders	71	24.15	2.57	0.30	6.98	181	.000
	Subordinates	112	19.26	5.54	0.52			
Inspiring	Leaders	71	24.48	2.47	0.29	6.34	181	.000
	Subordinates	112	20.04	5.57	0.53			
Challenging	Leaders	71	24.21	2.34	0.28	7.18	181	.000
	Subordinates	112	19.02	5.79	0.55			
Enabling	Leaders	71	24.68	2.52	0.29	6.26	181	.000
	Subordinates	112	20.21	5.67	0.54			
Encouraging	Leaders	71	23.85	2.32	0.28	6.45	181	.000
	Subordinates	112	18.89	6.20	0.59			

As can be seen from Table 9, like the combined reports of all universities leaders' and subordinates' perceptions of leadership effectiveness, there is significant difference between Bahir Dar University leaders and subordinates in all components of leadership in favor of leaders.

TABLE 10: INDEPENDENT SAMPLES T-TEST FOR MEKELE UNIVERSITY'S LEADERS AND SUBORDINATES

Leadership Practices	Role	n	Means	Std Dev.	Std. Error Difference	t	df	Sig. (2-tailed)
Modeling	Leaders	18	24.00	2.57	0.60	3.70	74	.000
	Subordinates	58	19.31	5.16	0.68			
Inspiring	Leaders	18	24.17	3.52	0.83	3.17	74	.002
	Subordinates	58	20.10	5.06	0.66			
Challenging	Leaders	18	24.00	3.45	0.81	2.91	74	.005
	Subordinates	58	19.84	5.72	0.75			
Enabling	Leaders	18	25.28	2.99	0.94	2.16	74	.034
	Subordinates	58	21.98	6.06	0.80			
Encouraging	Leaders	18	23.28	3.58	0.84	2.44	74	.017
	Subordinates	58	19.86	5.58	0.73			

Table 10 shows that significant difference between Mekele University leaders' and subordinates' perceptions of leadership effectiveness in all components of leadership.

TABLE 11: INDEPENDENT SAMPLES T-TEST FOR AKSUM UNIVERSITY'S LEADERS AND SUBORDINATES

Leadership Practices	Role	n	Means	Std Dev.	Std. Error Difference	t	df	Sig. (2-tailed)
Modeling	Leaders	28	24.68	3.37	0.64	3.42	102	.000
	Subordinates	76	21.34	4.73	0.54			
Inspiring	Leaders	28	25.54	3.28	0.62	3.09	102	.002
	Subordinates	76	22.45	4.89	0.56			
Challenging	Leaders	28	24.79	3.66	0.69	2.94	102	.005
	Subordinates	76	21.86	4.79	0.55			
Enabling	Leaders	28	25.50	3.27	0.62	2.86	102	.005
	Subordinates	76	22.41	5.36	0.62			
Encouraging	Leaders	28	24.38	3.53	0.67	2.88	102	.005
	Subordinates	76	20.87	6.02	0.69			

Table 11 indicates that there is significant difference between Aksum University leaders' and subordinates' perceptions of leadership effectiveness in all the components of leadership in favor of leaders.

6.2. DISCUSSION

The findings of this revealed that the leaders of the three universities were practicing all components of exemplary leadership model of transformational leadership. This might be justified by applicability of this model in any context and in any sector (Goewey, 2012; Kouzes and Posner, 2007). Abu-Tineh, Khasawneh & A-Omary (2009) described that Kouzes and Posner's model of transformational leadership has been recognized as true representative of highly effective leadership practices and it can serve as basis for educational leaders to assess their strengths and weaknesses. Another justification could be as these five practices of exemplary leadership are set of skills that can be taught and learned through experience; most of leaders might learn these skills through experience since they have opportunities. In line with description of Kouzes and Posner (1995) cited in Abu-Tineh, Khasawneh & A-Omary (2009).

Analysis of one sample t-test showed that leadership effectiveness of the leaders of the universities was above the expected mean in all components of the leadership practices as perceived by both the leaders themselves and their immediate subordinates. This means that leaders of the sampled universities are effective in their leadership practices. This might be attributed to proper interventions from the universities' board management, Ministry of Education, regional governments, etc. Another potential explanation could be implementation of institutional reform tool, Business Process Re-engineering (BPR) as to achieve institutional transformation in Ethiopian universities. This intervention might bring about improvement in leadership of Ethiopian higher education. Still another potential explanation could be most of the respondents are leaders themselves. As a result, they might inflate the rating of leadership effectiveness. In fact, to say the least all the three universities have similar trend of increase and decrease between leaders' and subordinates' perceptions of leadership effectiveness.

Even though the ratings of both the leaders and their immediate subordinates indicated the effectiveness of the leaders, there was significant difference in perceptions of the effectiveness between the leaders and their subordinates. Compared to the standard deviations of the leaders' perceptions of their leadership effectiveness, the standard deviations of the subordinates' perceptions of their immediate leaders' leadership effectiveness are higher. The leaders of the three universities rated their effectiveness much higher than rated by their immediate subordinates. This implies there is higher disagreement among the subordinates' perceptions of their immediate leaders' leadership effectiveness compared to the leaders' perceptions. This might be due to overestimation and underestimation, by leaders and subordinates of leadership effectiveness, respectively. It seems natural to find difference between self-rating and rating by others. This finding is supported by previous researches (e.g., Atwater & Yammarino, 1997; Bass and Riggio, 2006; Bradley, Allen, Hamilton & Filgo, 2006; Felfe and Shyns, 2004; Rad and Yarmohammadian, 2006; Yammarino and Atwater, 1997).

Results of analysis of variance showed that there were no significant differences in leadership effectiveness among all respondents from the three universities and among the leaders of the three universities. This means none of these universities are more effective than the others in leadership. This might be due to the fact that these universities are within the same country or the same subculture. Another potential explanation could be these universities are implementing the same policy guideline or Higher Education Proclamation. They are supervised by the same organizations (such as Ministry of Education, Higher Education Strategic Center, and Higher Education Quality and Relevance Agency).

But the study found out significant difference in leadership effectiveness among the subordinates of the three universities. Subordinates of Aksum University rated the effectiveness of their leaders much higher than subordinates of the other two universities. This might be due to generational (age) difference among these three universities. Aksum University, whose subordinates rated effectiveness of their leaders higher, is of second generation where as the other two are first generation universities in the country. This generational difference might result in different expectations in subordinates of these universities. These expectations differences might, in turn, influence the expectations and satisfactions of the subordinates. Another possible explanation was demographic compositions (age, experience, educational level, etc) of subordinates and leaders. In line with this, many findings described the differential effects of age on the rating of leadership effectiveness (Liden, Stilwell & Ferris, 1996; Gilbert, Collins & Brenner, 1990; Rudolph, 2011; Sturge, 1999; Warr, 1993).

7. CONCLUSION AND RECOMMENDATIONS

The study found that the universities' leaders were effective. Universities' leaders themselves and their immediate subordinates believe that the leaders were effective in practicing all components of transformational leadership. There was a difference between the leaders' and subordinates' perceptions of leadership

effectiveness. Even though both the leaders and their immediate subordinates agreed on the effectiveness of the leadership, the significant difference between the leaders' and their subordinates' perceptions of the extent of the effectiveness needs special attention, otherwise it may result in conflicting perceptions and poor performance. So, this leadership effectiveness perception gap between leaders and their subordinates should be narrowed by providing appropriate interventions in order to strengthen their leadership practice and effectiveness. The interventions might include providing appropriate leadership training; designing various programs aiming at improving self-awareness, self-reflection and readiness to accept proper critics. It is also possible to conclude that there was no significant difference in leadership effectiveness among the compared universities.

Even though it is possible to generalize the results to the other universities, it needs more samples at national level to come up with conclusive finding. Hence, the researchers recommend that it is worthwhile to extend the research to the national level for two reasons: verification, and examining leadership status of Ethiopian Universities' leaders.

Leadership effectiveness is not only the result of leadership style but also the result of many psychological and organizational variables (e.g. emotional intelligence, organizational culture, achievement motivation, time orientation, etc) that influence leadership effectiveness. So, it is important to investigate the combinational effects of some variables on leadership effectiveness.

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E-BANKING: AN EFFECTIVE TOOL OF CRM IN BANKING SECTOR

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ABSTRACT

Today's banking is known as Innovative banking. The coming together of information technology, communication and entertainment (ICE) has given rise to new innovations in the product design and their delivery in the banking and finance industry. Driven by new technologies, changing customer preferences, and increased competition, banks have taken to heavy investments in new distribution channels like advance automated teller machines, telephone systems, and on-line banking, one of the reasons for internet applications not to have picked up as expected so far have been the concerns about the security and lack of the legal framework related to such transactions. This hurdle has been reduced to a large extent in the recent past with framing of laws enabling financial transactions through electronic media. The most of the private and nationalized Indian banks have entered in the technology age and providing various types of electronic products and services to their customer. This paper explained the theoretical aspects of CRM and adoption of e-banking as CRM tools by two leading Indian banks, ICICI bank and State Bank of India. The paper seeks to study the effectiveness of the e-banking as followed by these banks. A survey was conducted for 100 customers (50 customers from each bank).

KEYWORDS

CRM, banking sector, e-banking.

INTRODUCTION

E-Banking is more widely used in the last few years, e-commerce has emerged and has developed a high-level business environment that created millions of new job opportunities and lowered costs for SMEs and increased performance while saving time (Sayed Javadiyan and Sagatchi 2006). E-banking is considered the foundation of e-commerce and number of industries and businesses that are moving toward e-banking is increasing rapidly. E-banking refers to financial activities that involve use of electronic technology ranging from the now ubiquitous automatic teller machines (ATMs), to other services such as direct deposit, electronic bill payment, electronic funds transfer (EFT), telephone banking, and on-line banking (Lee 2000). These financial electronic technologies are in differing stages of development. ATMs, a mature e-banking product, have existed for approximately 30 years and have been widely accepted among consumers. Conversely, telephone banking, electronic bill payment, online banking and mobile banking represent more recent additions to e-banking services.

The marvelous kinds of innovation in technology and hard line blend of it with information technology made a paradigm shift in the banking industry. Technology itself created its world in the globe of human beings. Advent of Internet banking happened in early 1990. This beginning of Internet Banking created a phenomenal system, Internet banking. Internet banking is a kind of systems that enable financial institution customers, individuals or businesses, to access accounts, transact business, or obtain information on financial products and services through the Internet.

The Government of India enacted the IT Act, 2000 (Information Technology Act). This act came into effect from the 17th of October 2000. The purpose of this act, in context of banking, was to provide legal recognition to electronic transactions and other means of Electronic Commerce. The working group set by Reserve bank of India, has been working as a watchdog on the different aspect of the Internet banking. ICICI bank was the pioneer bank to use Internet banking for some of its services, in India. ICICI bank and a lot of other Indian banks use the Internet banking system to provide online banking solution. In the current scenario Indian customers are moving towards Internet banking, slowly but steadily. Most of the big Indian banks like SBI, BOB, and BOI etc. have started providing Internet banking services.

There is a clear need to develop a better understanding of how consumers evaluate these services and develop e-loyalty. Service quality is one of the main factors determining the success/failure of electronic commerce (Santos, 2003). Automated service quality has tended to lag behind because practitioners have focused mainly on issues of usability and measurement of use (Al-Hawar, 2005). Therefore, customer perception and preferences of service quality have a significant impact on bank's success.

Internet and e-business are accountable for in the e-CRM. It is essentially about conveying increased value to customers and to do business through digital channels. Dramatically all business are becoming a part of whole business. At present new things are possible which are in need of new technologies and skills. (Friedli, 2003).

Computers, information technology and networking are fast replacing labor-intensive business activities across industries and in government. Since the early 1990s, the computer, the Internet, and information technology have been merged to become a viable substitute for labor and paper intensive banking processes between and across commercial banks. This has been seen in the widespread use of the ATM, credit cards, debit cards, smart cards and lending through e-CRM via the Internet. This type of computer-based bank-to-bank, bank to consumers and consumer-to-consumer transactional and informational exchange has been referred to as Electronic Commerce (EC).

SCOPE AND SIGNIFICANCE OF STUDY

The significance of this investigation seeks to examine the effectiveness of CRM in the internet banking service and lies in the expected contribution to the understanding of CRM in promoting the attractiveness of ICICI bank and SBI to serve its customers. Specifically, this research seeks to identify purpose of customer relationship management, the perceptions of implications of having good services and implications of having good relationship with customers that will lead the company to achieve its goals.

RESEARCH OBJECTIVES

The following are the objective of the study:

To analyze the internet banking facilities in terms of :Availability of desired information on website; security of transactions; time to get password and user id; user friendly website; utility bill payment facility and prompt response to email query.

REVIEW OF LITERATURE

Electronic banking project was launched for the first time in the UK in the early 1980s but it failed to gain considerable acceptance among people. However, rapid growth in electronic services generated renewed interest in them. For example, in the 1990s, UK banks made transactional e-banking services available for people. In fact during that time, a quarter of the responding banks with fully operational online systems provided e-services for their customers (Daniel, 1999; Ibrahim et al., 2006). Daniel (1999) argues that increased competitions in financial institutions have resulted in realizing the need to improve alternative delivery channels, the most recent one being electronic banking. He defines electronic banking as the provision of services or information for customers and the ability to buy products, gain access to accounts, and executes transactions via TV, computer, telephone, ATM ...He also points out that today; consumers have this ability to change banks only by pressing of a button. They can access to online intelligent agents which enable them to compare the services and conditions and

therefore reduce the prices. In addition, he states that numbers of alternative delivery channels are increasing which causes fall in percentage of customers visiting bank branches. Besides, electronic banking has many other advantages for customers such as:

- Convenience: Shopping, paying bills, buying, and transferring money from anywhere at any time.
- Features: Electronic banking can be carried out at any time of the day or night.
- Attractive Rates and Incentives: Banks offer attractive interest rates that are opened online. Many others also offer incentives, giveaways and special offers to customers for opening accounts online.
- Consolidated Portfolio Interface: Most banks offer a seamless and consolidated interface to customers.

Customers can use e-banking services 24 hours a day, without any limitation in location and standing in lines. These services include Automated Teller Machines, Personal Digital Assistants, Mobile Branches, Interactive voice recognition, Internet Banking, Point of Sale Devices, and Cell Phone Banking.

In the past few years, many banks in the world have applied data mining technologies and data warehouses to provide clear information about interactions with their customers and to realize what types of customers they are dealing with. In order to target right groups of customers, these banks also have segmented their customers based on their behavior patterns and loyalty (Keramati et al., 2009a). Some banks have also undertaken different CRM aspects. A number of them are using operational CRM while others use communicational one. Some of these activities (e.g. check balances and accounts records) are for observation and some other such as customer service are for account controls. The latter include ordering checkbooks, changing the accounts, bill payments to third parties, sending messages and paying credit-card bills, fund transfer, etc. (Keramati et al., 2009a; Reinartz et al., 2004).

In general, the applications of CRM include management and automation of call center, marketing activities, contacts, campaign, e-mails, field service, data warehouses, SFA, knowledge management, and customization of the products and services (Reynolds, 2002). Using CRM techniques, banks can be more able to find the profitable customers who have considerable current and future net value for them, know them and understand their needs better, and retaining and improving the value of their business in a costless and efficient way (Keramati et al., 2009a). As the final result, banks will be more capable to improve their customer satisfaction and retention programs; therefore, customers are more eager to have long-term relationship with them which results in higher customer loyalty and profitability; reduced cost of sales; reduced costs of acquiring new customers and decreased need to acquire so many of them; buying more products and therefore increased long-term value (Keramati et al., 2009a; Greve & Albers, 2006).

RESEARCH METHODOLOGY

The present study seeks to find CRM practices adopted by two banks, one from the public sector bank (SBI) and one from private sector bank (ICICI Bank) in Cuttack ,Odisha. The study attempts to examine the effectiveness of such practices by carrying out a survey of 100 respondents who were holding accounts with any one of these banks. The satisfaction level of the customers will indicate the effectiveness of the internet banking practices by the banks.

SAMPLE

In this study the sampling unit is the customers of two selected banks (SBI & ICICI banks) who had an account of these banks. Judgmental sampling method adapted to selected customers. There is no discrimination on the basis of occupation, age, gender or educational level. The size of sample is 100.

HYPOTHESES

- H01: There is no significance difference in the availability of desired information on website by different banks.
- H02: There is no significance difference in the security of transaction done in the website by different banks.
- H03: There is no significance difference between the time taken by the banks to issue the password and user id.
- H04: There is no significance difference in using the internet banking in different banks.

DATA ANALYSIS AND INTERPRETATION

The demographic profile of the respondents on the basis of occupation, education, gender and age group is given in table-1.

TABLE-1:THE DEMOGRAPHIC PROFILE OF THE RESPONDENTS

Variable	Characteristics	Frequency	Percentage
Occupation	Business	24	24
	Service	40	40
	Student	22	22
	Any Other	14	14
Education	Higher Secondary	5	5
	Senor Secondary	15	15
	Graduation	50	50
	Post Graduation	30	30
Age Group	<20 Years	12	12
	21- 30 Years	32	32
	31-40 Years	21	21
	>40 Years	35	35
Gender	Male	72	72
	Female	28	28

CONSUMER PERCEPTION ON INTERNET BANKING FACILITIES

Table-2(a) reveals that on an average of 34 percent of respondents of the ICICI bank did not use the internet banking facilities, while incase of SBI 38 percent did not use the internet facilities.

TABLE-2 (A)

Characteristics	ICICI						SBI					
	Ex	G	St	P	W	N	Ex	G	St	P	W	N
Availability of desired information on website	16	24	22	2	0	36	14	18	26	4	2	36
Security of transactions	12	34	18	4	0	32	6	36	20	4	2	32
Time to get password and user id	10	26	20	4	2	38	14	16	24	4	0	42
User friendly website	16	22	26	2	4	30	12	20	26	6	0	36
Utility bill payment Facility	12	38	14	4	0	32	10	24	24	2	0	40
Prompt response to email query.	14	28	22	2	2	32	6	18	20	16	2	38

INTERNET BANKING FACILITIES: FREQUENCY AND COMPARATIVE ANALYSIS

(Abbreviation used: Ex: Excellent, G: Good, St: Satisfactory, P: Poor, W: Worst, N: Not used)

TABLE-2 (B)

Characteristics	ICICI BANK	SBI	Comparison Excellent + Good
Availability of desired information on website	40	32	8
Security of transactions	46	42	4
Time to get password and user id	36	30	6
User friendly website	38	32	6
Utility bill payment Facility	50	34	16
Prompt response to email query.	42	24	18

CUSTOMER PERCEPTION ON INTERNET BANKING FACILITIES

Note: All Figures are in percentage

Table-2(B) shows that there is a considerable difference of 8 percent in favour of ICICI bank (private bank) in case of 'Availability of desired information on website' where it is significantly better than SBI (Public Sector Bank). The customer response is significantly in favour of ICICI bank by 4 percent. In case of 'Time to get password and user id', which is the main requirement for using internet banking, the customer satisfaction is 6 percent in case of ICICI bank. The ICICI bank website is found to be more user friendly. ICICI bank is surging ahead of the public sector bank by 6 percent. In case of 'Utility bill payment Facility' there is a very huge difference of 16 percent in favour of ICICI bank. So there is a need for improvement of services by SBI (Public Sector Bank) to retain and increase their customers. The ICICI bank is found to be 'Prompt in response to email query' of these customers efficiently and effectively. There is a significant difference of 18 percent responses in favour of ICICI bank. The ICICI bank (Private Sector Bank) is leading all characteristics where SBI lagged behind. The SBI (Public Sector) might like to add more user friendly features to website so that they can compete with private sector competitors.

TABLE-3

Characteristics	Occupation		Age Group		Education		Different (ICICI/SBI)	
	F Value	Sig	F Value	Sig	F Value	Sig	F Value	Sig
Availability of desired information on website	1.196	0.325	1.845	0.119	1.876	0.166	3.789	0.012
Security of transactions	0.423	0.649	1.562	0.198	0.781	0.674	3.099	0.008
Time to get password and user id	0.718	0.899	1.623	0.173	1.567	0.197	4.123	0.015
User friendly website	0.199	0.909	1.673	0.159	1.776	0.197	2.265	0.061
Utility bill payment Facility	0.563	0.789	1.631	0.165	1.564	0.245	2.297	0.076
Prompt response to email query.	0.999	0.512	1.789	0.081	1.089	0.376	3.129	0.023

Internet banking facilities: Computation of ANOVA

FINDINGS

Occupation, age and education of respondents are not the significant factors to explain the difference for any service characteristics of the internet banking. Thus irrespective of their occupation, age and education the respondents have the same perception of the internet banking services from different banks. Availability of desired information on website, Security of transactions, Time to get password and user id, User friendly website, Utility bill payment Facility, Prompt response to email query are significant factors in case of different banks. It indicates that there is a significant difference in the customer perception of the internet banking services provided by the private sector banks (ICICI) and public sector bank (SBI). The private bank using the latest technology and are able to provide more user friendly features on their website as compared to public sector bank. Therefore the hypothesis H01, H02, H03 is rejected for the banks. Since the user friendly website of the banks and the facility of utility bill payment are not the significant factor with respect to banks, hypothesis H04 is rejected. This suggests that the customer of a specific bank finds its website user friendly because of its continuous use. The consumer also perceives that in private sector bank, the internet banking is more user friendly as they provide an option for utility bill payment online as compared to a public sector bank.

CONCLUSION

In an e-world where business is done at the speed of thought, the real challenge for the future lies in anticipating the demands of the new age and providing sustainable solutions. E-CRM strategy must cover all the market segments such as retail customers, Indian corporate sector, trade and agricultural sector for their banking requirements. The banks must adopt e-CRM 'Customer centric' focus approach, as it is believed that products should be devised for the customers and not the other way around. Banks must build their brand image in assuring customers about the safety of their money and security of transaction on the Net. Moreover, e-CRM based alone on Internet will seem to be a wrong strategy for banks in India. Jose Fonellosa of Spain BBVA, which acquired first e-CRM, says internet is at best a zero sum game for banks. For high end products, customer cannot only rely on e-banking. For social interactions, people would like to visit their traditional brick and mortar branches. At the same time history has shown that no channel has completely replaced another channel and Internet is just one such channel which helps in CRM. Click and brick seems to be the right model which ultimately will succeed in India. Banks in India are on the learning curve of e-CRM and are trying to meet the latent needs of the customers. The success of e-CRM will depend upon the development of robust & flexible infrastructure, e-commerce capabilities, and reduction of costs through higher productivity, lower complexity and automation of administrative functions.

In this study the internet banking facilities provided by the private sector bank (ICICI) have been more user friendly as compared to public sector bank (SBI). Independently, a few internet banking services are seen as more favored by the customers from the same bank they have an account. All banks enjoy almost equivalent level of customer satisfaction for different internet banking services except a few, where private sector bank (ICICI) has an edge over public sector bank (SBI). The high positive response of the customers indicates that the desired information is available on the website of these banks, website are user friendly and customers are satisfied with the bill payment facilities provided by these banks and satisfaction level is almost at the same. These banks have also ensured the security of transaction. The private banks are more active in sending the internet user id and password as well as sending responses to email query to customers as compared to public sector bank. There is no significant difference in customer perception with respect to occupation, age and education level.

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