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TREND AND GROWTH IN MARKET VALUE ADDED AND TOBIN'S Q MODEL OF SELECTED COMPANIES IN TAMIL NADU

M.C.T. SHANMUGAPRIYA
RESEARCH SCHOLAR
DEPARTMENT OF CORPORATE SECRETARYSHIP
SCHOOL OF MANAGEMENT
ALAGAPPA UNIVERSITY
KARAIKUDI

DR. C. VETHIRAJAN
PROFESSOR
DEPARTMENT OF CORPORATE SECRETARYSHIP
SCHOOL OF MANAGEMENT
ALAGAPPA UNIVERSITY
KARAIKUDI

ABSTRACT

From the trend and growth analysis of two proxies, MVA and Tobin's Q, for firm values, it is identified that the valuation of shares of automobile, cement and non-banking finance companies' was higher than their book value and kept increasing overtime. For the companies under other sectors, there has been marginal decline in the valuation of shares relative to book value. It is concluded that investors have considered the investments in the shares of automobile, sugar, chemical, cement, pharmaceutical and non-banking finance companies as opportunity and increased valuation of shares relative to replacement cost in the market. However, there has been significant decline in such valuation in respect of sugar, cement and pharmaceutical sectors over the period which might be due to other economic status of the country.

KEYWORDS
Market value added, Firm value, Tobin's Q and Firm size

INTRODUCTION

Generally, the financial characteristics of any firm not only play the role to increase their market value but also lead towards the growth of the whole industry which ultimately leads towards the overall prosperity of the economy. Further, any firm to grow further, its financial characteristics should be sufficient enough to attract more investors to come forward for making investments in the firm. But investors normally tend to the choose the firm with high book value to market value or market value relative to replacement cost. Hence, an attempt is made to measure status of valuation and how firm characteristics affect the valuation of selected companies by six sectors, viz., Automobile, Sugar, Cement, Chemical, Pharmaceutical and Finance, under study in this chapter.

STATEMENT OF THE PROBLEM

For many years the link between capital structure and the firm value has been the subject of intense global debate and research in the academic circle, but no conclusive evidence has been arrived yet. After more than fifty years of studies, economists have not reached an agreement on how and to what extent the capital structure of firms' impacts value creation to their shareholders. The famous "irrelevance" propositions by Modigliani and Miller (1958), which state that "the overall market value of any firm is completely independent of its capital structure". However, Bradley *et al*. (1984) have widely claimed that Modigliani and Miller propositions are impractical due to the existence of some imperfections in the capital market. Hence the present study entitled "Trends and growth of firm value in market value added and Tobin's Q model of selected companies in Tamil Nadu".

OPERATIONAL VARIABLES

The present study is consists of two important operational variables, viz

MARKET VALUE ADDED (MVA)

Market Value Added (MVA) is the difference between the equity market valuation of a listed / quoted company and the capital contributed by the investors. A high MVA is better as it indicates the company has created substantial wealth for the shareholders. On the other hand, a negative MVA indicates that the company has destroyed value to its shareholders.

TOBIN'S Q

The Tobin's Q ratio is a measure of firm assets in relation to a firm's market value. That is, it is the market value of a firm's existing shares (share capital) to the replacement cost of the firm's physical assets (thus, replacement cost of the share capital). If q is greater than one ($q > 1$), additional investment in the firm would make sense because the profits generated would exceed the cost of firm's assets. If q is less than one ($q < 1$), the firm would be better off selling its assets instead of trying to put them to use. The ideal state is where q is approximately equal to one denoting that the firm is in equilibrium.

FIRM VALUE

In the present study, Market Value Added (MVA) and Tobin's Q are used as the proxies for firm value as adopted in many earlier researches. MVA, measured as the difference between market value of equity and book value of equity, is the best external performance measure as it indicates the market assessment of the effectiveness with which a company's managers have used the scarce resources under their control. Tobin's Q, measure of firm assts in relation to firm's market value (total market value of firm / total asset value of the firm), widely used proxy for firm value. When the Tobin's Q ratio is between 0 and 1, it costs more to replace a firm's assets than the firm is worth. A Tobin's Q of above one means that the firm is worth more than the cost of its assets. Because Tobin's premise is that firms should be worth what their assets are worth, anything above 1.0 theoretically indicates that a company is overvalued. The results of the trend and growth analysis by sector levels are reported from Table 1 to 6 along with discussion of the results.

OBJECTIVES OF THE STUDY

1. To study the conceptual frame work of value of the firm and firm characteristics of capital structure in India.
2. To examine empirically the trends and growth in firm value in terms of market value added (MVA) and Tobin's Q of selected companies in Tamilnadu.
3. To offer viable suggestions based on the study.

HYPOTHESES

Ho[1] There is no impact of liquidity, efficiency, profitability, firm growth and firm size on market value added.
Ho[2] The valuation of the shared in the market relative to replacement cost is unrelated to the liquidity, efficiency, profitability, firm growth and firm size of the companies.
Ho[3] There no significant relationship between Market Value Added of firm value and firm characteristics of the companies.

METHODOLOGY

The present study is mainly based on secondary data. The study has both analytical and descriptive type of methodology. The study is confined to public and non financial companies across six sectors established in Tamilnadu, which are listed in National stock exchange continuously for 10 years from 2003-04 to 2013-14.. The sample sizes of the sectors are 1. Automobile 2. Sugar, 3. Cement 4. Chemical 5. Pharmaceutical and Non banking financial companies. The secondary data were collected from annual financial reports of six sectors i.e., balance sheet and profit and loss account, articles, published and unpublished reports, journals, magazines and information gathered online from various websites. The reports were collected from BROWESS database. The statistical techniques used for the study namely linear growth rate and annualized compound growth rate, the descriptive statistics such as Mean, Standard deviation and co efficient of variation. Financial analysis such as Market value added (MVA), and Tobin's Q in firm value also used for the study.

RESULT AND DISCUSSIONS

TABLE 1: TREND AND GROWTH IN MVA AND TOBIN'S Q OF SELECT COMPANIES UNDER AUTOMOBILE SECTOR (Rs. in crores)

Year	Market Value Added (MVA)	Tobin's Q Ratio (QRAT)
2004-05	1379.76	3.3745
2005-06	1962.46	3.9973
2006-07	1429.80	3.0956
2007-08	447.57	2.1765
2008-09	2488.20	2.6816
2009-10	4784.33	3.7197
2010-11	1213.01	2.5571
2011-12	3559.24	3.4842
2012-13	4752.14	3.6575
2013-14	22046.45	7.7752
Mean	4406.30	3.6519
SD	6374.38	1.5584
CV	144.67	42.67
CAGR	26.92*	5.15
t-Value	(2.68)	(1.39)
LGR	1337.9856*	0.2506
t-Value	(2.33)	(1.58)
Regression Equation for Linear Growth Rate (Time Trend)		
MVA	-2952.62 + 1337.99 t	
QRAT	2.2736 + 0.2506 t	

Figures in brackets are t-values; *Significant at 5% level; **Significant at 1% level.
Table value @5% = 2.31 and @1% = 3.36

Table 1 reports the results of trend and growth analysis for MVA and Tobin's Q of Automobile sector companies under study. As reported in the table, Rs.1379.76 in 2004-05 had dropped to Rs.447.57 in 2007-08 before hovering between Rs.1213.01 (2010-11) and Rs.4752.11 (2012-13) from 2008-09 to 2012-13. Surprisingly there has been a sudden jump to Rs.22046.45 in 2013-14 from Rs.4752.14 in previous year. The MVA, Rs.4406.30 on the average, has grown at significant and linear rate of Rs.1337.99 on an average every year during the period under study.

In the table, Tobin's Q is 3.31745 in 2004-05 and dropped to lowest level of 2.1765 in 2007-08. It has reached to as high as 7.7752 in 2013-14 after oscillating between 2.5571 and 3.7197 during previous five years. These values along with average of 3.6519 indicate that the share prices of selected automobile companies are overvalued in the market. Further, there has been a marginal uptrend and percentage growth in such valuation during the period (CAGR and LGR is positive but insignificant). Overall, it is concluded that the investors have highly valued the shares of automobile companies in the market.

Table 2 is given with the results of the analysis identifying the trend and growth in value of selected sugar companies in respect of MVA and Tobin's Q. As given in the table, the MVA has been highly volatile (Coefficient Variation = 135.02) for sugar companies under study. The MVA Rs.117.13 in 2004-05 jumped to Rs.1235.73 in 2005-06 again going down to Rs.232.70 and touching the negative value of -58.89 after oscillating from Rs.443.06, Rs.162.81, and Rs.337.15 to Rs.70.53 between 2007-08 and 2010.11. It has stayed at Rs.60.14 in the end year after reaching at Rs.123.02 in previous year.

Overall, it has exhibited a declining trend but not at significant level. The Tobin's Q, 4.6877 in 2004-05, 9.2949 in 2005-06, 7.6617 in 2006-07 and 6.8746 in 2007-08 dropped to 2.7271 in 2008-09 and stayed finally at 1.9651 in 2013-14 after hovering between 1.9551 and 3.3235 during last four years.

TABLE 2: TREND AND GROWTH IN MVA AND TOBIN'S Q OF SELECT COMPANIES UNDER SUGAR SECTOR (Rs. in crores)

Year	Market Value Added (MVA)	Tobin's Q Ratio (QRAT)
2004-05	117.13	4.6877
2005-06	1235.73	9.2949
2006-07	232.70	7.6617
2007-08	443.06	6.8746
2008-09	162.81	2.7271
2009-10	337.15	3.3235
2010-11	70.53	2.2869
2011-12	-58.89	1.9551
2012-13	123.02	2.0876
2013-14	60.14	1.9651
Mean	272.34	4.2864
SD	367.71	2.7152
CV	135.02	63.34
CAGR	-15.96	-15.72**
t-Value	-(2.01)	-(4.70)
LGR	-64.87	-0.7070**
t-Value	-(1.79)	-(3.62)
Regression Equation for Linear Growth Rate (Time Trend)		
MVA	629.11 - 64.87 t	
QRAT	8.1749 - 0.7070 t	

Figures in brackets are t-values; **Significant at 1% level.
Table value @5% = 2.31 and @1% = 3.36

The Tobin's Q ratio has also exhibited volatility but not to the extent of MVA. Over the years, the ratio has declined significantly at CAGR of 15.72 (t value = -4.70, p < 0.01) per cent and LGR of 0.7070 (t value = -3.62, p < 0.01). In sum, it is found that the valuation of the selected sugar companies, though positive, has been highly inconsistent over the period.

TABLE 3: TREND AND GROWTH IN MVA AND TOBIN'S Q OF SELECT COMPANIES UNDER CEMENT SECTOR (Rs. in crores)

Year	Market Value Added (MVA)	Tobin's Q Ratio (QRAT)
2004-05	-185.77	2.6810
2005-06	-97.35	8.6540
2006-07	-316.48	7.8103
2007-08	-539.04	7.0772
2008-09	19.40	3.3846
2009-10	73.07	4.1738
2010-11	9.24	2.7363
2011-12	62.23	3.1287
2012-13	117.04	2.4946
2013-14	57.79	1.8239
Mean	-79.99	4.3964
SD	210.14	2.4851
CV	-262.72	56.53
CAGR	5.26	-11.09*
t-Value	(1.91)	-(2.51)
LGR	44.15*	-0.5241*
t-Value	(2.33)	-(2.35)
Regression Equation for Linear Growth Rate (Time Trend)		
MVA	-322.81 + 44.15 t	
QRAT	7.2788 - 0.5241 t	

Figures in brackets are t-values; *Significant at 5% level. Table value @5% = 2.31 and @1% = 3.36

It is observed from the table 3 shows that the MVA was negative between 2004-05 and 2007-08 and negative value was very high in 2007-08, in turn indicating that under-reaction of the market to the cement companies. But during the same period, the Tobin's Q was well above one, in turn envisaging the fact the investors have made investments in the cement companies expecting that the cement companies have high potential for growth. From 2008-09, the market has reacted positively to the cement positive and created value in excess of book value. Though the MVA has been negative at 79.99 on the average, there has been significant increase at Rs.44.15 on an average every year (LGR = 44.15, t value = 2.33, p < 0.05) during the period.

On the other hand, there has been significant decline in perceiving the cement companies as better for investments as Tobin's Q, 4.3964 on the average, 1.8239 in 2013-14, has declined significantly at CAGR of -11.09 per cent (t value = -2.51, p < 0.05) and LGR of -0.5241 (t value = -2.35, p < 0.01). Overall, it is found that the cement companies were observed as the best for investment but there has been notable decline such observation. Further, the investors have valued the shares below the book value and started valuing positively later on during the period of study.

TABLE 4: TREND AND GROWTH IN MVA AND TOBIN'S Q OF SELECT COMPANIES UNDER CHEMICAL SECTOR (Rs. in crores)

Year	Market Value Added (MVA)	Tobin's Q Ratio (QRAT)
2004-05	-56.65	1.8470
2005-06	-14.30	2.0920
2006-07	-19.94	1.4258
2007-08	-18.00	1.1308
2008-09	-30.33	0.4850
2009-10	-15.27	1.1911
2010-11	-21.47	1.1169
2011-12	-21.30	1.1308
2012-13	-12.43	1.3375
2013-14	-10.12	1.7951
Mean	-21.98	1.3552
SD	13.45	0.4625
CV	-61.19	34.13
CAGR	4.14	-2.21
t-Value	(2.00)	-(0.48)
LGR	2.60	-0.0398
t-Value	(2.05)	-(0.76)
Regression Equation for Linear Growth Rate (Time Trend)		
MVA	-36.30 + 2.60 t	
QRAT	1.5739 - 0.0398 t	

Figures in brackets are t-values; Table value @5% = 2.31 and @1% = 3.36

It is vivid from the table 4 shows that the MVA has been negative in all years under study but the negative MVA has come down marginally (CAGR and LGR are positive at 4.14 per cent and Rs.2.60 on an average per annum respectively but not insignificant remarkably (t-values just below the required level). This picture has shown that the market under-reacted to shares of chemical companies during the period of study.

The Tobin's Q ratio is more than one in all study years except in 2008-09. The Q ratio of above one, on the average of 1.3552, reveals that the investors have seen that investments in chemical companies as opportunity for wealth creation. However, the negative CGR and LGR, though not significant, have indicated a negligible decline in positive mood of the investors. On the whole, it is found that the investors have considered the chemical companies for better investment opportunity but overall market has refrained from creating value in excess of book value during the period.

Table 5 displays the trend and growth analysis results for MVA and Tobin's Q of Pharmaceutical companies selected for the study. As displayed in the table, added value to the shareholders of selected pharmaceutical companies was negative in four out of 10 years. The MVA has been as high as Rs.313.26 in 2005-06 followed by Rs.241.55 in 2006-07 and Rs.156.09 in 2010-11. Though, the MVA was Rs.77.33 on the average over the period, it was very highly inconsistent during the period (CV = 120.35). Moreover, the trend and growth in MAV has been negative but not at mentionable level. The Tobin's Q, though volatile (CV = 77.05) but not to the extent of MVA, positioned at below one in last two years after reaching at highest level of 12.0640 in 2005-06 from 4.5299 in 2004-05.

TABLE 5: TREND AND GROWTH IN MVA AND TOBIN'S Q OF SELECT COMPANIES UNDER PHARMACEUTICAL SECTOR (Rs. in crores)

Year	Market Value Added (MVA)	Tobin's Q Ratio (QRAT)
2004-05	-9.87	4.5299
2005-06	313.26	12.0640
2006-07	241.55	7.4409
2007-08	55.14	3.6834
2008-09	-45.29	1.5141
2009-10	22.82	3.7445
2010-11	156.09	5.9196
2011-12	58.53	3.8140
2012-13	-8.42	0.8489
2013-14	-10.54	0.8298
Mean	77.33	4.4389
SD	120.35	3.4200
CV	155.64	77.05
CAGR	-7.09	-19.05*
t-Value	-(1.03)	-(2.90)
LGR	-16.98	-0.7333*
t-Value	-(1.34)	-(2.41)
Regression Equation for Linear Growth Rate (Time Trend)		
MVA	170.72 - 16.98 t	
QRAT	8.4723 - 0.7333 t	

Figures in brackets are t-values; *Significant at 5% level.
Table value @5% = 2.31 and @1% = 3.36

The Tobin's Q ratio was also high at 7.4409 and 5.9196 in 2006-07 and 2010-11 respectively. On the average, it has been 4.4389, in turn indicating that the investors were keen in making investments in shares of selected Pharmaceutical companies but not at consistent level. Moreover, the CAGR and LGR values are negative and significant at 5 per cent level. This along with Q ratio of below one in last two years have exposed fact that interest shown by investors in making investments in the selected pharmaceutical companies have declined over the period.

Therefore, it is found that the market somewhat created added value to the selected pharmaceutical firms and initially shown interest in making investments. But there has been a notable decline in the interest shown by investors in making investments in the selected pharmaceutical firms over the period.

Table 6 provides the results of trend and growth analysis of MVA and Tobin's Q for selected companies under finance sector. As provided in the table, the MVA, Rs.344.47 on the average, has been Rs.613.47 and Rs.640.53 in the last two years from negative of Rs.46.37 in 2004-05 after reaching at as high as Rs.744.49 in 2010 – 11. Overall, it has exhibited a significant positive growth at annual percentage rate 27.17 per cent (CAGR = 27.17, t = 3.70, $p < 0.01$) and at an average annual rate of 78.50 in actual units (Rs.) (LGR = 78.50, t = 4.55, $p < 0.01$).

The Tobin's Q ratio, ranging between 0.8245 and 1.9664 from 2004-05 to 2008-09, and then hovering from 2.3631 to 3.7848 between 2009-10 and 2011-12, has stood at 7.6474 in 2012-13 and 7.

TABLE 6: TREND AND GROWTH IN MVA AND TOBIN'S Q OF SELECT COMPANIES UNDER FINANCE SECTOR (Rs. in crores)

Year	Market Value Added (MVA)	Tobin's Q Ratio (QRAT)
2004-05	-46.37	1.0443
2005-06	169.93	1.9664
2006-07	93.39	0.8245
2007-08	320.35	1.4077
2008-09	9.76	1.3989
2009-10	406.53	3.7848
2010-11	744.49	3.2192
2011-12	492.66	2.3631
2012-13	613.47	7.6474
2013-14	640.53	7.3336
Mean	344.47	3.0990
SD	279.82	2.4961
CV	81.23	80.55
CAGR	27.17**	24.22**
t-Value	(3.70)	(4.63)
LGR	78.50**	0.6781**
t-Value	(4.55)	(4.09)
Regression Equation for Linear Growth Rate (Time Trend)		
MVA	-87.27 + 78.50 t	
QRAT	-0.6305 + 0.6781 t	

Figures in brackets are t-values; **Significant at 1% level.
Table value @5% = 2.31 and @1% = 3.36

The Q ratio, 3.0990 on the average, has increased gradually at significant annual percentage rate of 24.22 (CAGR = 24.22, t = 4.63, $p < 0.01$) and average annual rate in actual units of 0.6781 (LGR = 0.6781, t = 4.09, $p < 0.01$) during the period. This envisages that the investors have considered the stocks of the selected companies finance sector as investment opportunity and such positive mood among the investors has grown remarkably over the period. The high positive MVA during the last five years has also supported the above fact. Hence, it is found that the selected companies under finance sector were highly valued in the market and investors have considered these companies as better investment opportunity, in turn valuing these finance companies much higher than its replacement cost during the period.

FINDINGS OF THE STUDY

(1) The investors have highly valued the shares of automobile companies in the market.
(2) The valuation of the selected sugar companies, though positive, has been highly inconsistent over the period.
(3) The cement companies were observed as the best for investment but there has been notable decline in such observation over the period. Further, the investors have valued the shares below the book value and started valuing positively later on during the period of study.
(4) The investors have considered the chemical companies for better investment opportunity but overall market has refrained from creating value in excess of book value during the period.
(5) It is found that the market somewhat created additional value to the selected pharmaceutical firms and initially shown interest in making investments. But there has been a notable decline in the interest shown by investors in making investments in the selected pharmaceutical firms over the period.
(6) The selected companies under finance sector were highly valued in the market and investors have considered these companies as better investment opportunity, in turn valuing these finance companies much higher than its replacement cost during the period.

SUGGESTIONS

(1) As the investors tend to value the shares higher than book value when net sales relative to total assets are notably higher in the case of sugar companies, the companies under this sector should keep their turnover at constant level and try increase the turnover every year to keep the investors' confidence.
(2) As the market valuation of companies under cement sector is primarily based on high sales growth and high earning per share, the companies should maintain consistent growth and constant increase in profitability.
(3) The investors of companies under pharmaceutical sectors need not worry about nature of fund in the capital investments as valuation of shares are independent of the use of debt fund in the capital.
(4) As factors determining the firm value vary from one sector to another sector, managers can apply the models that are developed here in order to identify the capital structure ratios and firm characteristics that are important in determining the firm value.

CONCLUSION

It is concluded from the trend and growth analysis that use of debt fund in the capital investment is more than 75 per cent for automobile companies, 65 per cent for Sugar companies and 85 per cent for pharmaceutical companies and it remained stable throughout the study period. At the same time, utilization of debt fund in capital investment of selected listed cement companies functioning in Tamilnadu has declined significantly over the period. On the other hand, the selected chemical and finance companies have been aggressive in financing its growth with debt financing leading to volatile earning due to additional interest expense. Also, the debt financing is significantly determined mostly by firm size, profitability, non-debt tax shield, tangibility and dividend paid for most of the sectors under study.

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INFLUENCE OF PROCEDURAL JUSTICE PERCEPTIONS ON COMMITMENT OF EMPLOYEES IN HEALTH SECTOR NON-GOVERNMENTAL ORGANIZATIONS IN KENYA

PATRICK M. GICHIRA
RESEARCH SCHOLAR (Ph. D.)
JOMO KENYATTA UNIVERSITY OF AGRICULTURE & TECHNOLOGY
NAIROBI

DR. SUSAN, M WERE
SR. LECTURER
SCHOOL OF HUMAN RESOURCE DEVELOPMENT
JOMO KENYATTA UNIVERSITY OF AGRICULTURE & TECHNOLOGY
NAIROBI

GEORGE O. ORWA
HEAD
STATISTICS & ACTUARIAL SCIENCES DEPARTMENT
JOMO KENYATTA UNIVERSITY OF AGRICULTURE & TECHNOLOGY
NAIROBI

ABSTRACT

The purpose of this study was to investigate the influence of procedural justice perceptions on organizational commitment of employees working with Health Non-Governmental Organizations in Kenya. The study adopted descriptive and correlational research designs with a statistical sample of 195 employees responsible for key result areas in 17 health sector non-governmental organizations. Data was collected using a structured questionnaire. Procedural justice perceptions were measured using Colquitt's model while organizational commitment was measured through Meyer's three component model comprising of affective, continuance and normative commitment. Survey data was analyzed using descriptive and inferential statistics with the aid of IBM Statistical package for social sciences (SPSS) version 20 for descriptive statistics and factor analysis and Stata version 12.0 for hypotheses testing using ordered logistic regression technique. Qualitative data was analyzed through the use of questionnaires. Results of the study show a low positive significant relationship between procedural justice perceptions and affective commitment (Pseudo R^2 = 0.0470) and normative commitment (Pseudo R^2 = 0.1515). The study recommends that Health NGOs promote just work practices in order to benefit more from a committed workforce.

KEYWORDS

Organizational justice, Procedural Justice, Organizational Commitment, Affective Commitment, Continuance Commitment, Normative Commitment.

1. INTRODUCTION

Organizational justice is concerned with the ways in which employees determine whether they have been treated fairly in their jobs and the ways in which those determinations influence work-related outcomes (Moorman, 1991). Justice perceptions can influence employee attitudes and behaviour for good or ill, in turn having a positive or negative impact on individual, group and the entire organization's performance and success (Baldwin, 2006). Empirical evidence supports the notion that an employee's perception of organizational justice affects their attitude toward the organization (Konovsky, *et al,* 2000). If the perception of organizational justice is positive, individuals tend to be more satisfied and committed to their job (McFarlin & Sweeney, 1992).

Procedural justice implies that, while evaluating the fairness of the organizational decisions, employees are not only interested in what these decisions are but also with the processes which determine these decisions (Folger & Cropanzano, 1998). Procedural justice impacts on employees in organizations since they are the subject of work place decisions virtually every day of their organizational lives (Cohen *et al.,* 2001). Some of these decisions deal with the salaries individuals earn, the projects or programmes they implement while others deal with work place interactions. The importance of those consequences causes individuals to judge the decision making they experience from a justice perspective (Colquitt, 2001). According to Baldwin (2006) the term organizational justice refers to the extent to which employees perceive workplace procedures, interactions, and outcomes to be fair in nature. He concluded that these perceptions can influence attitudes and behaviours of the employees. Cropanzano, Bowen and Gilliland (2007) defined it as a personal evaluation about the ethical and moral standing of managerial conduct.

1.1. STATEMENT OF THE PROBLEM

Employees strive for fairness and justice in their work place (Colquitt, 2001). Their justice judgements have empirically been found to influence attitudes and behaviours in various work place settings (Cohen-Charash & Spector, 2001). Empirical evidence indicates that in organizational settings, justice is not always administered through clear and adequate explanations, justifications are not always or adequately given to employees for decisions made, and employees are not always treated with dignity and respect during the implementation of decision procedures (Colquitt, 2001). Perceived unjust treatment of employees leads to low commitment resulting in poor individual, team and organizational performance (Frontela, 2007).

Adoption of effective human resource management (HRM) practices in many Non Governmental organizations (NGOs) is often low in the list of management priority (Batti, 2014). NGO organizations assign a very low priority for investing in nurturing human resource capacities and staff retention measures due to the short term nature of the projects, funding constraints, and subsequent short term employment practices (Padaki, 2007). Nwaiwu (2013) observed that NGOs are constrained in practicing equity based employment terms, managing human resources and offering competitive terms. In a study carried out by Frontela (2007) in Kenya and other developing countries, the researchers found that irrespective of the affiliation, mission, size, and extent of operations, problems of low morale and low motivation of staff were prevalent in NGOs. These are all indicators of antecedents and outcomes of organizational commitment (Wright, & Kehoe, 2008). They point to a possible absence of organizational justice and low employee commitment. In addition, Padaki (2007) noted that the project based nature of employment in the NGO sector discourages investment in human resources. This affects career growth leading to negative justice perceptions and commitment.

Organizational justice research has predominately involved employees from Western countries, particularly the U.S. (McFarlin & Sweeney, 2001; Morris, Leung, Ames, & Lickel, 1999). As such, the current thinking regarding reactions to organizational justice may not generalize to employees from societies that have cultural and economic characteristics which differ significantly from those commonly found in North American and Western European societies. In addition, in their meta-analytical review of literature on commitment in organizations in the period 1988 to 2011, Iqbal *et al* (2012) found out that most of the research studies published was conducted at the industry or firm level as the unit of analysis. In addition, the organization and management of NGO sector has received relatively little attention from researchers (Lewis, 2005). There is therefore a paucity of information regarding the importance of fairness and employee reactions to organizational (in) justice from different contexts especially Africa and particularly the Health sector NGOs in Kenya. Given this lack of information, the study sought to establish the influence of organizational justice perceptions on organizational commitment of employees in Health Sector NGOs in Kenya.

1.2 OBJECTIVE OF THE STUDY

The objective of the study was to establish the effect of employee's perceptions of procedural justice on organizational commitment in health sector non-governmental organizations in Kenya.

2. METHODOLOGY

Based on the research objective, the study adopted descriptive and correlation research design. A descriptive research approach attempts to systematically describe attitudes towards an issue. On the other hand, a correlation research approach attempts to discover or establish the existence of a relationship/ association/interdependence between two or more aspects of a situation. Mugenda and Mugenda (2008) indicate that descriptive research designs are conducted to establish relationships between a set of study variables. A descriptive research designs is based on the premise that if a statistically significant relationship exist between two variables, then it is possible to predict one variable using the information available on another variable (Kothari, 2008). The study focused on obtaining information on employee organizational justice perceptions and the influence of such perceptions on their commitment to the employing organizations. Through correlation analysis, the study was able to determine the relationships between the independent variables and how they influenced the dependent variable.

3. RESULTS AND DISCUSSION

Procedural justice perceptions were measured using a scale comprising of 7 statements), based on Colquitt (2001) justice model. The dependent variable, organizational commitment, was measured using a scale with three dimensions: Affective commitment (6 statements), continuance commitment (7 statements), and normative commitment (5 statements).

3.1 RESPONSE RATE

The study conducted a survey using a self-administrated questionnaire which was distributed to 195 sampled respondents. 131 valid questionnaires were returned. This represented a response rate of 67 per cent. According to Mugenda & Mugenda (2008), a response rate of above 50% in quantitative research is considered adequate for analysis and conclusion.

TABLE 1: RESPONSE RATE

Total # of questionnaires distributed	Total number of valid questionnaires returned	Response rate (%)
195	131	67

3.2 EMPLOYEE PERCEPTIONS ON AFFECTIVE COMMITMENT

Respondent's perceptions on affective commitment (table 2) fall under the "to some extent" level of agreement. Respondents agreed with the statement that to some extent: I would be very happy to spend the rest of my career with this organization (39%); I really feel as if this organization problems are my own (37%); I feel a strong sense of belonging to my organization (31%); I do not feel emotionally attached to this organization (31%); I do not feel like part of the family at my organization (25%); This organization has great deal of personal meaning for me (31%).

TABLE 2: PERCEPTIONS ON AFFECTIVE COMMITMENT

Affective Commitment Rating	Very Little Extent (%)	Little Extent (%)	Some Extent (%)	Great Extent (%)	Very Great Extent (%)	Total (%)
I would be very happy to spend the rest of my career with this organization	12	19	39	22	8	100
I really feel as if this organization problems are my own	13	14	37	30	6	100
I feel a strong sense of belonging to my organization **(R)**	13	36	31	15	5	100
I do not feel emotionally attached to this organization **(R)**	13	36	31	15	5	100
I do not feel like part of the family at my organization **(R)**	7	11	25	22	35	100
This organization has great deal of personal meaning for me.	7	11	31	38	13	100
Average %	**10.83**	**21.17**	**32.33**	**23.67**	**12.00**	**100**

3.3 PERCEPTIONS ON CONTINUANCE COMMITMENT

As shown on table 3, majority of respondent's perceptions on continuance commitment fall under the "to some extent" level of agreement. Respondents agreed with the statement that to some extent: Right now, staying with my organization is a matter of necessity as much as desire (33%);, It would be very hard for me to leave my organization right now, even if I wanted to (26%); Too much of my life would be disrupted if I decided to leave my organization now (39%); I feel that I have too few options to consider leaving this organization (35%); If I had not already put so much of myself into this organization, I might consider working elsewhere (28%); One of the few negative consequences of leaving this org would be the scarcity of available alternatives (29%).

TABLE 3: PERCENTAGE PERCEPTION ON CONTINUOUS COMMITMENT

Continuous commitment rating	Very Little Extent (%)	Little Extent (%)	Some Extent (%)	Great Extent (%)	Very Great Extent (%)	Total (%)
Right now, staying with my organization is a matter of necessity as much as desire	6	15	33	37	9	100
It would be very hard for me to leave my org right now, even if I wanted to	22	30	26	17	5	100
Too much of my life would be disrupted if I decided that I wanted to leave my organization now	22	18	39	14	7	100
I feel that I have too few options to consider leaving this organization	24	31	35	7	3	100
If I had not already put so much of myself into this org, I might consider working elsewhere	24	31	28	11	6	100
One of the few negative consequences of leaving this org would be the scarcity of available alternatives	29	22	29	11	9	100
Average %	**21.16**	**24.50**	**31.67**	**16.17**	**6.50**	**100**

3.4 PERCEPTIONS ON NORMATIVE COMMITMENT

Table 4 shows the respondents perceptions on normative commitment. Majority of respondents perceptions on normative commitment fall under the "to some extent" level of agreement (28%). Respondents agreed with the statement that to some extent: I do not feel any obligation to remain with my current employer (34%); Even if it were to my advantage, I do not feel it would be right to leave my organization now (30%); I would feel guilty if I left my organization now (34%); This organization deserves my loyalty (32%); I would not leave my organization right now because I have a sense of obligation to the people in it (28%).

TABLE 4: PERCEPTIONS ON NORMATIVE COMMITMENT

Normative Rating	Very Little Extent (%)	Little Extent (%)	Some Extent (%)	Great Extent (%)	Very Great Extent (%)	Total (%)
I do not feel any obligation to remain with my current employer.	23	27	28	14	8	100
Even if it were to my advantage, I do not feel it would be right to leave my organization now.	17	22	34	17	10	100
I would feel guilty if I left my organization now	29	20	30	12	9	100
This organization deserves my loyalty	8	13	32	28	19	100
I would not leave my organization right now because I have a sense of obligation to the people in it	17	21	28	25	9	100
Average %	**18.80**	**20.60**	**30.40**	**19.20**	**11.00**	**100**

3.5 RELIABILITY
Reliability of a measure indicates the extent to which it is without bias (error free) thus ensuring consistent measurement across time and the various items in the instrument. Ordinal alpha and Cronbach's alpha were used to test the reliability of the study's ordinal response scales.

TABLE 4: RELIABILITY

Variable	Number of items	Cronbach alpha	Ordinal alpha
Procedural justice	7	0.906	0.922

3.6 VALIDITY
The validity of measurement refers to how well the answer to a question corresponds with the true value for the construct that is being measured. Content validity of the study instruments was conducted through expert opinion. The study conducted in depth interviews with subject matter experts in human resource management in academia and practitioners who recommended various modifications of the questionnaire.

3.7 FACTOR ANALYSIS
The study analyzed interrelationships among the study variables using factor analysis in IBM SPSS version 20.

3.7.1 SAMPLING ADEQUACY
Sampling adequacy provides the researcher with information regarding the grouping of survey items. Sampling adequacy was assessed by examining the Kaiser-Meyer-Olkin (KMO) statistic and Bartlett's test of sphericity. A KMO of 0.50 and a Bartlett's test of Sphericity chi-square output of ($p<.05$) are considered suitable for factor analysis (Hair, *et al.*1995; Tabachnick & Fidell 2001). Table 5 shows the results of the Kaiser-Meyer-Olkin (KMO) test for sampling adequacy.

TABLE 5: KMO AND BARTLETT'S TEST

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.797
Bartlett's Test of Sphericity	Approx. Chi-Square	1028.811
	Df	130
	Sig.	.000

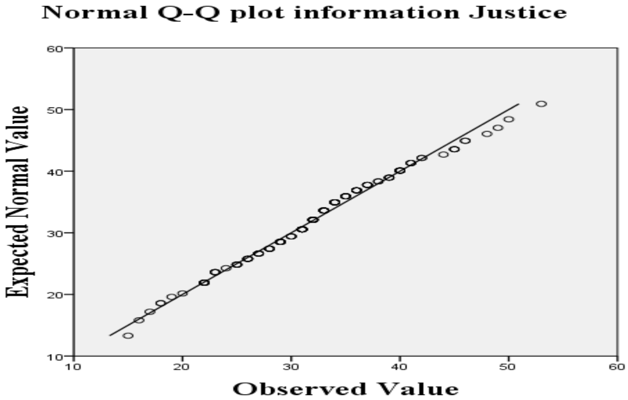
3.7.2 NORMALITY TEST
The study tested for normality through One-Sample Kolmogorov-Smirnov non- parametric test as well as visually using the q-q plot (quantile-quantile) technique. The results of the one-sample Kolmogorov-Smirnov test showed that the data followed the normal distribution (Z = 2.361, 2.172, 2.579, 2.895, 2.743, 2.082 and 2.257, respectively for variables 1-7, N = 130 each, and $p \leq 0.01$ each) as shown on table 6.

TABLE 6: ONE-WAY SAMPLE KOLMOGOROV-SMIRNOV TEST FOR PROCEDURAL JUSTICE

		Able to express views and feelings	Influence over the outcome arrived at	Procedures applied consistently	Procedures free of bias?	Procedures based on accurate information	Able to apply the outcome arrived at by those procedures	Procedures upheld work place ethical and moral standards
N		130	130	129	129	129	127	129
Normal Parameters^{a,b}	Mean	3.2385	2.8923	2.9845	2.9922	3.0465	2.4173	3.2171
	Std. Deviation	1.11233	1.16968	1.00766	1.04952	1.0221	1.17811	1.12473
Most Extreme Differences	Absolute	0.207	0.191	0.227	0.255	0.242	0.185	0.199
	Positive	0.139	0.179	0.184	0.187	0.185	0.185	0.15
	Negative	-0.207	-0.191	-0.227	-0.255	-0.242	-0.162	-0.199
Kolmogorov-Smirnov Z		2.361	2.172	2.579	2.895	2.743	2.082	2.257
Asymp. Sig. (2-tailed)		0	0	0	0	0	0	0
a. Test distribution is Normal.								
b. Calculated from data.								

Normality was also assessed visually through Q-Q plot. The normal Q-Q plot presented in figure 1 shows that most of the observed values were falling along the straight line indicating that the variable components were normally distributed. This is consistent with the one-way sample Kolmogorov-Smirnov Test results.

FIGURE 1: Q-Q PLOT FOR PROCEDURAL JUSTICE



3.7.3 CORRELATIONS BETWEEN PROCEDURAL JUSTICE PERCEPTIONS AND ORGANIZATIONAL COMMITMENT

The results of the correlation between procedural justice perceptions and organizational commitment (table 7) show that procedural justice perceptions positively correlated to affective commitment with *r* ranging between 0. 263 to 0.402, n = 129, p ≤ 0.05. Procedural justice perceptions did not correlate with continuance commitment, with *r* ranging between -.016 to 0.098, n = 129, p ≥ 0.05 but positively correlated to normative commitment, with *r* ranging between 0.254 to 0.398, n = 129, p ≤ 0.01. This finding is consistent with Karanja (2014) who found a low positive correlation between procedural justice perceptions and commitment amongst public secondary school teachers in Kenya (*r* =0.20). McFarlin & Sweeney (1992) also established that procedural justice is a good predictor of organizational commitment.

TABLE 7: CORRELATION COEFFICIENTS BETWEEN PROCEDURAL JUSTICE PERCEPTIONS AND ORGANIZATIONAL COMMITMENT

	1	2	3	4	5	6	7	8	9	10
1. Affective organizational index	1.000									
2. Continuance Commitment Index	.208*	1.000								
3. Normative Commitment index	.554**	.330**	1.000							
4 Have you been able to express your views and feelings during those procedures?	.344**	-.016	.273**	1.000						
5. Have you had influence over the outcome arrived at by those procedures?	.348**	.038	.376**	.727**	1.000					
6. Have those procedures been applied consistently?	.272**	.051	.342**	.614**	.616**	1.000				
7. Have those procedures been free of bias?	.324**	.098	.254**	.670**	.674**	.678**	1.000			
8. Have those procedures been based on accurate information?	.280**	.033	.279**	.686**	.681**	.683**	.814**	1.000		
9. Have you been able to apply the outcome arrived at by those procedures?	.263**	.163	.299**	.384**	.425**	.357**	.304**	.322**	1.000	
10. Have those procedures upheld work place ethical and moral standards?	.402**	.097	.398**	.618**	.568**	.545**	.719**	.716**	.362**	1.000
*. Correlation is significant at the 0.05 level (2-tailed). **. Correlation is significant at the 0.01 level (2-tailed).										

4. HYPOTHESIS TESTING

The study hypothesis predicted that perceptions of procedural justice have no significant effect on employee organizational commitment in health sector non-governmental organizations in Kenya. The hypothesis was tested using ordered logistic regression of the form:

Logit $z = \ln\left[\frac{Fij}{1-Fij}\right] = \beta_{0j} - (\beta_1 X_1) \ldots\ldots (1)$ where: Z is organizational commitment, β are parameters to be estimated and X_1, procedural justice.

The regression results of $\chi^2(5) = 11.91$, p> 0.05 on the regression for procedural justice on affective commitment (table 8) indicates that the researcher's model is not significantly different from the intercept only model. It indicates that model is not significant in explaining affective commitment by the independent variables. This indicates that the procedural justice perceptions have an insignificant effect on employees' affective commitment.

TABLE 8: ORDERED LOGISTIC REGRESSION OF PROCEDURAL JUSTICE PERCEPTIONS AND AFFECTIVE COMMITMENT

Affective organizational index	Odds Ratio	Std. Err.	z	P>|z|	[95% Conf.	Interval]
Feelings	1.1145	0.29952	0.4	0.687	0.65815	1.88728
Outcome	1.04567	0.26401	0.18	0.86	0.63751	1.71515
Procedure Applied	1.29973	0.37146	0.92	0.359	0.7423	2.27575
Procedure Biasness	0.92326	0.31778	-0.23	0.817	0.47027	1.8126
Procedure Accuracy	0.89372	0.30417	-0.33	0.741	0.45867	1.74141
Outcome Appeal	1.06556	0.18357	0.37	0.712	0.76021	1.49356
Moral Stds	1.48087	0.39894	1.46	0.145	0.87339	2.51089

Number of obs = 126
LR $chi^2(5) = 11.91$
Pseudo $R^2 = 0.0470$
Prob > chi^2 = 0.1036
Log likelihood = -120.65916

Table 9 presents the results of the regression analysis of procedural justice on normative commitment. The $\chi^2(5) = 29.79$, p< 0.05 indicates that the researcher's model is significantly different from the intercept only model. This means that procedural justice has significance impact in explaining normative commitment with an explanatory power of 15.15 %. The odds of employees having high normative commitment significantly increases by .7614903 if the employees are able to make their views and feelings known during decision implementation. The odds of employees having high normative commitment significantly increases by .7855702 if the procedures used are based on accurate information increases by 1. The odds of employees having high normative commitment significantly increases by 1.242189 if the employees have been able to appeal the outcome increases by 1.

TABLE 9: ORDERED LOGISTIC REGRESSION OF PROCEDURAL JUSTICE PERCEPTIONS AND NORMATIVE COMMITMENT

Normative organizational index	Odds Ratio	Std. Err.	z	P>|z|	[95% Conf.	Interval]
Feelings	0.76149	0.17767	-1.17	0.243	0.48202	1.20299
*Outcome**	*2.15701*	*0.49824*	*3.33*	*0.001*	*1.37163*	*3.39208*
*Procedure Applied**	*2.28598*	*0.67084*	*2.82*	*0.005*	*1.28612*	*4.06318*
*Procedure Biasness**	*0.40188*	*0.1422*	*-2.58*	*0.01*	*0.20086*	*0.80407*
Procedure Accuracy	0.78557	0.28285	-0.67	0.503	0.38788	1.591
Outcome Appeal	1.24219	0.21126	1.28	0.202	0.89007	1.7336
*Moral Stds**	*2.05625*	*0.52785*	*2.81*	*0.005*	*1.24327*	*3.40083*

Number of obs = 124
LR $chi^2(5) = 29.79$
Pseudo $R^2 = 0.1515$
Prob > chi^2 = 0.0001
Log likelihood = -115.87553
** Item insignificant since z > ±1.96.*

These results indicate that procedural justice perceptions have a statistically significant effect on organizational commitment and in particular normative commitment. with an explanatory power of 15%. Based on the above findings, the study failed to reject the null hypothesis that there is no relationship between perceptions of procedural justice and employee organizational commitment in health sector non-governmental organizations in Kenya. This result is consistent with previous research findings (Folger & Konovsky, 1989; McFarlin & Sweeney, 1992).

6. CONCLUSION
The results of the study show that a low positive significant relationship exists between procedural justice perceptions and organizational commitment. This indicates that employees in the health NGO sector in Kenya are concerned with fairness in the means and processes used to determine the amount and distribution of resources at the work place. Therefore, with higher perceptions of procedural justice perceptions, employees are more likely to reciprocate with greater organizational engagement. The absence of a relationship between procedural justice perceptions and continuance commitment may be explained by the contractual nature of employment with a known end date. The linking of continued employment with availability of funding may also be a contributing factor to the apparent lack of continuance commitment in the sector.

7. RECOMMENDATIONS
Procedural justice is particularly important to NGOs since the organizations constantly find themselves in funding situations which may lead to re-orientation of work and employment arrangements or lead to termination of employment or pay cuts while awaiting for additional funding. In such an environment, the organizations should promote just work place practices by allowing employees to have a voice on matters affecting their work or employment.

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IMPACT OF JOB ROTATION ON EMPLOYEE COMMITMENT AND JOB INVOLVEMENT IN BANKING SECTOR OF SIVAGANGA DISTRICT

R. R. MAHALAKSHMI
RESEARCH SCHOLAR (Ph. D.)
DEPAOF INTERNATIONAL BUSINESS & COMMERCE
ALAGAPPA UNIVERSITY
KARAIKUDI

DR. K. UTHAYASURIYAN
PROFESSOR
DEPARTMENT OF INTERNATIONAL BUSINESS & COMMERCE
ALAGAPPA UNIVERSITY
KARAIKUDI

ABSTRACT

The purpose of this research is to find out; to what extent enhances the employee motivation, commitment and job involvement working in the banking sector of Sivaganga and in banks in general. Survey methodology was used for this research. 285 valid responses were generated from bankers working in seven major banks operating in province (district) capital. Statistical package for the social sciences (SPSS) 16 was used to analyze the data through descriptive statistics and correlation analysis. The study found that most of the subjects have spent an appreciable span of time working in banking sector and have been rotated time to time throughout their careers. It was found that when employees are rotated to different jobs across various departments, they become less motivated whereas more committed and involved in their respective jobs. Recommendations are made on how job rotation practices could be improved in banks as a reasonable amount of investment is made annually by banks on rotating its employees for personnel development. Some implications for future research are also drawn from the study. There are few studies of job rotation in the literature. This research paper enhances the understanding of a little studied topic.

KEYWORDS

Employee motivation, Commitment, Job involvement, Banking sector, Sivaganga.

INTRODUCTION

Banking is one of the most important and significant businesses all over the world. It plays very important role in strengthening the whole financial structure of an economy as well as contributes towards the development of the overall economy of a country and Sivaganga is no exemption from this scenario. Banking industry in Sivaganga accounts for 95% of the financial sector. Sivaganga has a well-established banking system which includes a wide variety of financial institutions ranging from a central bank to scheduled commercial banks to specialized financial agencies to cater for specific requirements of various sectors of the country.

Today, the major concern for the financial institutions including banks is motivating the employees as well as enhancing their commitment and job involvement in order to get the desired results from them, and this is becoming more challenging and difficult due to the uncertain nature of corporate environment (Smith et al., 1995). Performance of different tasks across various departments and in-depth understanding of technological advancements are demanded by the organizations today (Snow et al., 1992). The best way for the financial institutions to serve their employees in order to enhance the motivation, commitment and job involvement is to provide them effective training programs and job rotation is one of them because it is carried out at trainee's own place of work using the same methods, materials and procedures that will continue to be used subsequent to the training on their actual jobs (Lock, 1998).

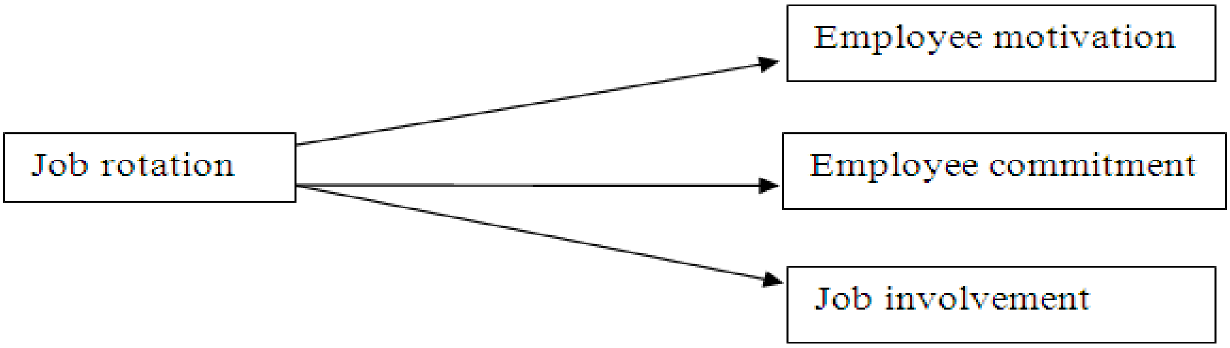
Job rotation has been defined as systematic movement of employees from one job to another at planned intervals (Dessler and Varkkey, 2009; Malinski, 2002). It involves periodic shifting of employees from one task to another where each task requires different skills and responsibilities (Beatty et al., 1987; Robbins, 1996). Torrington and Hall (1991) described the job rotation as movement of employees among different tasks and positions which will probably be of similar nature. Different organizations including banks do rotate their employees from one job to another across various departments for multiple reasons depending on specific needs of an organization. Other operational terms that could be used interchangeably with job rotation include rotational assignments, transfers, job changes, lateral moves, cross training and redeployment. The importance of job rotation has been long recognized in almost every corporate setting all around the world. Job rotation is an excellent way for the organizations to develop employees, managers and executives (Beatty et al., 1987). It enables the training of employees to be backups for other employees so that the organizations have a more flexible work force and a ready supply of trained employees which serves as a competitive edge for the organizations (Rothwell and Kazanas, 1994). Job rotation also improves employee's problem-solving abilities and shared understanding of the job, enhances team efficiency and enables the employees to avail promotion opportunities after successful completion of job rotation programs (Faegri et al., 2010). Thus, both the employees and employers can benefit from job rotation practices. The study aims to provide the empirical understanding regarding the extent to which job rotation programs motivate the employees working in banking sector of Sivaganga and in banks in general and how much it is beneficiary for the banks to enhance the commitment and job involvement of their employees. This research enlightens manager's views regarding the importance of job rotational practices and its contribution towards the employee commitment, motivation and job involvement. This research is organized as follows; an overview of the related literature; methodology of the research; analysis of data collected; conclusion of the research by discussing the findings and provides the implication of this research in detail.

LITERATURE REVIEW

Today, almost every organization spends huge amounts of dollars annually on training activities whether for technical, managerial or personnel development (Dolezalek, 2005), with a hope that such investments in training programs would result in improved organizational performance (Valle et al., 2009; Salas and Cannon-Bowers, 2001; Saks and Belcourt, 2006). The changing nature of today's corporate environment and the intense global competition where consumers demand more quality services require the organizations to have human resources which posses high levels of motivation, Mohsan et al. 7115 commitment and job involvement in order to compete and survive in a market-driven system effectively (Elbadri, 2001; Jamil and Md.Som, 2007; Neff, 2002; Combs and Bourne, 1995; Renaud et al., 2006). One excellent thing on job training tool is job rotation. Job rotation has been defined as systematic movement of employees from one job task to another at planned intervals (Dessler and Varkkey, 2009: 304; Malinski, 2002). Job rotation is said to be an excellent way for the organizations to develop their employees (Beatty et al., 1987). Organizational scholars claim that rotating the employees from one department to another is not a luxury but a necessity of today's professional climate as it provides an intermittent opportunity to employees to tackle higher-level diversified tasks which bring about greater job interest and involvement among them and subsequently enhance their job performance (Eitington, 1997; Leat, 2007; Campion et al., 1994). Today organizations design customized job rotation programs by asking employees about their career aspirations in order to meet their needs for career satisfaction, have more loyal and committed workforce because by satisfying the longings, managers give greater hope and confidence to employees, which enhance their loyalty to the organizations (Zigarelli, 2004; Leat, 2007). Rotational assignments also encourage the employees to be more content and satisfied in their work and enhance their job involvement which may serve as a competitive weapon for an organization in today's dynamic corporate environment. It also helps the organizations to bring about a durable outcome of the commitment of each employee to the firm's value base (Arogyaswamy and Simmons, 1993). Today's professional climate compel the financial institutions including banks to introduce well-designed job rotation programs which allow the employees to learn and adapt new skills and help them to keep themselves up-to-date. The skill variety, task significance, autonomy, task identity, feedback and empowerment inherent in job rotation significantly enhances employee motivation, commitment and job involvement by making the work more interesting which would otherwise become bored and tired of always performing the similar tasks and show a little loyalty to their employers (Zeira, 1974; Schein, 1968; Pruden, 1973; Near, 1985; London, 1983).

Thus, job rotation is said to be an excellent tool for enhancing employee motivation, commitment and job involvement which are very important for smooth and effective functioning of an organization (Zeira, 1974; Schein, 1968). But the literature on the topic is deficient with regard to the need and impact of job rotation on employee motivation, commitment and job involvement. However, there are some valuable discussions in the existing literature during the past decade about the importance of job rotation in predicting motivation, commitment and job involvement of employees.

FIGURE 1: FRAMEWORK OF THE STUDY



Organizational researchers claim that job rotation is one of the strong predictors of employee motivation, commitment and job involvement. It reduces the boredom and fatigue of the jobs and enhances the employee motivation through diversification of the tasks which is highly recommended for the innovative organizations to develop the work-force in order to meet the current and future requirements of the dynamic corporate environment (Adomi, 2006; Huang, 1999; Campion et al., 1994). As we can observe that there are so many challenges and difficulties to be faced by today's banking sector. One of the most important strategies for financial institutions of 21st century must be the practicing of effective and well-designed job rotation programs in order to keep the employees motivated, committed and involved in their respective jobs as well as to make them up-to-date regarding the rapidly changing professional climate which is critical for any organization to survive and compete in today's One of the most important strategies for financial institutions of 21st century must be the practicing of effective and well-designed job rotation programs in order to keep the employees motivated, committed and involved in their respective jobs as well as to make them up-to-date regarding the rapidly changing professional climate which is critical for any organization to survive and compete in today's market driven system effectively. The framework for the study is shown in (Figure 1).

METHODOLOGY

The survey method is used for this descriptive study, using the questionnaires as data collection instrument. Questionnaires allow time to the respondents to think about the research questions which produce more meaningful answers (Peil et al., 1982). The scale was developed to measure the extent of Job rotational activities in the bank's using five point likert scale, there were four items in the scale and reliability score of the scale was 0.801 using Cronbach's alpha. The employee motivation scale was based on previous research on the topic (Armstrong, 2006; DeCenzo and Robbins, 1996; Robbins and Coulter, 1996; Berman et al., 2010; Kamery, 2004; Nelson, 1996) and had six items. While the 15 item scale was adopted from Mowday and Steers (1979) for employee commitment and a 23 item job involvement scale was adopted from Uygur and Kilic (2009). A demographics section was also included in the questionnaire containing questions regarding gender, age; work experience of the respondent and about the type and nature of the bank respondent is working in.

Stepwise random sampling technique was used to locate the respondents and questionnaires were filled by them. In the first step a list of banks was developed which contained all the banks operating in Sivaganga that is, 27. Then through lottery method 1/3rd of these banks were selected for the study that is, 9. The branches of these banks were then located and selected randomly which are operating in the areas of Karaidudi, Devakottai, Thirupatthur, Manamadurai, Kalayarkovil, Illayankudi and Sivaganga District. The researcher personally visited the selected branches and distributed the questionnaires among the all employees present in the branches. A total of 450 questionnaires were distributed among the employees of the banks, 50 for each selected bank. Minimum two and maximum 5 branches of a bank were visited to get the questionnaire filled. Out of total distributed questionnaires, some respondents refused to participate in the study and some questionnaire returned were deemed incomplete and useless for the analysis. The total respondents took part in the study were 400 and 115 questionnaires were found incomplete and were excluded from the analysis. Our final sample used for the study constitutes 285 responses which were completed in all sense. These were used for the final analysis of the study. The response rate for the study is 63% which is quite good. For the purpose of analysis the descriptive statistics and correlation analysis were used. The descriptive statistics would not only describe the characteristics of the sample but also would entail the extent of the prevalence of variables of the study in the banking sector of Pakistan. The correlation analysis would be used to establish the relationship among the dependent and independent variables. The hypotheses to be tested in the study are as under: **H1:** Job rotation has a significant relationship with employee motivation. **H2:** Job rotation has a significant relationship with employee commitment. **H3:** Job rotation has a significant relationship with job involve

ANALYSIS AND INTERPRETATIONS

Table 1 provides the demographical distribution of the respondents with regard to various categories. The respondents were distributed according to type of bank, nature of bank, their respective level of job, gender and their qualification. As provided by table out of a total 285 sample 261 respondents belonged to the private banks while remaining 24 were from private banks, the reason for the lower ratio of respondents from public bank is that only one bank that is, Commercial Bank of Sivaganga is public in the recent era. The ratio of respondents was also higher from conventional banks that is, 93.7% and much lower from Islamic banks that is 6.3%. Thus, market driven system effectively

TABLE 1: DEMOGRAPHICAL FACTORS

Demographics	Category	Number of respondent in category	Percentage
Type of bank	Public	24	8.4
	Private	261	91.6
	Total	**285**	**100**
Level of job	Officers	159	55.8
	Assistants	126	44.2
	Total	**285**	**100**
Gender	Male	240	84.2
	Female	45	15.8
	Total	**285**	**100**
Qualification	Graduation	105	36.8
	Post Graduation	159	55.8
	Others	21	7.4
	Total	**285**	**100**

TABLE 2: SUMMARY STATISTICS OF DEPENDENT AND INDEPENDENT VARIABLES USED IN THIS STUDY

Variables	Mean	Standard Deviation
Job rotation	3.46	1.015
Employee Motivation	3.78	.566
Employee Commitment	3.54	.520
Job Involvement	3.51	.501

This study has a limitation with regard to number of respondents from banks included in this study and would not be generalize able to this category of banks. Further, we have 159 (55.8%) respondents from manager grade, while other 126 (44.2%) were from non manager grade for level of job. Gender distribution indicates a lower number of female respondents that is 45 (15.8) that could be due to the less number of employments of females in the banking sector of Sivaganga. For qualification 55.8% of the respondents were master degree holders, 36.8% were graduate degree holders, while remaining 7.4% did some diploma/ course like Association of Chartered Certified Accountants (ACCA), etc. Moreover the respondents were aged between 21 to 56 years having experience ranging from1 to 25 years of experience with the banking sector.

Table 2 provides the summary statistics of the dependent and independent variables included in the study. Job rotation that is, the independent variable has a mean value of 3.46 with a quite higher standard deviation of 1.015 indicating that on the average respondents think that there exist moderate level of job rotational activities in the banks but larger standard deviation indicates towards the difference of opinion of the respondents with regard to extent that employee motivation on the other hand has a mean value of 3.78 along with standard deviation of 0.566 indicating that bankers in the industry are moderately motivated workforce. The mean score of employee commitment and job involvement are close to 3.5 with a standard deviation more than 0.5 thus indicating the bankers are moderately committed to their organization and moderately involved in their jobs as well.

Table 3 provides the correlation matrix for the dependent variables that is; employee motivation, employee commitment and job involvement with independent variable that is, job rotation. All variables are significant at 1% level of significance. Thus, the study

TABLE 3: CORRELATIONS

Variables		Employee Motivation	Employee Commitment	Job Involvement
Job Rotation	Pearson correlation	-0.170	0.228	0.161
	Sig. (2-tailed)			0.006
Employee Motivation	Pearson correlation		0.189	0.172
	Sig. (2-tailed)		0.001	0.004
Employee Commitment	Pearson correlation			0.293
	Sig. (2-tailed			0.000

** Significant at level 0.01.

Accept all three of the hypothesis; H1, H2 and H3, respectively stating that Job rotation has a significant relationship with motivation, employee commitment and job involvement. Employee commitment and job Involvement have positive coefficients of correlation as expected with values 0.228 and 0.161 respectively indicating a significant but weak correlation between independent variable that is, job rotation and dependent variables that is, employee commitment and job involvement. On the other hand, the coefficient sign of correlation between employee motivation and job rotation yielded a negative sign which is against our expectation. The correlation however, is also weak in this case as indicated by value of 0.17.

Moreover, the interrelationship of all dependent variables used in this study is significant and positive, implying that employee commitment, employee motivation and job involvement are positively associated with each other. The relationship among these three dependent variables however, is weak as indicated by their correlation coefficients. Employee commitment yielded correlation coefficients of 0.189 and 0.172 for employee commitment and job involvement respectively. While, a coefficient value of 0.293 was found for the correlation of employee commitment and job involvement.

DISCUSSION AND CONCLUSION

This study was conducted to highlight the importance of the job rotation as a training method and to access its impact on the employee motivation, commitment and job involvement. The study documented a weak and positive impact of job rotation on employee commitment and job involvement and a weak negative impact of job rotation on employee motivation. Previous research on this topic also provide evidence of a positive impact of the job rotation on the employee commitment and loyalty with the organization (Zigarelli, 2004; Leat, 2007; Ho et al., 2009), same findings are put forward for the variable of job involvement (Pruden, 1973; London, 1983; Near, 1985). But the relationship with the employee motivation do not match with the available literature (Adomi, 2006) but some researchers suggested other consequences of job rotational activities such like Eriksson and Ortega (2006) who postulated that job rotation is used frequently in the organization with low promotion opportunities but the final outcome of a training initiative is promotion and if the expectations of the employee are not satisfied he might become unmotivated. Moreover, Yinhua (1994) also provided that rotational activities might have some negative influence on the employees of the organization because people working on a task do not want to hand over it to others with a fear to lose mastery over it and there is also seen a decrease in the quality of output and productivity of the employee being rotated that might also have some consequences. In the banking sector of Sivaganga, the reason for this negative relationship might be the excessive pressure which is inherent in the banking industry and the fact that when some employee get rotated he not only copes up with his new responsibilities but also partially perform his old duties due to managers belief that he is proficient in what he was doing before and the employee replacing him is not that proficient yet. Moreover, a positive but weak interrelation between all three independent variables that is, employee motivation, employee commitment and job involvement was also found. Moreover, the research on the topic is mostly done in the developed countries where human resource (HR) department is very active in job rotational activities and look after each issue regarding the trainability and pressure handling of employee with regard to his new duties, but we targeted the banking sector of a developing economy that is, Sivaganga. This could also be a reason of this negative relationship. The correlation, however, is also weak as indicated by a small correlation coefficient vale. This issue however, needs special attention and in-depth investigation in this particular phenomenon which would be more fact revealing.

Findings of this research indicates that employee commitment and job involvement could be slightly increased by boosting up job rotational activities in banking sector of Sivaganga while the issue of employee motivation is still debatable and we call for more research in this area to understand the phenomenon in more accurate and appropriate way.

This research is important in several ways; first the impact of overall training of employees has widely been studied in management research areas but individual impact of various training methods particularly, on the job training methods are somewhat neglected area of attention from researcher around the word, this study is the first attempt to highlight the importance of the tainting methods as on separate bases. Second, developing countries lack sufficient evidence with regard to different aspects of work life and work related behaviors and Sivaganga particularly is deficient in many aspects of understanding regarding the organization related research. So, it is useful to look into the phenomenon to probe into the yet unanswered questions and provide explanations which are relevant particularly in the scope of a particular sector of a particular economy and rechecking the finding on different sectors by applying and researching the phenomenon in detail. Third, the usefulness of this research has practical implications as it provides managers the explanation of the employee behavior in the specific context of job rotation that could be useful or dangerous to their organization apart from the traditional benefits such as a technique for skill building and enhanced exposure and drawbacks.

So, the duty of HR managers in this sense is to incorporate the planned rotational activities in the overall training program of the bankers in order to realign the efforts of the employees in the direction of the shared goals and vision of the organization. It is not only the demand of this competitive era but also a key to equip employees with diverse skills and expertise.

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INSURANCE AS SOURCE OF INFRASTRUCTURE FINANCING IN INDIA: A STUDY

DR. S. HARI BABU
ASSOCIATE PROFESSOR
SCHOOL OF BUSINESS
LOVELY PROFESSIONAL UNIVERSITY
JALANDHAR

DR. K.V.V.MURALI SOMESWARA RAO
ASSOCIATE PROFESSOR
DEPARTMENT OF MANAGEMENT STUDIES
G V P COLLEGE FOR DEGREE & PG COURSES
RUSHIKONDA, VISAKHAPATNAM

ABSTRACT
Infra structural development in India is taking place at rapid pace since 11th five year plan. However, to overcome the bottlenecks in the supply of finance, Government of India relied on other source of financing for infrastructural development such as PPP, bank financing, infrastructure finance companies, equity and Insurance investments. We studied whether insurance companies have significant contribution towards infrastructure financing based on the secondary data collected during 2008-09 to 2013-14. The results show that the Non-life followed by Life insurance companies has significant contribution towards infrastructure investments since the opening of insurance sector.

KEYWORDS
Assets under Management, Infra structure, Insurance, ANOVA.

JEL CODES
G22, 016, 018.

INTRODUCTION
Infrastructure development forms as a strong foundation for an economic development of any nation. India's infrastructural development is primarily dependent on projects involved in Railway tracks, signaling system, Roads, bridges, runways and other airport facilities, Transmission &Distribution of electricity, Pipelines for crude oil, waterways, port facilities, River networks for agriculture, sanitation and irrigation, Rolling stock on railways, Vehicles, aircraft, Power generation plants, Production of crude oil, purification of water, telephone lines and telecommunication network ,Ships, and other vessels. But, infrastructure funding is characterized by non recourse or limited recourse funding, large scale investment, long gestation period, high initial capital, low operating cost, repayments from the revenues generated from the project.

Need for infrastructural development is of paramount importance and is sine quo non to the growth and development of an economy. The government recognized the need and it has been one of the priority agendas in the recent five year plans. Typically Government has been the sole financier for these projects and has been responsible for implementation, operations and maintenance of these projects. As Government of India solely will not be able to meet the burgeoning funding requirements, the other sources of finance such as Public Private Investment, External Commercial Borrowings and Foreign Direct Investment were invited in to the sector. However, the other initiatives that stimulated the funding raising are set up of India Infrastructure Finance Company Limited(IIFCL) and Infrastructure Development Finance Company (IDFC) followed by equity participation and allowing bank credit to the companies operating in the sector.

However, insurance companies have been a part of infra structure financing for more than a decade, which is not recognized as a potential area of research on insurance as a source of infra structure financing. It is by nature of inherently very risk averse, the insurance companies invest in long term liabilities due to their nature of business with long gestation periods. However statutory perceptions and other restrictions by Government essentially limit investment in infrastructure projects by Insurance Companies. On the other hand, the key restrictions from regulatory bodies include minimum credit rating for debt instruments and minimum dividend payment record of seven years for equity contained the private infrastructure projects to meet as these have been set up recently and cannot enjoy high credit rating in initial years. This is clear from the fact that they invest more than required in government securities and they invest mostly in the paper of publicly-listed infrastructure companies towards meeting their mandated minimum infrastructure and social sector requirements rather than funding infrastructure projects.

In addition, the rapid growth in private insurance companies is not reflected in greater investments in infrastructure because 85 percent of policies sold by private insurance players are unit linked. New investment guidelines issued by the Insurance Regulatory and Development Authority (IRDA) broadened the definition of Infrastructure and also aligned with RBI's definition, but they have not relaxed the conditions sufficiently to permit insurers to potentially hold a wide range of infrastructure projects in investment portfolio.

Therefore, the present study is an attempt to analyze whether the insurance is a potential source for the infra structure funding and whether there is any significant differences among the insurance companies in contributing towards infra structure investments. The present study provide significant contribution to the policy decision making and gives an alternative to the existing theories of Public-Private Partnership (PPP) in infra structure development.

MATERIALS AND METHODS
The present study followed descriptive research design to analyze the role of insurance financing for infrastructure funding in India. The study is based on secondary data collected from the Annual reports of Insurance Regulatory and Development Authority of India, Reports of Planning Commission of India and Reports of Insurance Companies selected for the study during 2008-2009 to 2012-13. For the purpose of study, the total number of (1 public +23 private) 24 life and 28 (4 public + 24 private) non life insurers, were considered to analyze the assets under management of insurers during 2008-2009 to 2012-13 which have significant contribution of insurers towards infra structure investments.

The data collected from the annual reports of Insurance Regulatory and Development Authority of India, Planning Commission and Annual Reports of Insurance companies was analyzed using descriptive statistical tools such as mean and percentages further inferential statistics such ANOVA is applied to test the hypothesis.

RESULTS AND DISCUSSION

The results and discussion is presented in three sections according to the Objectives of study. Section one deals with the infrastructural development taken place during the post –liberalization regime in India. Section two deals with sources of financing for infrastructural projects and section deals with the asset management of life and non-life insurers.

OBJECTIVE – 1: TO STUDY THE INFRASTRUCTURAL DEVELOPMENT TAKEN PLACE DURING THE POST-LIBERALIZATION REGIME IN INDIA

TABLE -1: SECTOR WISE DEPLOYMENT OF FUNDS FOR INFRASTRUCTURAL DEVELOPMENT 2008 - 2013

S. No.	Sectors	No. of Projects	Funds Sanctioned (Rs in Crores)
1.	Transport	126 (77.30)	1,58,054(94.91)
2.	Energy	7(4.29)	1,569 (0.942)
3.	Social & Communication	20 (12.26)	5,606 (3.36)
4.	Water Sanitation	10(6.13)	1,305(7.84)
	Total	**163**	**1,66,534**

Table – 1 present the sector wise deployment of funds for infrastructural development during 2008- 2013. From the table, huge chunk of funds are deployed towards transport sector (94.91 per cent) while Social and communication (12.26 per cent) is given the second priority for funds deployment. Though there is a wider expansion of communication network across the country, contrarily, the amount of funds deployed towards social and communication (12.26 per cent) still need to be increased.

SECTORAL ALLOCATION IN 11TH AND 12TH FIVE YEAR PLANS

The National Development Council has started five year plans for funding infrastructure in India. In 11th five year plan(2007-2012) a total investment of Rs. 27 lakh crores was made towards infrastructure development .The 11th five year plan(2007-2012) aims at a sustainable annual growth rate of 9% with emphasis and board-based and inclusive approach that would improve quality of life and reduce disparities across regions and communities. The program ensures strengthening and consolidating recent infrastructure like Bharat Nirman for rural infrastructure building, also for strategies and sectoral initiatives like the Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY), Accelerated Power Development and Reforms Program (APDRP), Jawaharlal Nehru National Urban Renewal Mission(JNNURM), National Highways Development Program(NHDP), Finance Plans for Highways and Airports, and National Maritime Development Program(NMDP)

The National Development Council (NDC) will meet on December 27 to approve the 12th Five year Plan(2012-2017). During the preliminary assessment of investment in infrastructure in 12th plan(2012-2017), Planning Commission has projected investment to be Rs. 40,99,240 crore. The 12th five year plan is a grand plan with an available public resource of Rs. 37,16,385 crore to spend . The budgetary allocation under the 12th five year plan is 125% more than that of 11th five year plans.

TABLE – 2: SECTORAL ALLOCATION IN 11TH AND 12TH FIVE YEAR PLANS

Major sectors	11th Plan (in Rs Crores)		12th Plan (in Rs Crores)		Increase over
	Realization	% share	Projection	% share	11th Plan (in %)
Agriculture and water resources	1,16,554	7.3	2,84,030	7.96	143.69
Rural Development and Panchayatiraj	3,97,524	25.01	6,73,034	18.86	69.31
Scientific Departments	58,690	3.69	1,42,167	3.98	142.23
Transport and energy	2,04,076	12.84	4,48,736	12.57	119.89
Education	1,77,538	11.17	4,53,728	12.71	155.57
Health and child development	1,12,646	7.09	4,08,521	11.45	262.66
Urban Development	63,465	3.99	1,64,078	4.60	158.53
Others	4,58,849	28.87	9,94,333	27.86	116.70
Total Plan allocation	15,89,342	100.00	35,68,626	100.00	124.53

Source: Planning Commission

OBJECTIVE-2: TO STUDY THE SOURCES OF FINANCING FOR INFRASTRUCTURAL PROJECTS IN SELECTED SECTORS.

PUBLIC PRIVATE PARTNERSHIP

Government alone is unable to fulfill the broad demands of infrastructural demands in the country. To overcome the bottlenecks in the supply of financial availability, Government of India allowed private firms partnered with the Public sector known as Public- Private- Partnership (PPP Model). The construction, design, operations and finance are combined by both public and private sector. At present almost all the infrastructure projects are being done through PPP and in all sectors like roadways, railways, ports, power, urban infrastructure, etc. Maharashtra alone has more than 50% of infrastructure development projects are based on the PPP. Other states such Karnataka, Madhya Pradesh, Gujarat, Tamil Nadu have also adopted this PPP model. Ports come in the second place and account for 8% of the total projects. Other sectors including power, irrigation, telecommunication, water supply, and airports have also increased and developed through this PPP model.

TABLE -3 : PROJECTED INVESTMENT IN INFRASTRUCTURE DEVELOPMENT DURING 11TH PLAN

Sectors	Investment (Rs. Crore)		Share in Total (%)	
	10th Plan	11th Plan	10th Plan	11th Plan
Electricity	2,91,850	6,66,525	33.5	32.4
Roads and Bridges	1,44,892	3,14,152	16.6	15.2
Telecommunication	1,03,365	2,58,439	11.9	12.5
Railways	1,19,658	2,61,808	13.7	12.7
Irrigation	1,11,503	2,57,344	12.8	12.5
Water Supply and Sanitation	64,803	1,43,730	7.4	7.0
Ports	14,071	87,995	1.6	4.3
Airports	6,771	30,968	0.8	1.5
Storage	4,819	22,378	0.6	1.1
Gas	9,713	16,855	1.1	0.8
Total	**8,71,445**	**20,60,193**	**100.0**	**100.0**

Source: *Eleventh Plan Document, Planning Commission, GoI.*

TABLE-4: STATE-WISE ONGOING PPP PROJECTS IN INFRASTRUCTURE SECTOR

Name of the State	Total No. of Projects	Total Estimated Cost (Rs. Crore)
Gujarat	27	18251
Sikkim	24	15627
Maharashtra	9	12498
Orissa	4	3668
Kerala	5	3488
Karnataka	26	2930
Madhya Pradesh	28	2615
Puducherry	4	2233
Andhra Pradesh	21	1999
Rajasthan	42	1818
Tamil Nadu	7	1237
West Bengal	13	1216
Punjab	14	750
Jharkhand	8	732
Goa	3	618
Delhi	6	96
Andaman & Nichobar Islands	1	85
Uttaranchal	1	17
Chandigarh Administration	1	15
Total	**244**	**69,893**

Source: *The Committee on Infrastructure web site, Planning Commission, GoI.*

TABLE- 5: SECTOR-WISE PPP PROJECTS IN THE STATES

Sector	Ongoing Projects		Projects in Pipeline	
	No. of Projects	Estimated Cost (Rs.Crore)	No. of Projects	Estimated Cost (Rs.Crore)
Roads	114	14265	48	14668
Ports	24	24091	10	16676
Airports	4	2358	2	250
Railways	3	812	..	..
Power	35	16409	6	795
Unban Infrastructure	64	11958	10	2335
Total	**244**	**69893**	**76**	**34724**

Source: *The Committee on Infrastructure web site, Planning Commission, GoI.*

BANKING FINANCE

Commercial Banks have been the second largest source of infrastructure financing in India. Which constitute about 24% of the whole infrastructure financing which includes the public sector banks the most. Other than banks credit also flows for infrastructure from NBFCs, mutual funds, capital market, etc. RBI has also provided some relaxations to the infrastructure sector. And have also encouraged lending from commercial banks. Commercial banks have been the second largest source of infrastructure financing, which constitute 24 per cent of whole infra structure financing in India. As per the reports of HDFC Bank, the bank funding towards infra structural development soared to 13.4 per cent during the financial year 2013-14. However, banks funding to infra structure segment had risen up to three times during 2008 and 2013.

INFRASTRUCTURE FINANCING COMPANIES

Infrastructure Financing Companies (IFC) are the non-deposit NBFCs (Non Banking financial Companies) which provide loans for the infrastructure projects in a country which includes 75% of the total assets of an IFC-NBFC should be deployed in infrastructure loans. The two main companies that provide credit for infra structural development in India are:

1. **INDIA INFRASTRUCTURE FINANCE COMPANY LTD (IIFCL)**

IIFCL is registered as NBFC-IFC with the Reserve Bank of India. It is a Government owned company paid up with authorized capital of Rs.3,300 Crore and Rs. 5,000 Crore respectively. It provides funds for all the sectors like highways, power, airports, ports, urban infrastructure, etc. IIFCL provides direct lending, Refinancing, takeout finance, credit enhancement.

TABLE- 6 : NUMBER OF PROJECTS AND PROJECT COSTS OF ASSISTED PROJECTS UNDER PMDO DURING 2009-14

	During the year					Cumulative (Till 31st March 2014)
	2009-10	2010-11	2011-12	2012-13	2013-14	
No. of Projects assisted*	32	37	53	70	19	318
Project Cost of assisted projects	51,680	70,037	81,127	1,15,198	15,762	4,83,028
Amount Sanctioned *	5,616	7,402	8,595	11,514	2,261	54,148
Amount Disbursed (including Refinance & Takeout Finance)	5,095	5,349	5,052	6,205	5,484	32,064

* Gross Sanctions under Direct Lending including PMDO

2. **INFRASTRUCTURE DEVELOPMENT FINANCE COMPANY (IDFC)**

Infrastructure development finance company (IDFC) is the top infrastructure financing and project implementation service provider in India. It provides funds and advisory service for the infrastructure projects.

INSURANCE

Insurance companies are one among the largest institutional investors in the world. The investment operations of insurance companies are crucial as they help to generate the reserves which defray the claims of insurance. To generate the maximum yields, combined with liquidity and safety, the operations are required to be handled in a judicious manner. Insurance is a business of generating liabilities that must be matched by investment in assets.

Budgetary support constituted 45% of the total infrastructure spending in first 3 years of eleventh plan. Commercial banks, NBFCs, Insurance Companies and the external sources constituted 41% of the funding to Infrastructure Development. And the balance 14% was funded through Equity and FDI. Insurance has contributed only 4% of total infrastructure investment.

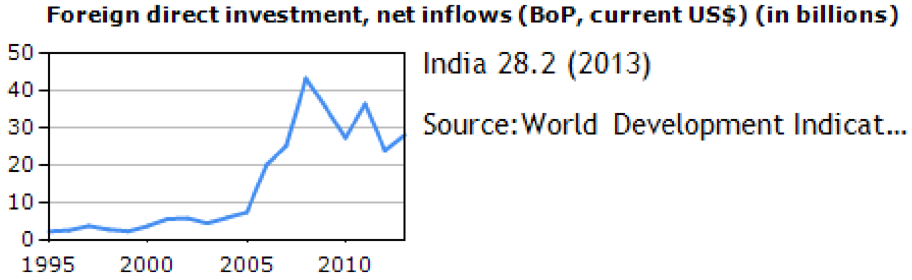
TABLE - 7 : PATTERN OF INVESTMENTS OF INSURANCE COMPANIES

Pattern of Investments	2013		2014	
	Total	% to Fund	Total	% to Fund
Central Government Securities	30,658	24.93	35,877	25.66
State Government and other Approved securities	12,987	10.56	14,326	10.25
Housing and Loans to State Govt for Housing & FFE	10,275	8.35	12,742	9.11
Infrastructure Investments	18,997	15.45	24,544	17.56
Approved Investments	44,194	35.93	49,264	35.24
Other Investments	5,882	4.78	3,056	2.19
Total	1,22,992	100.00	1,39,809	100.00

Source: IRDA Annual Reports, 2013-14

FOREIGN DIRECT INVESTMENT (FDI)

Investment in Transport sector in India will have an increase of US$75-90 billion in the next five years, whereas the construction sector can grow up to 35%. Foreign investment is allowed in infrastructure companies in Securities Markets. 100% FDI is allowed in Development of townships, Housing, Built up infrastructure and Construction Development Projects but does not include real estate business. Contrarily, FDI has only 8% share in funding Infrastructure projects. This is due to the political and legal interference.



EQUITY

Equity is a stock or security which represents the interest of the owner. And the market where these equity or stocks are traded is known as Equity market or stock market. It is the most vital source from where companies invest their capital. Because here the companies uses others money and also does not have to give any interest on that. The equity market or share market is further divided into two sectors, Primary market and Secondary market. Primary is for the first time issue of shares or equity where as secondary market includes trading of shares or equity. The Infrastructure financing is done through Promoter Equity and Tiered Equity which includes Private and Mezz Equity.

OBJECTIVE – 3: TO STUDY WHETHER THERE IS ANY SIGNIFICANT CONTRIBUTION OF INSURANCE COMPANIES TOWARDS INFRA STRUCTURE INVESTMENTS

Investments in various avenues form the assets for the insurance companies. As per IRDA (Investment) (Amendment) Regulations, 2002 the investments of insurance companies are towards Central Government Securities, State Government and other approved securities, Housing and Infrastructure, Approved investments and other investments. The study emphasized on the investments of insurance companies towards infra structure and a proportion of infrastructure investments over total investments during 2008-09 and 2012-13.

ASSETS UNDER MANAGEMENT OF NON-LIFE INSURANCE COMPANIES DURING 2008-09 TO 2012- 13

Interpretation: From the table- 8, the companies like Royal Sundaram Alliance, TATA-AIG General Insurance Co Ltd, Bajaj Allianz General Insurance Co Ltd, Future Generali India Insurance Co Ltd and Shriram General Insurance Co. Ltd are investing huge share of total investments in Infrastructure development i.e 30% approximately. It is also observed that there is a consistent growth in the investment scenario of non – life insurance companies towards infrastructure.

HYPOTHESIS

$H_0$1: There is no significant difference in the assets under management of infrastructure investments of non-life insurance companies.

H_q1:There is significant difference in the assets under management of infrastructure investments of non-life insurance companies

ANOVA

TABLE – 9: VARIABLE: ASSETS UNDER MANAGEMENT OF NON- LIFE INSURANCE COMPANIES

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	1766701.036	4	441675.259	9.942	.000
Within Groups	888480.445	20	44424.022		
Total	2655181.481	24			

The F value of ANOVA from the table – 9 is at 9.942 at 5 percent level of significance. Therefore, reject the null hypothesis and accept the alternative hypothesis. Hence, there is a significance of assets under management of non life insurance companies towards infrastructure investments.

ASSETS UNDER MANAGEMENT OF LIFE INSURANCE COMPANIES DURING 2008-09 TO 2012-13

In the above table – 10, one public life insurance and twenty-one private life insurance companies have been included. The table reveals the total sum of investments of life insurance companies out of their total investments and percentage of investments in infrastructure in India. LIC has invested a total of 606487 corers in which 62065.43 has been used for infrastructure i.e., 10% of LIC investment was utilized for infrastructure , and the private insurance company say HDFC standard life insurance have invested a sum of 364.77 crore i.e., 16% of its total investment was utilized for infrastructure . By 2013-14 the investment percentage of public life insurance company remained same at 10% but the private life insurance companies has raised their investments towards the infrastructure i.e., HDFC has raised their funding from 16% to 20%. Therefore the above table reveals that private sectors have been showing more interest in investing their money in Infrastructure in India as it is more profitable in long run.

HYPOTHESIS

H_o2: There is no significant difference in the assets under management of infrastructure investments of life insurance companies

H_a 2:There is significant difference in the assets under management of infrastructure investments of life insurance companies.

ANOVA

TABLE – 11: VARIABLE: ASSETS UNDER MANAGEMENT OF LIFE INSURANCE COMPANIES

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	24321573987.243	4	6080393496.811	118.177	.000
Within Groups	1029029548.635	20	51451477.432		
Total	25350603535.878	24			

From the table – 11 , theF- value is at 118.177 at 5 per cent level of significance which states the rejection of null hypothesis and accept the alternate hypothesis Therefore there is a significant difference in the assets under management of infrastructure investments of life insurance companies.

TABLE- 8 :ASSETS UNDER MANAGEMENT OF NON-LIFE INSURANCE COMPANIES DURING 2008-09 TO 2012- 13 (Rs. In Crore)

S. NO	COMPANY	2008-2009			2009-2010			2010-2011			2011-2012			2012-2013		
		INFRASTRUCTURE INVESTMENT	TOTAL INVESTMENT	% of investment	INFRASTRUCTURE INVESTMENT	TOTAL INVESTMENT	% of investment	INFRASTRUCTURE INVESTMENT	TOTAL INVESTMENT	% of investment	INFRASTRUCTURE INVESTMENT	TOTAL INVESTMENT	% of investment	INFRASTRUCTURE INVESTMENT	TOTAL INVESTMENT	% of investment
1	GIC of India	1607.65	16729.76	10%	2086.43	17480.9	12%	2390.21	19777.8	12%	2586.1	22165.74	12%	2884.2	26132.04	11%
2	The New India Assurance Company Ltd	1781.67	10771.71	17%	1792.49	11851	15%	1751.62	13604.15	13%	1794.62	15769.29	11%	2310.56	17882.55	13%
3	National Insurnace Co. Ltd	1083.46	5758.74	19%	1209.25	6369.8	19%	1679.99	8391.06	20%	2173.94	10734.57	20%	2486.97	13106.18	19%
4	United India Insurance Co Ltd	1441.96	8368.51	17%	1168.64	9254.22	13%	1569.18	11247.57	14%	2082.92	13269.34	16%	2508.39	15938.45	16%
5	The Oriental Insurane Co Ltd	574.72	6153.53	9%	827.28	6731.16	12%	1056.55	8214.72	13%	1229.75	9164.87	13%	1591.16	10584.8	15%
6	Reliance General Insurance Co Ltd	334.71	1363.97	25%	329.9	1656.66	20%	332.89	2136.9	16%	455.26	2709.7	17%	477.09	3257.8	15%
7	Royal Sundaram Alliance Insurance Co Ltd	217.9	788.31	28%	218.76	908.26	24%	347.75	1383.06	25%	445.8	1840.93	24%	640.79	2080	31%
8	Iffco - Tokio General Insurance Co. Ltd	169.92	1058.02	16%	192.92	1279.5	15%	340.41	1817.99	19%	393.74	2328.47	17%	454.76	3117.42	15%
9	TATA-AIG General Insurance Co Ltd	225.19	714.43	32%	217.58	855.97	25%	361.55	1362.41	27%	727.2	1886.87	39%	577.12	2435.21	24%
10	Bajaj Allianz General Insurance Co Ltd	556.71	2354.13	24%	757.84	2739.89	28%	697.65	3851.9	18%	1084.24	4546.43	24%	1434.25	5615.2	26%
11	ICICI Lombard General Insurance Co Ltd	706.07	3176.85	22%	765.96	3642.7	21%	563.48	4594.09	12%	697.9	6272.81	11%	1164.4	7746.64	15%
12	Star Health and Allied Insurance Co Ltd	19.93	92.09	22%	24.97	256.05	10%	54.9	330.71	17%	49.85	206.98	24%	69.97	422.32	17%
13	Cholamandalam MS General Insurance Co Ltd	45.08	371.52	12%	96.89	574.23	17%	141.34	967.61	15%	158.335	1259.27	13%	209.08	1726.15	12%
14	HDFC Eego General Insurance Co Ltd	45.87	273.59	17%	171.3	624.13	27%	223.41	1223.25	18%	327.34	1888.04	17%	461.82	2696.22	17%
15	Universal Sompo General Insurance Ltd	25.14	207.64	12%	60.34	258.19	23%	85.3	331.57	26%	69.96	408.51	17%	124.8	777.18	16%
16	Future Generali India Insurance Co Ltd	44.56	160.97	28%	76.38	276	28%	147.51	601.85	25%	192.91	930.18	21%	309.15	1295.15	24%
17	Apollo DKV Insurance Co Ltd	12.39	102.45	12%	33.01	139.2	24%	42.77	296.06	14%	56.84	418.83	14%	56.64	538.75	11%
18	Shriram General Insurance Co. Ltd.	50.65	140.55	36%	112.14	278.16	40%	163.86	780.43	21%	299.36	1128.57	27%	640.52	3700.54	17%
19	Bharati Axa General Insurance Co. Ltd.	16.13	119.03	14%	36.94	275.21	13%	60.78	610.49	10%	120.41	1075.85	11%	173.42	1484.09	12%
20	Raheja QBE General Insurance .Ltd.	20.13	187.49	11%	25.19	181.83	14%	20.27	181.75	11%	30.21	200.13	15%	25.08	217.08	12%

Source: IRDA Annual Reports , 2008- 09 to 2013- 14

TABLE-10 : ASSETS UNDER MANAGEMENT OF LIFE INSURANCE COMPANIES (Rs. Crore)

S. NO	COMPANY	2008-2009			2009-2010			2010-2011			2011-2012			2012-2013		
		INFRASTRUCTURE INVESTMENT	TOTAL INVESTMENT	% of investment	INFRASTRUCTURE INVESTMENT	TOTAL INVESTMENT	% of investment	INFRASTRUCTURE INVESTMENT	TOTAL INVESTMENT	% of investment	INFRASTRUCTURE INVESTMENT	TOTAL INVESTMENT	% of investment	INFRASTRUCTURE INVESTMENT	TOTAL INVESTMENT	% of investment
1	Life Insurance Corporation of India	62065.43	606487	**10%**	65755.62	699475.5	**9%**	80491.49	798291	**10%**	84532.45	914614.1	**9%**	102000.9	1037656	**10%**
2	HDFC Standard Life Insurance Company Ltd	364.77	2220.16	**16%**	843.82	4451.08	**19%**	1301.75	5360.12	**24%**	1636.71	1789.48	**91%**	2038.39	10385.8	**20%**
3	Max New York Life Insurance Ltd	429.41	1789.48	**24%**	765.19	3487.93	**22%**	1131.22	4880.19	**23%**	1779.46	2735.49	**65%**	2152.29	9876.67	**22%**
4	ICICI Prudential Life Insurance Company Ltd	452.08	2735.49	**17%**	688.31	4326.29	**16%**	1080.84	6562.38	**16%**	168.6	589.75	**29%**	2418.1	12354.71	**20%**
5	Birla Sunlife Insurance Co Ltd	137.54	589.75	**23%**	414.21	1452.77	**29%**	535.32	2177.89	**25%**	810.11	1627.84	**50%**	815.73	2850.58	**29%**
6	TATA AIG Life Insurance Co Ltd	309.82	1627.84	**19%**	489.14	2832.47	**17%**	603.5	3550	**17%**	805.41	641.25	**13%**	1120.45	5796.36	**19%**
7	Kotak Mahindra Life Insurance Lt	122.29	641.25	**19%**	284.07	1216.32	**23%**	370.86	1549.28	**24%**	541.48	3374.25	**16%**	708.46	2776.7	**26%**
8	SBI Life Insurance Co. Ltd	652.02	3374.25	**19%**	775.2	4800.63	**16%**	746.5	4714.12	**16%**	1104.88	2542.53	**43%**	1398.19	8349.89	**17%**
9	Bajaj Allianz Life Insurance Co Ltd	404.53	2542.53	**16%**	1045.11	4582.34	**23%**	1081.98	5708.76	**19%**	161.41	607.72	**27%**	2024.46	10961.22	**18%**
10	MetLife India Insurance Company Limited	176.61	607.72	**29%**	316.58	1030.52	**31%**	357.06	1374.36	**26%**	472.37	479.18	**99%**	NA	NA	**NA**
11	Reliance Life Insurance Co Ltd	78.59	479.18	**16%**	169.44	886.92	**19%**	253.2	1309.77	**19%**	417.17	711.55	**59%**	748.93	5115.74	**15%**

12	ING Vysya Life Insurance Co Ltd	153.97	711.55	**22%**	262.98	1116.36	**24%**	335.53	1424.06	**24%**	482.99	417.93	**11%**	711.41	2743.3	**26%**
13	AVIVA Life Insurance Co Ltd	95.14	417.93	**23%**	99.62	496.71	**20%**	178.79	833.28	**21%**	267.97	270.26	**99%**	416.61	1753.91	**24%**
14	Sahara Life Insurance Company Limited	56.09	270.26	**21%**	98.47	380.4	**26%**	123.94	462.77	**27%**	159.3	169.66	**94%**	173.91	657.45	**26%**
15	Sriram Life Insurance	26.49	169.66	**16%**	70.16	237.43	**30%**	63.27	259.92	**24%**	73.78	177.63	**42%**	123.76	511.2	**24%**
16	Bharti AXA Life Insurance Co. Ltd.	29.81	177.63	**17%**	29.06	137.43	**21%**	31.99	201.32	**16%**	50.11	149.99	**33%**	66.7	329.04	**20%**
17	IDBI Fortis Life Insurance Co Ltd	32.43	149.99	**22%**	73.69	288.55	**26%**	83.86	558.38	**15%**	137.44	140.56	**98%**	427.45	1088.83	**39%**
18	Future Generali India Life Insurance Co. Ltd	25.1	140.56	**18%**	59.74	279.3	**21%**	130.53	449.9	**29%**	181.5	690.5	**26%**	302.78	1001.47	**30%**
19	Canara HSBC OBC Lif Insurance Co Ltd.,	0	0	**0**	37.78	234.01	**16%**	75.23	278.6	**27%**	142.88	397.69	**36%**	160.41	757.66	**21%**
20	Star Union Dai-ichi Life Insurance Co Ltd	0	0	**0**	70.46	368.11	**19%**	70	404.35	**17%**	99.72	487.05	**20%**	131.98	694.61	**19%**
21	DLF Pramerica Life Insurance Co ltd.,	0	0	**0**	28.14	85.26	**33%**	34.37	143.02	**24%**	49.11	157.19	**31%**	61.94	214.12	**29%**
22	Aegon Religare Life Insurance Co ltd.,	0	0	**0**	23.67	11756	**0%**	40.43	231.53	**17%**	62.33	244.31	**26%**	42.16	225.56	**19%**

Source: IRDA Annual Reports , 2008- 09 to 2013- 14

CONCLUSION

Infrastructure being the growth engine of any economy, countries across the world has given prominence in their fiscal budgets and India is not an exception. Infrastructure investments have seen rapid development since 12th Five Year plan with estimated investments of Rs 35,68,626. Public Private Partnerships in infrastructure investments have been contributing with the lion share in the investments while bank financing, infra structure finance companies and insurance companies have also become a part of infrastructure financing. We studied whether insurance funds can be a significant contributory towards infra structural investments. Our study found that the funds of non- life insurance companies have significant contribution followed by life insurance companies' funds. It is also suggested that the insurance funds must be given priority for the investments towards infra structure investments as the returns from insurance and infra structure have long gestation periods, but care must be taken while investing as infra structure projects are large capex projects with high risk.

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A STUDY ON NEW DIMENSIONS OF TDS ON FIXED DEPOSITS, RECURRING DEPOSITS ACCOUNTS PARTICULARLY ON COOPERATIVE BANKS OF INDIA

VIDYA SHREE D V
RESEARCH SCHOLAR
DEPARTMENT OF STUDIES & RESEARCH IN COMMERCE
TUMKUR UNIVERSITY
TUMKUR

DR. PRALHAD RATHOD
ASSOCIATE PROFESSOR
DEPARTMENT OF P.G. STUDIES IN MBA
VISVESVARAYA TECHNOLOGICAL UNIVERSITY
JNANASANGAM

ABSTRACT

Income Tax Department has introduced the provision of TDS deduction on the Interest of Fixed Deposits of Co-Operative Banks in the Financial Budget of 2015-16. As Union Budget 2015 presented by Finance Minister Arun Jaitley has made amendment to Section 19A of Income Tax Act, 1961 w.e.f June 1, 2015, which stated that the exemption from TDS on payment of interest to members by co-operative societies and banks would be withdrawn. Through this, the Government will collect more Taxes and Tax Evasion will be avoided. It may be one of tool to garner revenue. There are many Co-operative Banks in function all over India from Small Towns to Big Cities. Persons of every hierarchy in the society have Accounts in the Co-operative Banks. Generally, due to no TDS deduction and more Interest Rate on Deposits in Co-operative banks than the Nationalized Banks, many prefer deposits in the Co-operative Banks in rural areas. But due to this stringent provision of TDS, Cooperative Banks and Depositors have to face the change. The present research paper focuses on impact of changes in TDS provisions on depositors and Co-operative banks.

KEYWORDS

Co-operative banks, Income Tax.

INTRODUCTION

Most of the co-operative banks in India are paying interest on Rs 10,000 or above on FDR (fixed deposit receipt/or time deposit receipt) without deducting TDS on the assumption that if the interest is payable to the member, the TDS provisions are not applicable. Actually, if the interest Rs 10,000 is paid by any co-operative society engaged in the banking has to deduct the TDS like other banks governed by Banking Regulation Act 1949. That the effective or charging provision regarding the TDS on time deposits is dealt in clauses (vii) & (viia) of 194A(3) which is extracted as under : " The provisions of sub-section (1) shall not apply -

(vii) : to such income credited or paid in respect of deposits (other than time deposits made on or after the 1st day of July, 1995) with a banking company to which the Banking Regulation Act, 1949 (10 of 1949) applies (including any bank or banking institution referred to in section 51 of that Act); (viia) : to such income credited or paid in respect of, (a) deposits with a primary agricultural credit society or a primary credit society or a co-operative land mortgage bank or a co-operative land development bank; (b) deposits (other than time deposits made on or after the 1st day of July, 1995) with a co-operative society, other than a co-operative society or bank referred to in sub-clause (a), engaged in carrying on the business of banking"

"The provisions are very clear that co-operative banks have to deduct TDS on payment of interest Rs 10,000 on FDR whether it is paid to member or non-member & if the same is not done the expenditure of interest paid may be disallowed u/s. 40(a)(ia) & also liable for interest & penalties," The applicability for deducting TDS on interest Rs 10,000 or above was since July 1, 1995. Since 20 years, Government did not pay any heed or issued any clarification although, co-operative banks and societies were liable to deduct TDS. Instead of taking any action on co-operative banks and societies, just by overlooking the actual provisions of the Act, prospective amendment has been made effective from June 1, 2015.

OBJECTIVES

1. To understand the concept of new provisions relating to TDS on FD and RD account.
2. To study the effect of TDS provisions on Co-operative Banks and Account Holders.
3. To know the attempt of Government in making income tax systems strengthen.

RESEARCH METHODOLOGY

The present study is based on descriptive study which includes secondary data. The secondary data is based on incometax department reports, newspaper and magazines.

TAX DEDUCTED AT SOURCE

TABLE 1

TDS Rate Chart Assessment Year : 2015-2016 Financial Year : 2014-2015				
Particulars		Individual / HUF	Domestic Company / Firm	Criteria for Deduction
Nature of Payments	Section Code	Rate	Rate	Payment in excess of
1. Salary	192	As per the prescribed rates applicable to Individual / Women & Senior Citizens		
2. Interest other than Interest on Securities	194A	10	10	Banking Rs. 10,000/- p.a. Others Rs. 5,000/- p.a.
3. Winning from Lotteries & Puzzles	194B	30	30	Rs. 10,000/- p.a.
4. Payment to Contractors	194C	1	2	Rs. 30,000/- per contract or Rs. 75,000/- p.a.
4.1 Payment to Adverting / Sub Contractors	194C	1	2	
5. Insurance Commision	194D	10	10	Rs. 20,000/- p.a.
6. Commision & Brokerage	194H	10	10	Rs. 5,000/- p.a.
7. Rent - Land & Building	194I	10	10	Rs. 1,80,000/- p.a.
7.1 Rent - Plant & Machinery	194I	2	2	
8. Professional Fees & Technical Services	194J	10	10	Rs. 30,000/- p.a.
9. Immovable Property other than Agricultural Land	194IA	1	1	Rs. 50,00,000/-

According to Section 194A of Income Tax Act, if interest on the deposit exceeds Rs. 10, 000/- in a year then the Bank has to deduct TDS @10% on such Interest. This provision has an exception before 1st June, 2015 that no TDS will be deducted on the Interest if deposit were made in Co-operative Bank and if the depositor is the Member of Bank. But now from 1st June, 2015 the provision of TDS deduction on the interest of cooperative banks is being introduced by the Government. E.g. If fixed deposit of amount Rs.1 lakh is kept in Co-operative Bank for tenure of 1 Year or more having interest rate 12% then the Interest will be Rs. 12,000/- and TDS @ 10% will be Rs. 1, 200 that means Interest will be credited Rs 10,800 in the Bank Account of depositor after deducting TDS of Rs.1, 200.

TDS ON INTEREST INCOME FROM RECURRING DEPOSIT

TDS rules for Fixed Deposit have changed. Till now people were playing smart to avoid TDS deduction. They used to open FD in different branches of the same bank. To avoid TDS, FD interest at each bank branch was intentionally kept below Rs.10000 in a financial year. Depending on ROI and tenure, FD amount was reverse calculated so that FD interest should be below Rs. 10000. With PAN in place, it is not difficult for banks to find out cumulative interest income from FD's across the bank branches.

Many rural taxpayers may come in trouble due to this provision of TDS. By this Provision, income tax department will have the information of taxpayers' fixed deposit. While filling income tax return, taxpayer has to mention the details of deposits, interest on it and has to claim TDS credit on it. Further the taxpayer who never files income tax return has to file return by showing interest income so as to claim refund of TDS. The Biggest difficulty will arise to the taxpayer who has never shown the deposits in the books of accounts of previous year and has to show it in the current year. Further on Income tax departments enquiry justification of source of the income will have to be given. e.g. If the taxpayer has a Deposit of Rs. 10 lakh and it is not shown in the books of accounts of the previous year then he has to show that in the books of the current year and also has to give Explanation for the source of Income of the deposit.

TDS ON INTEREST INCOME FROM RECURRING DEPOSIT

Interest Income from Recurring deposit is taxable. From, 1st June, 2015 if the interest income from RD is more than Rs 10,000 then TDS @ 10% will be deducted. Interest Income will be cumulative interest from all the Recurring Deposits with the Bank. Therefore, if you have 3 RDs with 3 different branches of the same bank and cumulative interest is more than Rs 10,000 then TDS will be deducted proportionately. This is one of the major change in TDS rules as the recurring deposit is most popular savings scheme in small towns.

In case, the depositor has not provided PAN then TDS @ 20% will be deducted. Let's see after TDS deduction what will be additional tax liability of people in various income tax brackets.

NON-TAXABLE INCOME

TDS deducted will be refunded. Alternative you can submit form 15G (Non-Senior Citizens) or Form 15H (For Senior Citizens) with the bank. Bank will not deduct TDS if Form 15G / Form 15H is submitted. *Please note that these forms should be submitted at each and every branch where the deposits are being maintained.* Normally people submit at one branch assuming the bank will consider the same for all the deposits across branches.

TDS ON DEPOSITS WITH CO-OPERATIVE BANKS

There was also a situation wherein investors who were members of a cooperative bank did not have TDS deducted on the interest on their deposits. This segregation has been done away with and it has been clarified that the cooperative banks would have to make the TDS on all their depositors. This will bring a lot more of the investors under the TDS fold and they can expect to get a net receipt of their earnings which will require them to make the necessary adjustments at the time of filing their income tax returns. The other option is to actually submit Form 15G/Form 15H if their income is below the taxable limit and no TDS needs to be deducted.

RATE OF TDS

As per section 194A read with Part II of First Schedule to Finance Act, tax is to be deducted @ 10% from the amount of interest. However, if the payee does not furnish his Permanent Account Number (PAN), then the payer has to deduct tax at the higher of following:

- At the rate specified in the relevant provision of the Income-tax Act.

- At the rate or rates in force, i.e., the rate prescribed in the Finance Act.
- At the rate of 20%.

TABLE 2

Income Tax on Interest income of RDs & FDs		
Income Slab	TDS Rate levied by Banks	Tax Beyond TDS (that you have to pay)
Below Rs 2.5 Lakh	10%	0% (Can claim Refund of TDS)
Rs 2.5 Lakh to Rs 5 Lakh	10%	Nil
Rs 5 Lakh to Rs 10 Lakh	10%	10.30%
Above Rs 10 Lakh	10%	20.60%

TDS ON AMOUNT INVESTED IN A BANK

There is also a change that has been made on the manner in which the limit of interest earned would be calculated for seeing whether TDS has to be made applicable to the investor. Earlier this was done if the interest earned was Rs 10,000 or more in a particular branch. Now this restriction of branch has been removed and it includes the entire bank and hence if there are multiple deposits at different branches then this would be considered together for the purpose of calculating whether there has to be a TDS made on the interest. This will impact all those who have spread around their money into different branches to get around the earlier guidelines.

ACCOUNT HOLDERS/ TAXPAYERS' RESPONSIBILITY

The Taxpayer should submit a copy of PAN Card to Bank because in TDS return PAN of the Taxpayer is mentioned and through this the taxpayer gets tax credit. If depositor does not have PAN then TDS will be deducted @ 20%. It is the responsibility of Taxpayer to file Income Tax Return after Year end. While filling Income Tax Return Taxpayer should verify form 26 AS for TDS and Interest Income on Deposit. Income Tax Department has given following options to Taxpayer for no deduction or low deduction of TDS:

- **Form 15 G/H:** If Taxpayer has no Taxable Income that means the Interest and other Income is below the Basic Exemption limit of Income Tax slabs then he should submit Form 15 G/H to the Bank in which his deposits were kept. On the basis of this Form, Bank will not deduct TDS on the Interest of the depositor. e.g. If in the financial year 2015-16 interest of taxpayer is Rs. 150,000 and that means below Basic Exemption Limit of Rs. 2, 50,000 then he can submit Form 15 G to Bank and no TDS will be deducted on his Interest.

TABLE 3

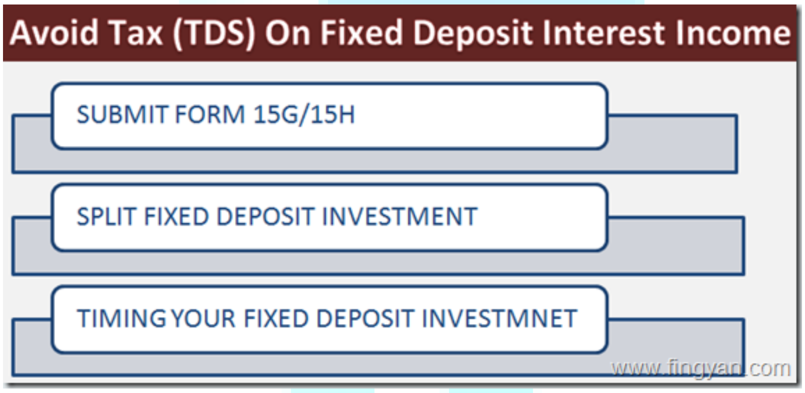

TABLE 4

Find out if you are eligible to file 15G or 15H

The penalty for filing wrong information to save TDS is stiff. You can be jailed and fined.

AGE	INTEREST INCOME	OTHER INCOME	DEDUCTIONS	TAXABLE INCOME		ELIGIBILITY
BELOW 60 YEARS	₹3 lakh	₹1 lakh	₹1.5 lakh	₹2.5 lakh	✗	15G is not allowed as interest income is above exemption limit of ₹2.5 lakh
	₹2.5 lakh	₹1.6 lakh	₹1.5 lakh	₹2.6 lakh	✗	15G is not allowed as taxable income is above exemption limit of ₹2.5 lakh
	₹2.5 lakh	₹1.5 lakh	₹1.5 lakh	₹2.5 lakh	✓	15G is allowed as both conditions satisfied
ABOVE 60 YEARS	₹2.5 lakh	₹2 lakh	₹1.5 lakh	₹3 lakh	✓	15H is allowed as taxable income is within ₹3 lakh
	₹2.5 lakh	₹2.5 lakh	₹1.5 lakh	₹3.5 lakh	✗	15H is not allowed as taxable income is above exemption limit of ₹3 lakh
ABOVE 80 YEARS	₹4 lakh	₹2.5 lakh	₹1.5 lakh	₹5 lakh	✓	15H is allowed as taxable income is within ₹5 lakh
	₹4 lakh	₹3 lakh	₹1.5 lakh	₹5.5 lakh	✗	15H is not allowed taxable income is above ₹5 lakh

- **Certificate of section 197 of Income Tax Act:** If expected tax on the income of the taxpayer is less than 10% then before start of a year he can file an application to income tax department for less deduction of TDS and if the application is accepted by department then Income Tax department will give Certificate in which TDS Rate is mentioned. So bank will deduct TDS at the rate mentioned in the certificate. E.g. If Income Tax of any Taxpayer is 5% of Income then the Taxpayer may submit an Application consisting Details of Income and Tax calculations on it to Income Tax Department along with the Application and if it is accepted then Bank will deduct TDS at low rate as mentioned in the Certificate.

RESPONSIBILITY OF BANKS

Cooperative banks will have to collect PAN of the deposit holder before 1st June 2015. Due to this KYC documents of many account holders will have to be collected and so many defaulters will come to notice. Every Month Banks have to Deduct TDS on the Interest on Deposits in all branches. The Bank will have to file TDS return after paying TDS to Government. Banks have to give form 16A (TDS Certificate) to all the Depositors and have to submit Form 15 G/H to Income Tax department.

MISCONCEPTIONS OF TDS ON FD AND RD ACCOUNT

There is a change in TDS Rules for RD (Recurring Deposit) and FD (Fixed Deposit) from 1st June, 2015. Not many people are aware of the change in TDS rules.

First biggest misconception in India that if the TDS (Tax Deducted at Source) is not deducted then the tax liability is NIL. It's a huge tax leakage for Income Tax Department.

The second misconception is contrary to 1st i.e. if the TDS is deducted then there is no further tax liability. This is true for taxpayers in 10% income tax bracket but not for taxpayers in 20% and 30% tax bracket.

The third misconception is that interest from Fixed Deposit and Recurring Deposit is clubbed under deduction of Rs 10,000 available u/s 80TTA. To clarify, only the ***cumulative interest on savings account/s*** of up to Rs 10,000 is allowed as a deduction u/s 80TTA. The interest earned over and above Rs 10,000 is taxed as per the income tax slab of the taxpayer.

The main reason for this confusion is that on Fixed Deposits, TDS @ 10% is deducted only if the interest earned on FDs is more than Rs 10,000. The taxpayer gets confused between deduction of Rs 10,000 on Savings Account Interest and TDS relaxation on FD interest of up to Rs 10,000. Let me clarify that the interest earned from Recurring Deposit and Fixed Deposit is **FULLY TAXABLE** whether TDS is deducted or not. It is taxed as per the income tax slab of the taxpayer. If the total interest income from FD/RD is below Rs 10,000 and TDS is not deducted on the same. In this case, the taxpayer has to include it in Income from other sources & pay tax on the same.

FINDINGS

- The responsibility of Cooperative banks has increased in filing the returns.
- There is a chance of decrease in deposits in Co-operative banks.
- Government has taken one more step in strengthening its income tax system by making new provisions of TDS on bank accounts.
- The tax payers cannot avoid tax. Tax avoidance and evasion became difficult.
- Many rural customers are affected due to less returns on interest from FD and RD account.
- PAN acts as an effective tool in knowing the account details of a customer in all the branches so that TDS can be properly implemented.

SUGGESTIONS

- There is a need to improve the awareness and correct knowledge of TDS on bank accounts among the customers.
- The Bank employees and Government has to take more steps in bringing the transparency of these deductions particularly to rural customers.
- Many rural customers are not aware of filling the forms 15H to get exemption from TDS if their income is below taxable rate. Hence awareness is to be created.
- Many rural customers are not having PAN card hence steps to be taken to make PAN to all the citizens.
- The Co-operative banks have to equip its employees and itself to the changes and want to bring other technological services to retain its customers.

CONCLUSION

Law is same for all. Earlier the provision of interest on TDS was applicable only to the Nationalized Banks but now it has become applicable to Co-operative Banks too. Many taxpayers, for saving income tax were making deposits in Co-operative Banks under different names. But now this will not be possible. All money will be exposed due to this provision. The tax evader will now have to give justification for the source of income of such deposits. Rural depositors and tax payers may be affected due to this provision.

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GROWTH OF REAL ESTATE BUSINESS IN MYSORE (MYSURU): A TIME SERIES ANALYSIS

PRUTHVI K N
STUDENT
DEPARTMENT OF MANAGEMENT AND COMMERCE
AMRITA SCHOOL OF ARTS AND SCIENCES
MYSORE

SRI RAJINI
VICE CHAIRMAN
DEPARTMENT OF MANAGEMENT AND COMMERCE
AMRITA SCHOOL OF ARTS AND SCIENCES
MYSORE

DR. SRIDHARA MURTHY L
PROFESSOR
DEPARTMENT OF MANAGEMENT AND COMMERCE
AMRITA SCHOOL OF ARTS AND SCIENCES
MYSORE

ABSTRACT
Real estate business is one of the core businesses in fast developing cities, but it is too challenging business as well. Scarcity of land has resulted in accelerating prices of land with every passing day. As a result of this changed economic environment, Real Estate business is becoming a very attractive business proposition. Mysuru is one of the fast growing cities and 3rd largest city in Karnataka. The increased importance of Tier 2 cities like Mysuru in the overall economic scene of the country has made real estate business even more attractive. The increasing number of industrial units setting their bases in this City has resulted in increased demand for land – both industrial and housing. As a result growth of Real Estate business in Mysuru has reached new peak. In this paper the focus is to analyze the growth of real estate business between 2010 to 2015 using time series data. For this purpose, secondary data collected from sub- register office south zone in Mysuru city will be collected and data analyzed. The focus will also be on analyzing the changing nature of real estate in the city. Based on the findings of the study, suitable observations and recommendation will be made on whether the real estate business growth is in the right direction promoting the overall development of the city or whether any correction or regulation is needed.

KEYWORDS
Real estate, Tier 2 cities, Time Series Analysis.

1.0 INTRODUCTION
Mysuru, the city of palaces, is witnessing tremendous growth from the past few years. On the Bangalore-Mysuru corridor, software giant Infosys has already come up with its training center, while Wipro has finalized the site for its development facility. Mphasis, the first American corporation, Accenture, IBM, Cognizant Technologies and Honeywell are some of the others, who are following these Indian companies. It is not just the IT companies, but other prestigious companies like S Kumars, Kirloskars Gensets, VenlonPolysters, Reid and Taylor, Lassen and Tourbo and Bharath Earth Movers have also a firm foothold in the city from the past many years.

Mysuru is one of the most preferred residential locations in Karnataka. Interestingly, even the residents of Bangalore are finding it comfortable to work in Bangalore yet stay in Mysuru. Even, it is reasoned that a distance of 140 kilometers between Bangalore and Mysuru takes lesser time to cover than hourslong grueling in the Bangalore traffic. Since the time of the construction of Outer Ring Road (ORR), Mysuru urban area has gained land value not only in the central areas but all around the city. Currently, however the real estate market has been hit badly due to the global recession with many cities such as Bangalore, Mysuru, Mangalore and Hubli–Dharwad having very scarce property buyers.

DEFINITION OF REAL ESTATE AND ITS TYPES
Definition: Property comprised of land and the buildings on it as well as the natural resources of the land including uncultivated flora and fauna, farmed crops and livestock, water and minerals; immovable property of this nature; an interest vested in this (also) an item of real property;(more generally) buildings or housing in general. Also: the business of real estate :the profession of buying or renting land, buildings or housing. (reference: em.m.wikipedia.org)

TYPES OF REAL ESTATE

There are 3 major types of real estate:

1. **Residential** - This includes both new construction and resale homes. The most common category is single-family homes, but there are also condominiums, coops, townhouses, duplexes, triple-deckers and quadplexes, high-value homes and vacation homes.
2. **Commercial Real Estate** - This is shopping centers and strip malls, hotels and offices including medical and educational buildings. Apartment buildings are often considered commercial, even though they are used for residences, because they are owned by businesses to produce income. Here's more on Commercial Real Estate.
3. **Industrial** - These are manufacturing buildings and property, as well as warehouses. The buildings can be used for research, production, storage and distribution of goods. This is sometimes considered commercial real estate, even though the zoning, construction and sales are handled differently.

THE MOST IMPORTANT FACTORS FOR INVESTING IN REAL ESTATE
I. LOCATION OF THE PROPERTY

Why is it important? The age old punch line "Location, Location, Location" still rules and remains the most important factor for profitability in real estate investment. Proximity to amenities, peaceful conforming areas, neighborhood status, scenic views, etc. are major factors for residential property valuations; while proximity to markets, warehouses, transport hubs, freeways, tax-exempt areas, etc. play an important role for commercial property valuations.

What to look for? A mid-to-long term view, about how the locality is expected to evolve over the investment period. Today's peaceful open land at the back of a residential building may be developed into a noisy manufacturing facility in future, making the residential valuations less profitable.

II. VALUATION OF THE PROPERTY

Why is it important? Real estate financing during purchase, listing price during sale, investment analysis, insurance premium and taxation - all depend on Real estate valuation.

What to look for? Commonly used Valuation Methodologies include:

- **Sales comparison approach**: Recent comparable sales of properties with similar characteristics –most common and suitable for both new & old properties
- **Cost Approach**: All cost summation minus depreciation – suitable for new construction
- **Income approach**: Based on expected cash inflows - suitable for rentals

III. INVESTMENT PURPOSE

Why is it important? Given the low liquidity and high value investment in real estate, lacking clarity on purpose may lead to unexpected results including financial distress, especially if the investment is mortgaged.

What to look for? Identify which of the following broad categories suits your purpose and prepare yourself accordingly:

1. **Buy & Self-use:** Savings on rentals, benefit of self-utilization and value appreciation.
2. **Buy & Lease:** Regular Income & long term value appreciation. Requires building a temperament of being a landlord - for handling possible disputes & legal issues, managing tenants, repair work, etc.
3. **Buy & Sell (Short Term):** Quick, small to mediocre profit - usually buying under construction properties and selling slightly high once ready
4. **Buy & Sell (Long Term):** Large intrinsic value appreciation over long period of time; solution for long term aims like retirement planning, child's education, etc.

IV. EXPECTED CASH FLOWS & PROFIT OPPORTUNITIES

Why is it important? The investment purpose & usage influences cash flows and hence profit opportunities.

What to look for? Develop draft projections for the following modes of profit & expenses:

- Expected cash flow from rental income - Inflation favours landlords for rental income
- Expected increase in intrinsic value due to long term price appreciation
- Benefits of depreciation (and available tax benefits)
- Cost benefit analysis of renovation before sale to get better price
- Cost benefit analysis of mortgaged loans v/s value appreciation

V. BE CAREFUL WITH LEVERAGE - KNOW THE PITFALLS

Why is it important? Loans are convenient but may come at a big cost - you commit your future income, to get utility today for a cost of interest spread across many years. Real estate financing needs higher amounts and hence has higher exposures. Understanding it properly allows you to benefit from it to the maximum, while ignoring the risks can lead to major pitfalls.

The above points shows what important factors we have to consider before investing in real estate. The following analysis helps to know why the Mysuru is best place for real estate investment, what are advantages from investing in Mysuru and growth rate.

1.1 ABOUT INDIAN REAL ESTATE BUSINESS:

In India the mood is upbeat after the IT boom; it is witnessing the real estate boom. The rising income and the enterprising middle class, who want to own a home of their own, are responsible for this boom. With the availability of home loans and liberalization policy of the government the dream of owning a home is fast turning into a reality.

The Indian real estate market has seen a sharp upturn in the recent years. Even when the world economy was reeling from the aftershock of the huge recession that hit hard even some of the largest & leading economy, the Indian real estate market remained immune to the downturn that was seen in almost every other sector. The real estate sector witnessed and is still getting investment from a large number of investors of both India and abroad. It has been a golden harvest even in this turbulent financial market. For most investors, real estate has been a refuge from the burn most bear due to the downturn in almost every other sector.

The question arises what kept the real estate such a prosperous option even during a time when every other investment option seemed such a huge risk. Studies have revealed the transparency in the way the real estate sector works and the strong legal rules guiding almost every aspect governing investments in this sector has made it a great option for the investors. With India becoming one of the major targets for the Foreign Direct Investors, the need for new property is on the rise. People need more residential complexes, places to build shopping malls, offices, industries, and even agricultural lands. And they need these in proper locations which will benefit the business. Thus the demand for real estate properties at some of the key locations within the country skyrocketed within a few years.

India today is a fast growing economy and almost 50% of the population comprises of the young, dynamic generation. As they establish themselves in the society, their requirements also increase. From tourism department to hospitality, all are grabbing the opportunity. The high income younger generation today is their primary target. Thus, demand for real estate is also on the rise. Space is required for hotels, restaurants, leisure activity zones, etc.

Residential complexes, beautiful shopping malls, commercial buildings are springing up in almost all major areas of the cities. Even the NCR region is witnessing extraordinary growth and development. This growth has helped the real estate companies to serve national and international clients. Most of the companies deal in renting, construction, buying and selling real estate. The major players in the builders and promoters sector are Aggarwal estate, Cheloor Property Development Projects Limited, Classic Group etc. The DLF Group and the Sahara group are real estate companies that are building housing complexes and townships in different parts of the country.

1.2 REAL ESTATE BUSINESS IN KARNATAKA

Karnataka is a state in South West India. It was formed on 1 November 1956, with the passage of the States Reorganization Act. Originally known as the State of Mysuru, it was renamed Karnataka in 1973.The capital and largest city is Bengaluru. Karnataka is bordered by the Arabian Sea and the Laccadive Sea to the west, Goa to the north west, Maharashtra to the north, Telangana to the North east, Andhra Pradesh to the east, Tamil Nadu to the south east, and Kerala to the south west. The state covers an area of 191,976 square kilometres, or 5.83 per cent of the total geographical area of India. It is the seventh largest Indian state by area. With 6,11,30,704 inhabitants at the 2011 census, Karnataka is the eighth largest state by population, comprising 30 districts.

The state has three principal geographical zones:

1. The coastal region of Karavali.
2. The hilly Malenadu region comprising the Western Ghats.
3. The Bayaluseeme region comprising the plains of the Deccan plateau.

The bulk of the state is in the Bayaluseeme region, the northern part of which is the second-largest arid region in India.The highest point in Karnataka is the Mullayanagiri hills in Chickmagalur district which has an altitude of 1,929 metres. Some of the important rivers in Karnataka are Kaveri, Tungabhadra, Krishna, Malaprabha and the Sharavathi..

Karnataka is one of the high economic growth states in India with the expected GSDP (Gross State Domestic Product) growth of 8.2% in the fiscal year 2010–2011.The total expected GSDP of Karnataka in 2010–2011 is about Rs.2719.56 billion. Per capita GSDP during 2008–2009 was US$1034.9. Karnataka recorded the highest growth rates in terms of GDP and per capita GDP in the last decade compared to other states. In 2008–09, the tertiary sector contributed the most to the GSDP amounting to US$31.6 billion (55 percent), followed by the secondary sector, contributing US$17 billion (29 percent), and the primary sector's contribution amounting to US$9.5 billion (16 percent). With an overall GDP growth of 56.2% and a per capita GDP growth of 43.9% in the last decade, Karnataka surpassed all other states in India, pushing Karnataka's per capita income in Indian Rupee terms to sixth place. Karnataka received US$2,026.4 million worth of Foreign Direct Investment for fiscal year 2008–09 placing it at third spot among states in India.At the end of 2004, the unemployment rate of Karnataka was 4.57% compared to a national rate of 5.99%.For the fiscal year 2006–07 the inflation rate of Karnataka was 4.4% which was less than the national average.

The tremendous growth of Karnataka with numerous marketing and manufacturing industries has made it a perfect destination for commercial activities. The world class infrastructure and ideal business environment have provided an edge to the real estate of Karnataka. Over the few decades, Bangalore has emerged as an IT hub of India, thus attracting large number of industries to set up commercial real estate in Karnataka. Sudden upsurge in commercial real estate has also given a boost to the number of immigrants looking for affordable residential property.

Splendid lifestyle and simplicity of the country side make Karnataka an exciting place to inhabit. Therefore, the demand for property in Karnataka is soaring new heights. The impact of the current economic boom is clearly visible on the Karnataka real estate segment and is showing positive future prospects in budding sector of Karnataka properties. For owing a commercial property or residential real estate in Karnataka some sort of help is required, which is available through local property dealers and brokers.

RESEARCH DESIGN AND DATA ANALYSIS

The topic of study on "Growth of real estate business in Mysuru " time series analysis is based on both primary data and secondary data.

PRIMARY DATA

1. Data collected from sub- registered office.

SECONDARY DATA

1. Information collected from websites.
2. Articles
3. Magazines
4. News papers

OBJECTIVE OF THE STUDY

The main objectives of study are as follows:

- To analyze the current position of real estate business in Mysuru.
- To analyze real estate investment opportunities in Mysuru.
- To analyze the how investors are benefited from investing in real estate business in Mysuru.

SCOPE OF THE STUDY

The study was mainly concentrated on only Mysuru. In this analysis price trends of 2010 and the current ones are taken for purpose of study and remaining 2011-12, 2012-13 and 2013-14 price trend is extrapolated on the basis of 201-11 and current year price trend.

DATA ANALYSIS AND INTERPRETATION

METHODS USING IN ANAYSIS

1. Due to the unavailability of three years price trend data (2011-12, 2012-13 and 2013-14) am extrapolating that data on basis of available two years data of 2010-11 and 2014-15.

2. The whole Mysuru real estate divided into 5 major divisions as follows:

- **K R MOHALLA** (it is having around 63 sub-divisions)
- **CHAMARAJA MOHALLA** (it is having around 168 sub-divisions))
- **DEVARAJA MOHALLA** (it is having around 138 sub-divisions)
- **KILLE MOHALLA** (it is having around 91 sub-divisions)
- **V V MOHALLA** (it is having around 24 sub-divisions)

OTHER METHODS ARE

- Average value of real estate market value in Mysuru

= average value of all divisions / number of divisions.

1) Average value of each division

= average value of total areas / number of areas.

- Average value of each area

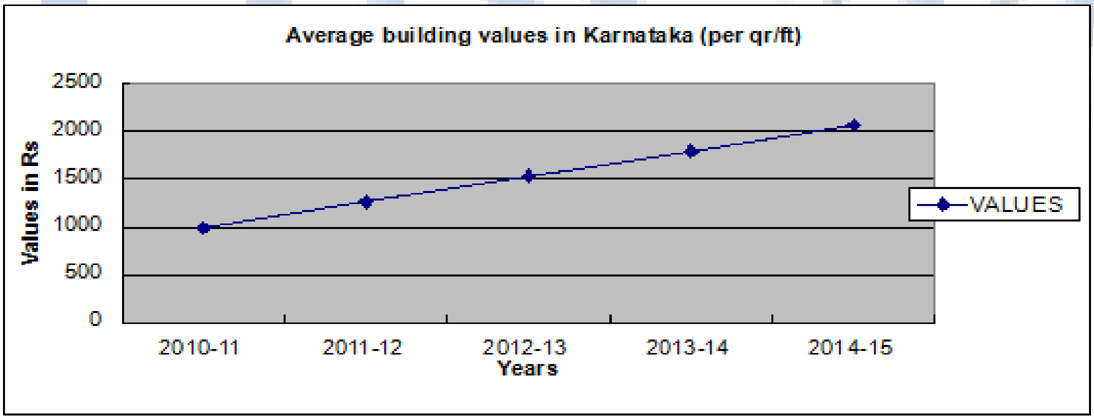
= Total value of residential, commercial, mosaic and marbels **/** 04

The following table shows average value of building (per sq/ft) followed by overall Karnataka. (following values include average value of ground floor and top floors building values)

TABLE NO. 01: AVERAGE VALUES OF BUILDING IN KARNATAKA (PER SQ/FT)

YEARS	VALUES	CHANGES IN %
2010-11	993	0
2011-12	1264	27.29
2012-13	1537	21.6
2013-14	1797	16.92
2014-15	2067	15.03

CHART 1



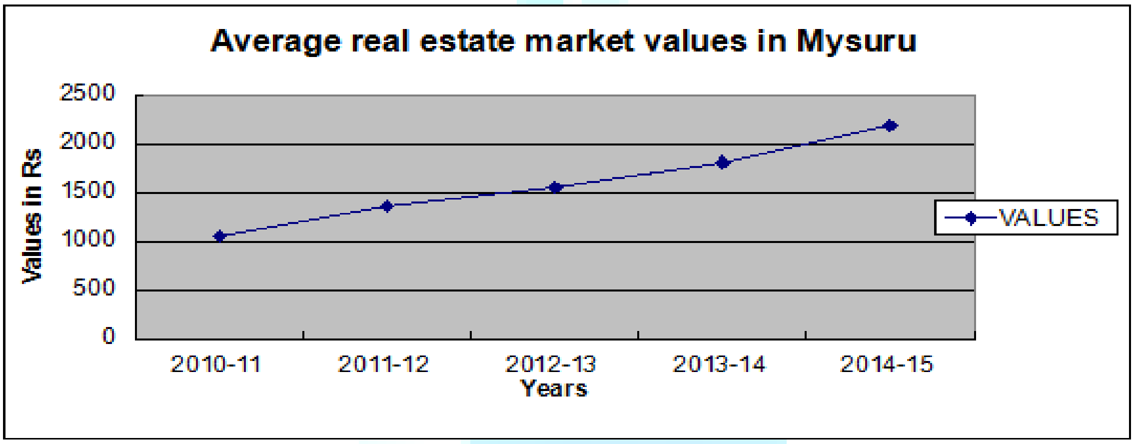
The above chart shows how real estate values of buildings increasing year by year. Its shows continuous growth since 2010-2011 to till 2014-2015. The % of growth is decreasing but a value of buildings keeps increasing. From 2010-11 to 2011-12 around 27% value increased compare to 2010-11 as same as 21.6%, 16.92% and 15.03% value increased last three years simultaneously. In the year 2010-11 the value of building was in Karnataka Rs 993 and in 2014-15 its increased to Rs 2067. Whole picture shows Karnataka having a good growth in real estate. Since last five year average 20.21% value of real estate growth happens in Karnataka.

The following table shows average real estate market values since 2010-11 to 2014-15.(the average values include residential, commercial, mosaic and marbels average.)

TABLE NO. 02: AVERAGE REAL ESTATE MARKET VALUES IN MYSORE (PER SQ/FT)

YEARS	VALUES	Growth rate in %
2010-11	1052	0
2011-12	1362	29.47
2012-13	1554	14.1
2013-14	1810	16.47
2014-15	2185	20.72

CHART 1

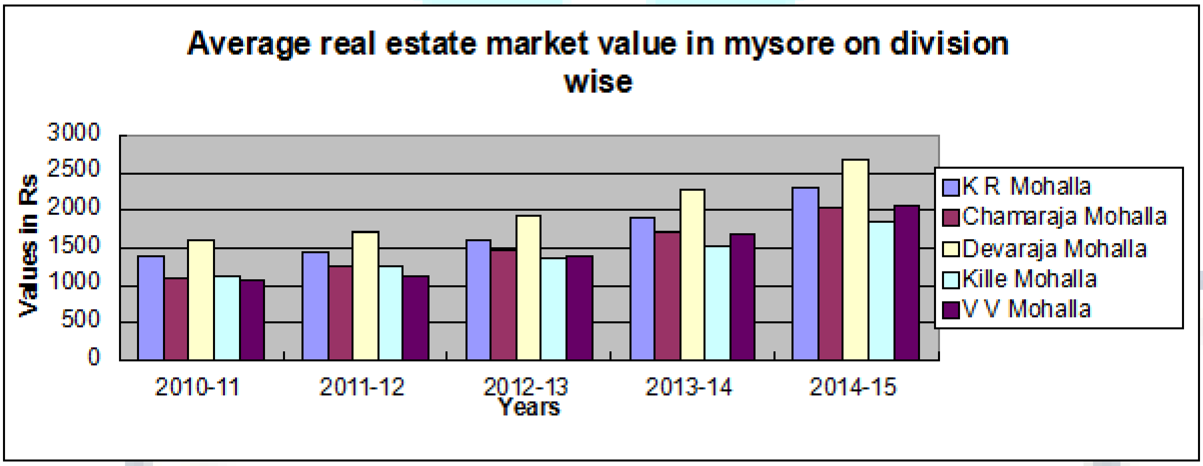


The above chart show how the Mysuru real estate values increasing year by year. In 2010-110 average value was 1052 rs per sq/ft and its increased around 1133 rs per sq/ft since last five years. The present average real estate market value is Rs 2185 in Mysuru. Mysuru having a well growth its shows by % of growth, in the year 2011-12 Mysuru had 29.47% growth , in the year 2012-13,2013-14 and 2014-15 Mysuru had a growth of 14.1, 16.47 and 20.72% simultaneously.

TABLE NO. 03: AVERAGE REAL ESTATE MARKET VALUES IN MYSURU ON DIVISION WISE (PER SQ/FT)

	2010-11	2011-12	2012-13	2013-14	2014-15
K R Mohalla	1376	1450	1600	1900	2300
Chamaraja Mohalla	1091	1250	1480	1700	2041
Devaraja Mohalla	1595	1720	1930	2280	2664
Kille Mohalla	1118	1260	1370	1520	1849
V V Mohalla	1079	1130	1390	1680	2071

CHART 3



The above chart and table shows how real estate market values increasing in each division wise. As the above chart Devaraja mohalla having a tremendous growth and kille mohalla having least growth in Mysuru. Since last 5 year Devaraja mohalla division having a highest growth of Rs 1069 and kille mohalla division having least growth of Rs 731. Each division having a well growth and Devaraja mohalla division having a highest average real estae value of Rs 2664 and kille mohalla having a least real estate value of Rs 1849 in Mysuru city.

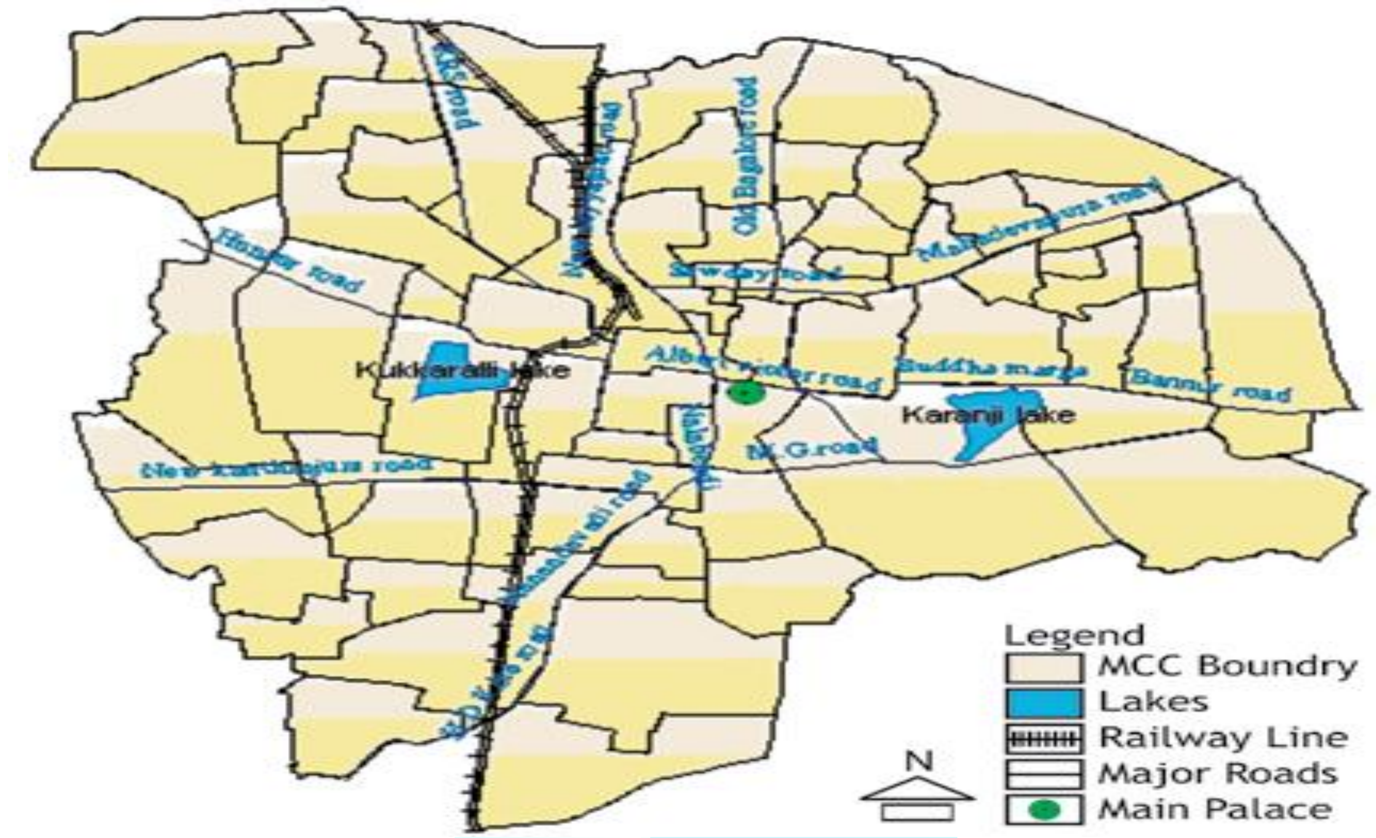
In the Mysuru, Devaraja Urs Road having a highest average real estate market value of Rs 11460 (per sq/ft) its comes under Devaraja mohalla division. Railway workers colony having a least average market value of Rs 880 (per sq/ft) its comes under kille mohalla division.

WHY INVEST IN REAL ESTATE IN MYSURU?

Mysuru, the second largest city of Karnataka, is located at a distance of around 143 km's from Bangalore. There have been several names given to the city including City of Palaces, Garden City, City of Yoga, Ivory City as well as the Cultural Capital of Karnataka. The city boasts of traditional and royal heritage in spite of the many developments in the IT and various other sectors.

Mysuru has been involved in many industries and has gained huge profits. One of the events that contributes to Mysuru economic development is tourism. The main reason for the increasing growth of the city is due to the emergence of many software, IT and BPO companies in the city.

CHART 4



Due to the increasing industrial growth in the industrial sector there also has been a great development in the construction of residential buildings. There are various developers and builders who are investing in big projects which include residential townships, gated communities as well as apartments. Not only in Mysuru there are many builders and developers from various cities investing in Mysuru. There are many Indian as well as foreign investors who are taking up initiatives in the implementation of Residential Projects.

HIGH BENEFITS FOR THOSE INVESTING IN MYSURU

- Four-lining the State highway and doubling the railway links between Mysuru and Bangalore has indeed worked wonders for the Sandalwood city. With drastic reduce in the travel time between the two cities, real estate and other industries are flourishing to a large extent in Mysuru.
- Lots of residential projects and industries are planted along the Bangalore-Mysuru highway and still more are in pipeline.
- Government has earmarked many industrial estates starting from Bidadi to Mysuru for development along State highway and railway track, running parallel to each other. Bidadi, located on the Bangalore-Mysuru highway is home for many large automobile clusters.
- Occupying a giant size of 432 acres, Toyota Kirloskar Motor Corporation has its manufacturing base here with its ancillary manufacturers and auto suppliers owning more than 250 acres in Bidadi. All the phenomenal industrial growth here is mainly credited to the automotive sectors set up here. This development is expected to continue as the existing auto majors are more likely to attract other auto manufacturers.
- Apart from the auto manufacturing industries, Metal and engineering, electronics, cola factory, textile, telecommunications, furniture and interiors, packaging, fabrication and packaging are the other industries that are located here.
- To construct new manufacturing units in Bidadi, Bosch has bought 97 acres of land and is planning to relocate in two phases.
- The unique factor about the industrial growth in Mysuru is the fact that developers will be able to easily identify over 6,000 acres of land in a stretch, which might not be possible in other cities as the industrial areas there are more likely to be scattered in various pockets. An addition of 2,500 acres of land is soon expected in Belagola, Manuganahalli, Koorgalli and H D Kote Road.

Overthrowing its earlier name as a pensioner's paradise, Mysuru is now blossoming in every field. All credits to the increased connectivity developments with Bangalore! People now find Mysuru very attractive not only to do business buts also to move in. With excellent employment opportunities and boosting the local economy, Mysuru investors now one of the best options to buy a property, be it residential or commercial for all the .

CONCLUSION

In this article i would like to show the current real estate business position in Mysuru. Here am not trying to motivating or approaching anyone to investing in real estate business, because each and every business having their own risk and uncertainty. Before investing in any business, the investor should having proper knowledge about business, pre estimation and planning is necessary. Here I would like to share my knowledge through this article. I hope this article will may be helpful to investors who are interested investing in real estate business in Mysuru.

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CUSTOMER SATISFACTION IN MARKETING

S. KANNADASAN
RESEARCH SCHOLAR
M. S. UNIVERSITY
TIRUNELVELI

DR. D. ARAVAZHI
ASSOCIATE PROFESSOR
GOVERNMENT ARTS COLLEGE
CHIDAMBARAM

ABSTRACT
Customer satisfaction can help your business to achieve a sustainable competitive advantage. It refers to the way a customer feels after purchasing a product or service and, in particular whether or not that product or service met the customer's expectations. Customers primarily form their expectations through past purchasing experience, word–of-mouth from family, friends and colleagues and information delivered through marketing activities, such as advertising or public relations. If the customer's expectation isn't met, they will be dissatisfied and it's very likely they will tell others about their experience.

KEYWORDS
customer satisfaction, customer expectations.

INTRODUCTION
Satisfaction is a person's feelings of pleasure or disappointment resulting from comparing a product's perceived performance (or outcome) with the performance he expects of it. Complete customer satisfaction is achieved by understanding customer requirements. And delivering superior quality goods and services. Customer satisfaction, a term frequently used in Marketing, is a measure of how products and services supplied by a company meet or surpass customer expectations. Customer satisfaction is defined as "the number of customers, or percentage of total customers, whose reported experience with a firm, its products, or its services (ratings) exceeds specified satisfaction goals." In a survey of nearly 200 senior marketing managers, 71 percent responded that they found a customer satisfaction metric very useful in managing and monitoring their business. It is seen as a key performance indicator within business and is often part of a Balanced Scorecard. I am a competitive marketplace where business people compete for customer satisfaction it is seen as a key differentiator and increasingly it has become a key element of business strategy.

METHODOLOGY
- To access approachability and ease of contact;
- Communicate to inform the customers in an understandable way and listen to them. It may imply that companies need to use different languages levels to talk to different customer groups.
- Competence refers to possession of required skills (i.e. organizational and personal) and knowledge to perform the service;
- Courtesy comprises politeness, respect, and friendliness of the service providing personnel;
- Credibility includes trustworthiness and honesty;
- Reliability means that the service is performed with high accuracy and thoroughness every time;
- Responsiveness is concerned the willingness of employees to provide the service and how fast the service is provided;
- Security comprises physical and financial safety and confidentiality;
- Tangibles includes all physical products that are involved in service and even other customer;
- To understand the customer means taking steps to know the customer better, learning their specific requirements, providing individual attention and recognized regular customers.

IMPORTANCE
One should never underestimate the value of customer satisfaction. It is becoming an important area of competition. A high level of satisfaction can deliver many benefits, including the following:
loyalty: a highly satisfied customer is a loyal customer.
Repeat purchase: a highly satisfied customer buys more products.
Referrals: a highly satisfied customer tells their family and friends about the products or service.
Retention: a highly satisfied customer is less likely to switch brands.
Reduced costs: a highly satisfied customer costs less to serve than a new customer.
Premium prices: a highly satisfied customer is willing to pay more for the product or service.
Monitoring customer satisfaction is important because we are much more likely to tell our friends and family about a bad experience with a product or service than a good experience. The introduction of blogs and websites has provided customers with an excellent platform to spread the good or bad word about a product or service to thousands of people. And there's always the threat of negative publicity generated from current affairs programs or other media outlets. Don't learn the lesson about customer satisfaction the hard way!

CUSTOMER SATISFACTION RESEARCH
- Satisfaction surveys are an important method for collecting information about how a customer thinks and feels about a particular brand, product or service.
- A satisfaction survey can help you to understand the expectation of a customer, determine whether your customers believe you are meeting those expectations, identity new customer requirements or trends in the market and determine what areas of a business need investment.
- A good customer satisfaction survey will also help you to understand the causes of dissatisfaction among customers. Once the issues are identified new practices to improve customer satisfaction can be implemented.
- Many businesses systematically conduct customer satisfaction through independent surveys, feedback forms, mystery shopping and focus groups. Some third party surveys also compare the customer satisfaction of major competitors, which allows companies to benchmark themselves in their relevant sector.

- Measuring customer satisfaction doesn't have to be expensive. It can be as simple as preparing a short feedback form or conducting a brief telephone interview that asks the customer to rate the product or service on a number of criteria.

TOOLS FOR MEASURING CUSTOMER SATISFACTION

- Complaint and suggestion systems
- Customer satisfaction surveys
- Ghost shopping
- Lost customers analysis

INDICATORS OF CUSTOMER SATISFACTION

An important indicator of customer satisfaction is the customer retention rate. To calculate the customer retention rate, one has to capture data about the total number of customers and the number of customers switching brands. If this information is tracked over time. In Australia the Net promoter Scores has been introduced, which provides a new metric for measuring customer loyalty. The Net promoter Scores ask one simple question about whether a customer would recommend a product or service to a friend or colleague. This question has been identified as the ultimate determinant of customer satisfaction or loyalty. Research in the UK and the US has found a clear correlation between the Net Promoter Scores and revenue growth, illustrating the importance of customer satisfaction to future growth potential.

SATISFACTION AFFECTS THE BOTTOM LINE

Where there is high customer satisfaction, the customer retention rate will also be high and business results will follow. Gain an edge on your competition by focusing on what really matters says. Renee Hancock a marketing will follow. Gain an edge on your competition by focusing on what really matters. Renee Hancock is a marketing and communications specialist, whose experience spans finance, government, education, not-for-profit, telecommunications and law. She has been a consultant for two of Australia's most prestigious public relations agencies and now works in house for a leading financial services organization. Feedback on whether customers are satisfied or dissatisfied with your business, any feedback they provide about their experience or the products and satisfaction of it or want can help in the marketing strategy to the adopted. Customer feedback can show you the type of marketing efforts that are working and the areas of your business and marketing you need to improve to increase customer satisfaction. Testimonials feedback in the form of solicited detailed praise, or testimonials, is a valuable marketing tool that can help you to attract new customers, retain customers, and build your reputations. Shoppers often actively research several e-businesses, products and services online before making a purchase. Testimonial posted as reviews on your website, partner sites and in e-newsletters, act as referrals that outline reasons why shoppers can trust your business. Yet another way you can use satisfaction is by satisfying customers with more than your product offerings. Customers use the internet to search for content such as general information construction guides or tips that they consider interesting or valuable. They often base their buying decisions on what they find. Valuable content can result in positive advertising as customers share positive content – related experience with others. It can also increase loyalty as customers start to see you as an expert on industry related topics.

CONCLUSION

Whether the buyer is satisfied after a purchase depends on the officer's performance in relationship to the buyer's expectations and on whether the buyer interprets and deviates between the two. In general, satisfaction is a person's feelings of pleasure or disappointment that result from comparing a product's perceived performance to expectations. If the performance falls short of expectations, the customer is dissatisfied. If performance matches expectations, the customer is satisfied; if it exceeds expectations, the customer is highly satisfied or delighted. Customer assessments of product performance depends on many factors, especially the type of loyalty or relationship the customer has with the brand. Companies need to understand which customers are profitable and calculate each customer's lifetime value. They must also determine how to increase the value of the customer base. Losing profitable customers can dramatically affect a firm's profits. The key to retention is customers relationship marketing, the process of managing detailed information about individual customers and managing all customers touch points to maximize loyalty. Customer relationship management often requires building a customer database and using determinants to detect trends, segments, and individual needs.

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RELATIONSHIP BETWEEN DIVIDEND POLICY AND SHARE PRICE

FARHAT
ASST. PROFESSOR
DRONACHARYA GOVERNMENT COLLEGE
GURGAON

ABSTRACT

The share price from eight most popular companies; HDFC, Colgate Palmolive (India) Ltd, Asian Paints, ITC, Pidiliteindustries, Dabur India limited, Procter & Gamble Hygiene & Healthcare Ltd. and page industries are the focus of this study by taking the share price. The dividend policy is most important issue in every organization. Dividend policy is adopted by the organizations to check growth. This is the most difficult task but also a highly complex issue that how much part of net profit should retain in business for profitable opportunities or how much earnings to be distributed as dividend. .The present research paper deals with effect of dividend policy on price of share (by using T test). A thoroughly review of different studies in this field was done and data were collected through secondary source (internet).The paper concludes that dividend policy does not affect the price of the share.

KEYWORDS

Dividend, Dividend policy, National stock exchange, Share price.

INTRODUCTION

Dividend policy is related to financial policies regarding paying cash dividend in the present or paying an extra dividend in future. the dividend policy divide the net profit after tax in two parts, first what amount of earning to be distributed as dividend secondly how much to be retain in the business for future profitable opportunities., the first part of decision is determined mainly on the basis of the company's excess cash in hand and also influenced by the company's long-term earning power. When any organization has extra cash and there is no need of cash in firm , then management pay out of some or all of those extra profit in the form of cash dividends or to repurchase the organization stock through a share buyback scheme.

Dividend policy is difficult task and highly complex issue for every organization there is no dividend policy which is full proof for all the organization. No answer has yet found after several decades of investigation and the entire researcher can often disagree even about the same empirical evidence. The purpose of this paper is to provide the reader proper understanding of dividend and dividend policy by reviewing the important theories. The present research paper also present the main empirical studies on corporate dividend policy and their effect on the price of share in short span of time. However due to extensive range of the debate dividend policy decision which leads a vide amount of literature that is grow every day, a full review of all debates is not possible. The paper reaches at a conclusion that famous lines of Fisher Black about dividend policy " the harder we look at the dividends picture , the more it seems like a puzzle , with pieces that just do not fit together" dividend policy divide the net profit in two parts earning between payment to stockholders and reinvestment in the firm. Management task is to divide the earning to dividends or retain earnings. The retain earnings are one of the most important source of finance for financing profitable opportunities of the firm. Profitable opportunities make it eventually possibly to get more dividends. The purpose of this study is to describe the discussion on dividends and dividend theories. The important part of that discussion is related to the evolution of financial research because all the time all researcher want to solve the dividend confusions or puzzle by using new theories the present research paper is interested in the following questions (1) why do firm pay dividend? (2) How do the set their dividend policy? (3) Does dividend policy affect share value?

LITERATURE REVIEW

Dividend policy is very important question raise by scholars' every time that which dividend policy is best for organization since first joint stock company comes into existence.

Dividend policy gain attraction in 1956 by the work of linter and linter many questions that all are still important "what choice made by management do affect the shape, size and timing of dividend?" After given the important contribution by linter Walt6er in 1956 he consider dividend policy decision is relevant for the value of firm in other words this theories argue that the choice of dividend policy affect the value of firm and another relevance theories given by Gordon he said that dividend policy of any organization is relevant to the value of firm. The important theory given by Modigliani and miller in 1961 this theory propounded that dividend policy decision is irrelevance for the value of firm because he believes that dividend policy of any organization is a passive decision which is not related to the value of firm. Dividend policy is a residual decision which depends on availability of profitable opportunity in future to the firm. If the firm has sufficient investment opportunity in this case firm will not pay dividends and retain the earning to finance the profitable investment opportunities. In other situation if firm do not have investment opportunities, dividends will be declared to the shareholders. "Impact of initiating dividend payment on shareholders wealth which supports that dividend renders unique and valuable information to shareholders this is given by Asquith and Mullins in 1983.Defile given his theory in 2000 he stress on empirical study on Nigerian firms supporting irrelevance models. Khan, Amir and Quyyum did his research in 2011. Their study focus on the relationship between dividend policy and stock price in Pakistan supporting significance impact of dividend policy on shareholders wealth however, in Indian context related studies are very limited. The important contribution is given by these researchers Empirical study conducted by Azhagaiah and Sabaripriya in 2008 on chemical companies listed in BSE to measure the impact of dividend policy on investors" wealth through multiple regression method. They found in his research that wealth of the shareholders was influenced by growth in sales, fixed and working capital investment decision, in profit margin, capital structure decision and cost of capital .they also notice that there was a strong impact of dividend policy decision on the shareholder wealth in organic chemical companies but not inorganic chemical companies. Das and Samantha given his study in 2012 his article title was " Dividend policy and its effect on shareholders wealth" his study focus on Indian banking sector in liberalized era"they found in his research that the public sector banks in India dividend effect the shareholders wealth.

OBJECTIVE OF THE STUDY

The objective of the present research papers is to find out whether dividend policy effects the value of firm or not.

HYPOTHESIS

At the 5%and 1% level of significance check whether the dividend effect the price of share or other factor effect the value of share for this we took price of share

RESULT AND DISCUSSION

Announcement Date, Effective Date, Dividend Type (Interim, Final, Special),and percentage of dividend given information of Asian paints limited.

TABLE 1: DIVIDENDS DECLARED

Announcement date	Effective Date	Dividend Type	Dividends(%)
28/08/2014	22/09/2014	Interim	180%
14/05/2014	16/06/2014	Final	420%
30/09/2013	24/10/2013	Interim	110%
09/05/2013	06/06/2013	Final	365%
08/05/2012	07/06/2012	Final	305%
10/05/2011	09/06/2011	Final	235%

Announcement Date, Effective Date, Dividend Type (Interim, Final, Special), and percentage of dividend given information of ITC.

TABLE 2: DIVIDENDS DECLARED

Announcement date	Effective Date	Dividend Type	Dividends (%)
23/05/2014	03/06/2014	Final	600%
17/05/2013	31/05/2013	Final	525%
25/05/2012	11/06/2012	Final	450%
20/05/2011	10/06/2011	Final	445%
21/05/2010	09/06/2010	Final	1000%
22/05/2009	13/07/2009	Final	370%

Announcement Date, Effective Date, Dividend Type (Interim, Final, Special),and percentage of dividend given information of HDFC Bank Ltd.

TABLE 3: DIVIDENDS DECLARED

Announcement date	Effective Date	Dividend Type	Dividends (%)
22/04/2014	05/06/2014	Final	342.5%
18/04/2012	28/06/2012	Final	165%
18/04/2011	02/06/2011	Final	165%
23/04/2009	22/06/2009	Final	100%

Announcement Date, Effective Date, Dividend Type (Interim, Final, Special),and percentage of dividend given information of Page Industries

TABLE 4: DIVIDENDS DECLARED

Announcement date	Effective Date	Dividend Type	Dividends(%)
21/04/2014	17/11/2014	Interim	180%
30/05/2014	05/08/2014	Final	160%
29/05/2014	04/06/2014	Interim	160%
23/01/2014	17/02/2014	Interim	150%
25/10/2013	21/11/2013	Interim	150%
31/05/2013	30/07/2013	Final	140%

Announcement Date, Effective Date, Dividend Type (Interim, Final, Special), and percentage of dividend given information of pidilite industries limited.

TABLE 5: DIVIDENDS DECLARED

Announcement date	Effective Date	Dividend Type	Dividends (%)
28/05/2014	09/09/2014	Final	270%
28/05/2013	05/07/2013	Final	260%
24/05/2012	06/07/2012	Final	190%
19/05/2011	08/07/2011	Final	175%
20/05/2010	26/07/2010	Final	150%
21/05/2009	17/07/2009	Final	175%

Announcement Date, Effective Date, Dividend Type (Interim, Final, Special),and percentage of dividend given information ofProcter & Gamble Hygiene & Healthcare Ltd.

TABLE 6: DIVIDENDS DECLARED

Announcement date	Effective Date	Dividend Type	Dividends (%)
13/08/2014	08/09/2014	Final	275%
14/08/2013	21/11/2013	Final	250%
24/08/2012	20/11/2012	Final	225%
25/08/2011	04/11/2011	Final	225%
19/08/2010	23/09/2010	Final	225%
28/08/2009	29/09/2009	Final	225%

Announcement Date, Effective Date, Dividend Type (Interim, Final, Special),and percentage of dividend given information ofColgatePalmolive ltd.

TABLE 7: DIVIDENDS DECLARED

Announcement date	Effective Date	Dividend Type	Dividends(%)
19/03/2014	02/04/2014	Interim	900%
11/11/2013	09/12/2014	Interim	900%
24/09/2013	06/11/2013	Interim	900%
01/03/2013	04/04/2013	Interim	900%
31/08/2012	01/10/2012	Interim	1300%
08/11/2011	20/12/2011	Interim	900%
19/07/2010	17/08/2010	Interim	1000%

Announcement Date, Effective Date, Dividend Type (Interim, Final, Special),and percentage of dividend given information of Dabur India Ltd.

TABLE 8: DIVIDENDS DECLARED

Announcement date	Effective Date	Dividend Type	Dividends (%)
08/09/2014	19/09/2014	Interim	125%
29/04/2014	27/06/2014	Final	100%
14/10/2013	05/11/2013	Interim	75%
30/04/2013	21/06/2013	Final	85%
18/06/2010	03/08/2010	Final	125%
29/04/2009	29/06/2009	Final	100%

Price of the share just before and after one day of dividend declared of Asian paints.

TABLE 9

Announcement date	Effective date	Price of the share the share one day before of announcement date		Price of the share one day after of announcement date	
		High	Low	High	Low
28/08/2014	22/09/2014	619	606	631	620
14/05/2014	16/06/2014	551	534	563	523
30/09/2013	24/10/2013	486	468	470	456
09/05/2013	06/06/2013	4939	4841	4667	4604
08/05/2012	07/06/2012	3717	3545	3744	3631
10/05/2011	09/06/2011	2788	2717	2725	2637

Price of the share just before and after one day of dividend declared of ITC.

TABLE 10

Announcement date	Effective date	Price of the share the share one day before of announcement date		Price of the share one day after of announcement date	
		High	Low	High	Low
23/05/2014	03/06/2014	347	340	349	340
17/05/2013	31/05/2013	343	332	341	333
25/05/2012	11/06/2012	234	231	236	230
20/05/2011	10/06/2011	191	188	191	183
21/05/2010	09/06/2010	265	257	274	257
22/05/2009	13/07/2009	187	181	184	180

Price of the share just before and after one day of dividend declared of Pidilite industry.

TABLE 11

Announcement date	Effective date	Price of the share the share one day before of announcement date		Price of the share one day after of announcement date	
		High	Low	High	Low
28/05/2014	09/09/2014	331	320	316	307
28/05/2013	05/07/2013	290	282	295	291
24/05/2012	06/07/2012	170	165	172	168
19/05/2011	08/07/2011	161	154	153	147
20/05/2010	26/07/2010	129	116	115	112
21/05/2009	17/07/2009	108	100	124	114

Price of the share just before and after one day of Page industry.

TABLE 12

Announcement date	Effective Date	Price of the share the share one day before of announcement date		Price of the share one day after of announcement date	
		High	Low	High	Low
21/04/2014	17/11/2014	7780	7780	8001	7700
30/05/2014	05/08/2014	4400	4320	4398	4351
29/05/2014	04/06/2014	3208	3080	3119	2915
23/01/2014	17/02/2014	2649	2550	2615	2503
25/10/2013	21/11/2013	1249	1275	1255	1220
31/05/2013	30/07/2013	640	615	645	636

Price of the share just before and after one day of Colgate Palmolive ltd.

TABLE 13

Announcement date	Effective Date	Price of the share the share one day before of announcement date		Price of the share one day after of announcement date	
		High	Low	High	low
19/03/2014	02/04/2014	1324	1306	1369	1325
11/11/2013	09/12/2013	1244	1240	1242	1229
24/09/2013	06/11/2013	1314	1259	1283	1230
01/03/2013	04/04/2013	1309	1260	1312	1283
31/08/2012	01/10/2012	1218	1176	1232	1202
08/11/2011	20/12/2011	853	842	852	841
19/07/2010	17/08/2010	1084	1049	1075	1050

Price of the share just before and after one day of Procter & Gamble Hygiene & Healthcare Ltd.

TABLE 14

Announcement date	Effective Date	Price of the share the share one day before of announcement date		Price of the share one day after of announcement date	
		high	Low	High	Low
13/08/2014	08/09/2014	4740	4017	4801	4999
14/08/2013	21/11/2013	2790	2711	2845	2756
24/08/2012	20/11/2012	2297	2250	2339	2225
25/08/2011	04/11/2011	1969	1950	1970	1945
19/08/2010	23/09/2010	2230	2210	2275	2150
28/08/2009	29/09/2009	1025	1006	1098	1050

Price of the share just before and after one day of Dabur India limited.

TABLE 15

Announcement date	Effective Date	Price of the share the share one day before of announcement date		Price of the share one day after of announcement date	
		high	Low	High	low
08/09/2014	19/09/2014	227	224	231	227
29/04/2014	27/06/2014	182	178	181	177
14/10/2013	05/11/2013	171	169	170	167
30/04/2013	21/06/2013	147	144	155	144
18/06/2010	03/08/2010	192	188	190	176
29/04/2009	29/06/2009	104	100	105	101

Price of the share just before and after one day of HDFC Bank Ltd.

TABLE 16

Announcement date	Effective Date	Price of the share the share one day before of announcement date		Price of the share one day after of announcement date	
		high	Low	High	low
22/04/2014	05/06/2014	877.05	882.15	882.50	862
18/04/2012	28/06/2012	535.90	521.10	555.60	537.20
18/04/2011	02/06/2011	2399.85	2304	2358.80	2324.95
23/04/2009	22/06/2009	1100	1065.50	1139.95	1090

APPLY T TEST ON ONE DAY BEFORE AVERAGE PRICE AND ONE DAY AFTER PRICE AND CHECK WHETHER DIVIDEND EFFECT THE PRICE OF SHARE OR NOT

Name of the company = Asian Paints

Source of data = National stock exchange

Purpose = whether dividend effect the price of share or not

HO (NULL HYPOTHESIS) = DIVIDEND EFFECT THE PRICE OF SHARE

TABLE 17

Average one Day Before	Average One Day After	D= After minus before	D^2
612.5	625	13	169
542.5	543	0.5	.25
477	463	-14	196
4890	4635.5	-254.5	64770.25
3631	3687.5	56.5	3192.25
2742.5	2681	-61.5	3782.25
Total		-260	72110

T= .9621

At 5% level of significance for one tail test degree of freedom is =N-1=6-1=5. Table value at 5% level of significance =2.051 which is grater then calculated value so arenull hypotheses isaccepted it means that dividend does not effect the price of share and

At 1% level of significance for one tail test degree of freedom is =N-1=6-1=5. Table value at 1%level of significance 3.365 which is grater then calculated value so are null hypotheses is accepted it means that dividends does not effect the price of share.

Name of the company = ITC

Source of data = National stock exchange

Purpose = whether dividend effect the price of share or not

HO (NULL HYPOTHESIS) = DIVIDEND EFFECT THE PRICE OF SHARE

Name of the company = ITC

Source of data = Economic times of India

Purpose = whether dividend policy effect the value of firm or not

H0 (NULL HYPOTHISES) = DIVIDEND POLICY EFFECT THE VALUE OF FIRM

TABLE 18

Average of one Day Before	Average of one Day after	D=After minus Before	D^2
343.5	344.5	1	1
337.5	337	-0.5	.25
232.5	233	0.5	.25
189.5	187	-2.5	6.25
261	265.5	4.5	20.25
184	182	-2	4
Total		0	32

T=0

At 5% level of significance for one tail test degree of freedom is =n-1=6-1=5. Table value at 5% level of significance is=2.051which is grater then the table value so our assumption has been accepted that dividend does not effect the value of share
Here at 1% level of significance for one tail test degree of freedom is =n-1=6-1=5. Table value at 1% level of significance is=3.365 which is grater then the table value so our assumption has been accepted that dividend does not effect the value of share
Name of the company = pidilite Industries
Source of data = Economic times of India
Purpose = whether dividend policy effect the value of firm or not
H0 (NULL HYPOTHISES) = DIVIDEND POLICY EFFECT THE VALUE OF FIRM

TABLE 19

Average of one Day Before	Average of one Day after	D=After minus Before	D^2
325.5	311.5	-14	196
286	293	7	49
167.5	170	2.5	6.25
157.5	150	-7.5	56.5
122.5	113.5	-9	81
102	119	17	289
Total		-4	677.5

T= .141
At 5% level of significance for one tail test degree of freedom is =n-1=6-1=5. Table value at 5% level of significance is=2.051which is grater then the table value so our assumption has been accepted that dividend does not effect the value of share
Here at 1% level of significance for one tail test degree of freedom is =n-1=6-1=5. Table value at 1% level of significance is=3.365 which is grater then the table value so our assumption has been accepted that dividend does not effect the value of share
Name of the company = Page Industries
Source of data = Economic times of India
Purpose = whether dividend policy effect the value of firm or not
H0 (NULL HYPOTHISES) = DIVIDEND POLICY EFFECT THE VALUE OF FIRM

TABLE 20

Average of one Day Before	Average of one Day after	D=After minus Before	D^2
7780	7850.5	70.5	4970.25
4360	2416.5	-1993.5	3974042.25
3144	3017	-127	16129
2599.5	2559	-40.5	1640.25
1262	1237.5	-24.5	600.25
627.5	640.5	13	169
Total		-2102	3997551

T= .977
At 5% level of significance for one tail test degree of freedom is =n-1=6-1=5. Table value at 5% level of significance is=2.051which is grater then the table value so our assumption has been accepted that dividend does not effect the value of share
Here at 1% level of significance for one tail test degree of freedom is =n-1=6-1=5. Table value at 1% level of significance is=3.365 which is grater then the table value so our assumption has been accepted that dividend does not effect the value of share
Name of the company = Colgate Palmolive Ltd
Source of data = Economic times of India
Purpose = whether dividend policy effect the value of firm or not
H0 (NULL HYPOTHISES) = DIVIDEND POLICY EFFECT THE VALUE OF FIRM

TABLE 21

Average of one Day Before	Average of one Day after	D=After minus Before	D^2
1315	1347	32	1024
1242.65	1236.40	-6.25	39.6
1286.50	1256.50	-30	900
1284.50	1297.83	13.33	177.56
1197	1217.58	20.25	410.06
847.75	846.50	-1.25	1.56
1066.65	1062.50	-4.15	17.22
Total		23.93	2569.4

T = .4444
At 5% level of significance for one tail test degree of freedom is =n-1=7-1=6. Table value at 5% level of significance is=1.943which is grater then the table value so our assumption has been accepted that dividend does not effect the value of share.
Here at 1% level of significance for one tail test degree of freedom is =n-1=7-1=6. Table value at 1% level of significance is=3.143 which is grater then the table value so our assumption has been accepted that dividend does not effect the value of share
Name of the company = HDFC Bank
Source of data = Economic times of India
Purpose = whether dividend policy effect the value of firm or not
H0 (NULL HYPOTHISES) = DIVIDEND POLICY EFFECT THE VALUE OF FIRM

TABLE 22

Average of one Day Before	Average of one Day after	D=After minus Before	D^2
879.6	872.3	-7.3	53.29
528.5	546.4	17.9	320.41
2352.1	2341.875	-10.23	104.65
1082.75	1114.975	32.23	1038.45
Total		32.6	1516.8

T= .9781
At 5% level of significance for one tail test degree of freedom is =n-1=4-1=3. Table value at 5% level of significance is=2.353which is grater then the table value so our assumption has been accepted that dividend does not effect the value of share

Here at 1% level of significance for one tail test degree of freedom is =n-1=4-1=3. Table value at 1% level of significance is=4.541 which is grater then the table value so our assumption has been accepted that dividend does not effect the value of share

Name of the company = Procter & Gamble Hygiene & Healthcare Ltd.

Source of data = Economic times of India

Purpose = whether dividend policy effect the value of firm or not

H0 (NULL HYPOTHISES) = DIVIDEND POLICY EFFECT THE VALUE OF FIRM

TABLE 23

Average of one Day Before	Average of one Day after	D=After minus Before	D^2
4378.5	4900	521.5	271962.25
2750.5	2800.5	50	2500
2273.5	2282	8.5	72.25
1934.5	1957.5	23	529
2220	2212.5	-7.5	56.25
1015.5	1050	34.5	1190.25
Total		630	276310

T= 1.255

At 5% level of significance for one tail test degree of freedom is =n-1=6-1=5. Table value at 5% level of significance is=2.051which is grater then the table value so our assumption has been accepted that dividend does not effect the value of share

Here at 1% level of significance for one tail test degree of freedom is =n-1=6-1=5. Table value at 1% level of significance is=3.365 which is grater then the table value so our assumption has been accepted that dividend does not effect the value of share

Name of the company = Dabur India

Source of data = Economic times of India

Purpose = whether dividend policy effect the value of firm or not

H0 (NULL HYPOTHISES) = DIVIDEND POLICY EFFECT THE VALUE OF FIRM

TABLE 24

Average of one Day Before	Average of one Day after	D=After minus Before	D^2
224.5	229	4.5	20.25
180	179	-1	1
190	183	-7	49
170	183	13	169
102	103	1	1
145.5	149.5	4	16
Total		14.5	256.25

T=.8916

At 5% level of significance for one tail test degree of freedom is =n-1=6-1=5. Table value at 5% level of significance is=2.051 which is grater then the table value so our assumption has been accepted that dividend does not effect the value of share

Here at 1% level of significance for one tail test degree of freedom is =n-1=6-1=5. Table value at 1% level of significance is=3.365 which is grater then the table value so our assumption has been accepted that dividend does not effect the value of share

CONCLUSION

This study analyzed the relationship between dividend policy and value of share. The conclusion of this research paper is that dividend does not effect the value of share in other words there is no relationship between the price of share and dividend policy. Dividend policy of any organization is a passive decision which is not related to the value of firm. Dividend policy is a residual decision which depends on availability of profitable opportunity in future to the firm. If the firm has sufficient investment opportunity in this case firm will not pay dividends and retain the earning to finance the profitable investment opportunities if firm does not have investment opportunity in this case firm will pay the dividend. The major finding s of this research paper is that dividend policy i.e. splitting of total net profit into dividend and retain earnings is not at all a decisive factor for stock price behavior in information technology sector under the present study. While analyzing the data we come to know that wealth of shareholders was mainly influenced by Growth in sales, improvement in profit margin, fixed and working capital investment decisions, capital structure decisions and cost of capital etc.

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PREFERENCE OF CUSTOMERS FOR BANKING SELF-SERVICE TECHNOLOGIES

TARANNUM
ASST. PROFESSOR
PUNJABI UNIVERSITY REGIONAL CENTRE FOR IT & MANAGEMENT
MOHALI

ABSTRACT

Banking has undergone a radical change since the introduction of self-service technology. The banks prefer alternative delivery channels as it provides them competitive advantage by reaching out to large number of customers. Besides thi,s delivery of services to customers through technology gives banks cost advantage. As banks introduce new ways of reaching out to the customer, it becomes imperative to know which channels are clicking with the customer. This paper presents a comparative study of banking channels i.e, Branch Banking, ATM, Mobile banking, Internet banking. Two public sector banks and as many private sector banks are taken. Customers are selected using stratified branch intercept technique. The study finds that a majority of customers prefer branch banking and ATM while Internet and mobile banking came next on priority list. Private sector bank customers prefer Internet banking. This study would help banks in formulating banking strategies based on customers banking channel preference.

KEYWORDS

Banks, Self-Service Technology, ATM, Mobile Banking, Internet Banking.

INTRODUCTION

As technology becomes an integral part of banking with banks offering new ways of reaching out to the customer by adopting new technological channels. These technological channels through which a transaction can be produced without having to interact with the service employee are called Self-service technologies. (Meuter et. al. 2000) Private sector banks have been pioneers in starting these new technological channels. However, public sector banks were quick to adopt them.

Self-service technologies offer banks the benefit to reach out to customers without having to invest heavily in setting up a branch. Its cuts down on labor cost and help in standardizing the services. For the customers the channels offer convenience and round the clock services. As more and more banks try and route customers to these cost effective channels, the adoption and usage pattern still need to be seen.

Customer has a preference for different banking channels based on their needs. More than one channel is being used to interact with the banks. Customer may prefer doing a transaction through technological interface or after interacting with the teller. Customer forced to do transaction through a non-preferred channels and poor experience with a channel can lead to customer dissatisfaction. Banks will have to identify customer segments and understand their needs before reaching out to them.

Internet banking has not yet become very popular with customers in India but even a small percentage of customers who do start using it would make a huge difference for the banks. ATM has become very popular with the customers but it is important to see if Internet banking and mobile banking would pick up in the same way or not. Banks will have to look for right mix of both branch banking and Self-service technologies to cut down on cost and increase revenues. The use of alternative channels and the value of human interactions with the teller need to be seen.

REVIEW OF LITERATURE

Rugimbana (1995) investigates the characteristics of ATM users and those who are not using. The study suggests that perception plays a very important role in the adoption of ATMs. Demographics are very important to identify the users. Convenience of using ATM is important factor in the adoption.

Filotto et al. (1997) suggests that mostly customers were apprehensive to use the new technologies because of security issues. The study was done on customers of Italian bank. An attempt was made to study behavior patterns of users and non users of ATMs. Filloto et al. concludes that younger customers prefer using ATMs.

Tiwari B. and Herstatt (2006) suggests that mobile banking is getting acceptance amongst banks. Mobile commerce that was completely written off has now shown a massive growth in last few years, which has increased m-commerce. One of the reasons for this is the high availability of mobile phones, which is, much more than computers in some countries. It would do wonders if mobile banking takes the route of online banking. 50 banks worldwide were selected, majority from Germany and Bank of Punjab, HDFC, ICICI based on availability of m-banking in India. The installation of mobile banking and mobile financial services provide in Germany and other countries were looked into during the period of May/June, 2005.

Ghods et al. (2014) investigates customer adoption internet adoption behavior in Tehran. The study aims to understand the affect of technical aspect and the personal characteristics of Internet Banking. These include security from the channel, the difficulty in using the channels and the effectiveness of IB. Customer's characteristics like the customers knowledge about the channel, his social character and the level of risk he takes were analysed. The sample was drawn using stratified random sampling and 453 bank customers were selected. Risk taking ability of customer and his knowledge about the channel plays important role in adoption of internet banking. both technical and personal characteristics affect adoption process.

Hanafizadeh et al . (2014) during 1999 to 2012 Internet banking has seen a massive increase. The study aims at analyzing the published work on online banking. Adoption of online banking has seen lot of research off late. With new channels being installed more work will continue on this. Most of the research has centered around the process of adoption, factors affecting the adoption and relationship between them and comparison of channels and demographic profiles.

Montazemi & Saremi (2015) concludes that internet banking has not picked up the fancy of customers yet despite offering numerous benefits to the customer. The literature on internet banking adoption was reviewed and two models proposed. The data was collected from 25265 customers. Factors which affect the pre adoption of online banking and post adoption were analysed using structural equational modeling. Ten factors affecting consumers' adoption of the internet banking were identified and the relative importance of these factors differs depending on consumers' pre-adoption and post-adoption of the online banking.

Aghdaie et al. (2015) conclude how the system performs and the kind of information provided have an direct affect on the level of customer satisfaction. Bank can understand customer behavior only after establishing an rapport with him. The study in Iran aims at understanding customer loyalty and customer satisfaction from online banking. The kind of services provided by channel and the excellence in information were taken into consideration. 250 questionnaires were got filled for data collection. Random sampling was used.

OBJECTIVES

1. To study the use and preference pattern of customers for banking self-service technologies in public and private sector banks; and
2. To examine the relationship of preference for banking self-service technologies with customers' demographic profile in public and private sector banks.

RESEARCH METHODOLOGY

The sample of the study was based on multi-stage stratified branch intercept technique. The study covered 2 Public sector banks and 2 Private sector banks based on their presence in terms of number of branches in the tri-city region. The tri-city region was selected as it has compared to other cities maximum population of youth being the hub of IT sector.

The banks identified included State Bank of India (SBI) and Punjab National Bank (PNB) in the Public sector banks category and HDFC Bank and ICICI Bank in the private sector bank category. As much as 300 customers from public sector banks and an equal number of customers from private sector banks were interviewed for data collection. Branch intercept method was adopted to interview the customers. In order to analyze the data, advance statistical techniques like Analysis of Variance (ANOVA), t-test and Z-test (test of proportions) were applied.

RESULTS AND DISCUSSION

The use of banking self-service technologies was studied in terms of use frequency, ranking order and preference order of different banking delivery channels.

USE OF BANKING TECHNOLOGIES BY THE RESPONDENTS

Information contained in Table 1 showed the banking technology used by the respondents of various public and private sector banks.

TABLE 1: BANKING TECHNOLOGY USED BY THE RESPONDENTS (Multiple Response)

Technology	Public Sector		Private Sector		Z-value
	No.	%age	No.	%age	
Branch Banking	300	100.00	300	100.00	0.00
ATM	298	99.33	298	99.33	0.00
Mobile Banking	48	16.00	62	20.67	1.48
Internet Banking	100	33.33	130	43.33	2.52*

Among public sector respondents the branch banking was used by all the 100 percent respondents, followed by ATM banking by 99.33 percent respondents. Mobile banking was used by the lowest 16.00 percent respondents followed by 33.33 percent for internet banking.

Among private sector respondents, the branch banking was used by all the 100 percent respondents, followed by ATM banking by 99.33 percent. Mobile banking was used by the lowest 20.67 percent of respondents followed by 43.33 percent for internet banking.

The analysis showed that there was no variation between the public and private sector respondents regarding the use of branch, ATM banking and mobile banking, as shown by the non-significant Z-values. However there was a significant variation between the respondents of public and private sector respondents regarding the use of internet banking as indicated by the Z-value of 2.52. The internet banking was used by a significantly higher proportion of respondents in private sector as compared to that in private sector banks.

PREFERENCE SCORE OF DIFFERENT BANKING TECHNOLOGIES BY RESPONDENTS

The preferences for different banking technologies by public and private sector respondents have been shown in Table 2. In public sector banks the first preference of respondents was ATM banking with mean preference score of 1.15, followed by branch banking with mean preference score of 2.07.

TABLE 2: MEAN PREFERENCE SCORE OF DIFFERENT BANKING TECHNOLOGIES BY THE RESPONDENTS

Technology	Public Sector		Private Sector	
	Mean	Preference	Mean	Preference
Branch Banking	2.07	2	2.30	2
ATM	1.15	1	1.16	1
Mobile Banking	3.49	4	3.42	4
Internet Banking	3.29	3	3.11	3

The least preference of respondents was mobile banking, with mean preference score of 3.49, followed by internet banking with mean preference score of 3.29. In private sector banks the first reference of respondents was ATM banking with mean preference score of 1.16, followed by branch banking with mean preference score of 2.30. The least preference of respondents was mobile banking, with mean preference score of 3.42, followed by internet banking with mean preference score of 3.11.

The analysis showed that ATM banking was the first choice of both public and private sector respondents, while internet banking was indicated as the least choice.

RELATIONSHIP OF PREFERENCE FOR BANKING SELF-SERVICE TECHNOLOGIES WITH DEMOGRAPHIC VARIABLES

The relationship between preference for various banking self-service technologies and respondents' personal profile is very relevant to study the role of personal profile so that appropriate strategies can be developed for the customers.

PUBLIC SECTOR

Age: A perusal of Table 3 showed that branch banking came to be the second choice of respondents in all the age groups in public sector. The highest score of preference was of the order of 2.26 among the age group of 30-40 years, followed by 2.19 among the age group of below 30 years. The lowest score of preference was of the order of 2.08 among the age group of above 50, followed by 2.13 among age group of 40-50 years. However, the preference score came to be non-significant among all the age groups as indicated by F-ratio of 0.84.

TABLE 3: RELATIONSHIP OF PREFERENCE OF RESPONDENTS FOR VARIOUS BANKING SERVICE TECHNOLOGIES WITH AGE

Age (years)	Branch Banking		ATM Banking		Mobile Banking		Internet Banking	
	Mean	Pref	Mean	Pref	Mean	Pref	Mean	Pref
Below 30	2.19	2	1.08	1	3.32	3	3.41	4
30-40	2.26	2	1.17	1	3.56	4	3.01	3
40-50	2.13	2	1.22	1	3.39	4	3.25	3
Above 50	2.08	2	1.14	1	3.51	4	3.27	3
F-ratio	0.84		1.49		2.44		4.04*	

ATM banking came to be the first choice of respondents in all the age groups in public sector. The highest score of preference was of the order of 1.22 among the age group of 40-50 years, followed by 1.17 among the age group of 30-40 years. The lowest score of preference was of the order of 1.08 among the age group of below 30, followed by 1.14 among age group of above 50 years. The preference score was non-significant among all the age groups as indicated by F-ratio of 0.84.

Mobile banking came to be the least preferred choice of respondents in all the age groups in public sector accepts in the age group of below 30, where mobile banking was the second last choice of the respondents. The highest score of preference was of the order of 3.56 among the age group of 30-40 years, followed by 3.51 among the age group of above 50 years. The lowest score of preference was of the order of 3.32 among the age group of below 30, followed by 3.39 among age group of 40-50 years. The preference score was non-significant among all the age groups as indicated by F-ratio of 2.44.

Internet banking came to be the second last choice of respondents in all the age groups in public sector, accept in the age group of below 30, where mobile banking was the least choice of the respondents. The highest score of preference was of the order of 3.41 among the age group of below 30 years, followed by 3.27 among the age group of above 50 years. The lowest score of preference was of the order of 3.01 among the age group of 30-40 years, followed by 3.25 among age group of 40-50 years. The preference score was significant among all the age groups as indicated by F-ratio of 4.04.

Gender: Table 4 showed that branch banking came to be the second choice of both male and female respondents in public sector. The higher score of preference was of the order of 2.21 among male respondents as compared to 2.15 among female respondents. There was no significant difference between the preferences of both male and female respondents as revealed by the non-significant t-value of 0.62.

TABLE 4: RELATIONSHIP OF PREFERENCE OF RESPONDENTS FOR VARIOUS BANKING SERVICE TECHNOLOGIES WITH GENDER

Gender	Branch Banking		ATM Banking		Mobile Banking		Internet Banking	
	Mean	Pref	Mean	Pref	Mean	Pref	Mean	Pref
Male	2.21	2	1.16	1	3.43	4	3.20	3
Female	2.15	2	1.15	1	3.49	4	3.20	3
t-value	0.62		0.07		0.79		0.00	

ATM banking came to be the first choice of both male and female respondents in public sector. The higher score of preference was of the order of 1.16 among male respondents as compared to 1.15 among female respondents. There was no significant difference between the preferences of both male and female respondents as revealed by the non-significant t-value of 0.07.

Mobile banking came to be the last choice of both male and female respondents in public sector. The higher score of preference was of the order of 3.49 among female respondents as compared to 3.43 among male respondents. There was no significant difference between the preferences of both male and female respondents as revealed by the non-significant t-value of 0.79.

Internet banking came to be the second last choice of both male and female respondents in public sector. The score of preference (3.20) was same in both the male and female respondents. There was no difference between the significance level of both male and female respondents as indicated by the zero t-value.

Marital Status: It is evident from Table 5 that branch banking was the second choice of all the married, unmarried and divorced respondents. The highest score of preference was of the order of 2.29 among unmarried respondents, followed by 2.13 and 2.00 among married and divorced respondents respectively. However the score of preference was non-significant in all the marital status groups as indicated by the F-ratio of 1.66.

TABLE 5: RELATIONSHIP OF PREFERENCE OF RESPONDENTS FOR VARIOUS BANKING SERVICE TECHNOLOGIES WITH MARITAL STATUS

Marital Status	Branch Banking		ATM Banking		Mobile Banking		Internet Banking	
	Mean	Pref	Mean	Pref	Mean	Pref	Mean	Pref
Married	2.13	2	1.19	1	3.50	4	3.18	3
Unmarried	2.29	2	1.12	1	3.40	4	3.19	3
Divorced	2.00	2	1.20	1	3.20	3	3.70	4
F-ratio	1.66		0.95		2.87*		2.05	

ATM banking was the first choice of all the married, unmarried and divorced respondents. The highest score of preference was of the order of 1.20 among divorced respondents, followed by 1.19 and 1.12 among married and unmarried respondents respectively. The score of preference was not significantly related with the marital status as indicated by the F-ratio of 0.95.

Mobile banking was the last choice of married and unmarried respondents while second last choice of the divorced respondents. The highest score of preference was of the order of 3.50 among married respondents, followed by 3.40 and 3.20 among unmarried and divorced respondents respectively. The score of preference was significantly related with the marital status as indicated by the F-ratio of 2.87.

Internet banking was the second last choice of all the married and unmarried respondents, while the last preference of divorced respondents. The highest score of preference was of the order of 3.70 among divorced respondents, followed by 3.19 and 3.18 among unmarried and married respondents respectively. There was no significant relationship between score of preference and marital status as indicated by the F-ratio of 2.05.

Education: Table 6 clearly showed that branch banking was the second choice of all the respondents according to education level. The highest score of preference in branch banking was of the order of 2.27 among postgraduates, followed by 2.21 among matric or 10+2. The lowest level of preference was of the order of 2.14 among professionals, followed by 2.17 among graduates. The preference level was non-significant in all the educational levels as conveyed by the F-ratio of 0.22.

TABLE 6: RELATIONSHIP OF PREFERENCE OF RESPONDENTS FOR VARIOUS BANKING SERVICE TECHNOLOGIES WITH EDUCATION

Education	Branch Banking		ATM Banking		Mobile Banking		Internet Banking	
	Mean	Pref	Mean	Pref	Mean	Pref	Mean	Pref
Matric/10+2	2.21	2	1.15	1	3.47	4	3.17	3
Graduation	2.17	2	1.16	1	3.44	4	3.22	3
Postgraduation	2.27	2	1.13	1	3.57	4	3.03	3
Professional	2.14	2	1.14	1	3.32	3	3.41	4
F-ratio	0.22		0.07		0.71		0.99	

ATM banking was the first choice of all the respondents according to education level. The highest score of preference in ATM banking was of the order of 1.16 among graduates, followed by1.15 among matric or 10+2. The lowest level of preference was of the order of 1.13 among postgraduates, followed by 1.14 among professionals. The preference level was not significantly related with the education as conveyed by the F-ratio of 0.07.

Mobile banking was the last choice of all the respondents, exceept for professional, as mobile banking was the last choice of the professionals. The highest score of preference in mobile banking was of the order of3.57 among postgraduates, followed by3.47 among matric or 10+2. The lowest level of preference was of the order of 3.32 among professionals, followed by 3.44 among graduates. The preference level was not significantly related with the education as conveyed by the F-ratio of 0.71.

Internet banking was the second last choice of all the respondents accepts the last choice of professionals according to education level. The highest score of preference in branch banking was of the order of 3.41 among professionals, followed by3.22 among graduates. The lowest level of preference was of the order of 3.03 among postgraduates, followed by 3.17 among matric or 10+2 respondents. The preference level was not significantly related with the educational level of respondents as conveyed by the F-ratio of 0.99.

Occupation: A perusal of Table 7 showed that branch banking came to be the second choice of all the respondents in public sector in all the professions. The score of preference was highest of the order of 2.38 among academicians or students, followed by 2.25 and 2.08 among serviceman and self employed or businessman respectively. The lowest level of preference was of the order of 2.00 among homemakers, followed by 2.07 among others. The score of preferences was significantly related with the occupation as indicated by the F-ratio of 2.74.

TABLE 7: RELATIONSHIP OF PREFERENCE OF RESPONDENTS FOR VARIOUS BANKING SERVICE TECHNOLOGIES WITH OCCUPATION

Occupation	Branch Banking		ATM Banking		Mobile Banking		Internet Banking	
	Mean	Pref	Mean	Pref	Mean	Pref	Mean	Pref
Self-employed/business	2.08	2	1.20	1	3.46	4	3.26	3
Service	2.25	2	1.16	1	3.45	4	3.14	3
Academician/Students	2.38	2	1.10	1	3.33	4	3.17	3
Homemaker	2.00	2	1.14	1	3.57	4	3.30	3
Others	2.07	2	1.14	1	3.57	4	3.21	3
F-ratio	2.74*		0.48		1.07		0.43	

ATM banking came to be the first choice of all the respondents in public sector in all the professions. The score of preference was highest of the order of 1.20 among self employed/businessman, followed by 1.16 among serviceman. The score of preference was 1.14 among both the homemakers and others. The lowest level of preference was of the order of 1.10 among academicians or students. The score of preferences was not significantly related with the occupation as indicated by the F-ratio of 0.48.

Mobile banking came to be the last choice of all the respondents in public sector in all the professions. The score of preference was highest of the order of 3.57for homemakers and other professions each, followed by 3.46 and 3.45 among self employed/businessman and serviceman respectively. The lowest level of preference was of the order of 3.33 among academicians/students. The score of preferences was not significantly related with the occupation as indicated by the F-ratio of1.07.

Internet banking came to be the second last choice of all the respondents in public sector in all the professions. The score of preference was highest of the order of 3.30 for homemakers, followed by 3.26 and 3.21 among self employed/businessman and others respectively. The lowest level of preference was of the order of 3.14 among serviceman, followed by 3.17 among academicians /students. The score of preferences was not significantly related with the education as indicated by the F-ratio of 0.43.

Income: Table 8 showed that branch banking was the second choice of all the public sector respondents under all income groups. The score of preferences was highest of the order of 2.23 among Rs.25,000-Rs.50,000 income group respondents, followed by 2.22 among less than Rs. 25,000 income respondents. The lowest level of preference was 1.83 among more than or equal to Rs. 75,000 income group respondents, followed by 2.09 among Rs. 50,000-75,000 income group. The score of preference was not significantly related to income as indicated by the F-ratio of 1.62.

TABLE 8: RELATIONSHIP OF PREFERENCE OF RESPONDENTS FOR VARIOUS BANKING SERVICE TECHNOLOGIES WITH INCOME

Income	Branch Banking		ATM Banking		Mobile Banking		Internet Banking	
	Mean	Pref	Mean	Pref	Mean	Pref	Mean	Pref
<25000	2.22	2	1.23	1	3.42	4	3.13	3
25000-50000	2.23	2	1.12	1	3.39	4	3.26	3
50000-75000	2.09	2	1.13	1	3.65	4	3.13	3
>=75000	1.83	2	1.22	1	3.75	4	3.17	3
F-ratio	1.62		1.42		3.10*		0.59	

ATM banking was the first choice of all the public sector respondents under all income groups. The score of preferences was highest of the order of 1.23 among less than Rs. 25,000 income group respondents, followed by 1.22 among more than or equal to Rs. 75,000 income group respondents. The lowest level of preference was 1.12 among Rs. 25,000-Rs. 50,000 income group respondents, followed by 1.13 among Rs. 50,000-Rs. 75,000 income group. The score of preference was not significantly related to income as indicated by the F-ratio of 1.42.

Mobile banking was the last choice of all the public sector respondents under all income groups. The score of preferences was highest of the order of 3.75 among more than or equal to Rs. 75,000 income group respondents, followed by 3.65 among Rs. 50,000-Rs. 75,000 income group respondents. The lowest level of preference was 3.39 among Rs. 25,000-Rs.50,000 income group respondents, followed by 3.42 among less than Rs. 25,000 income group. The score of preference was significantly related with the income as indicated by the F-ratio of 3.10.

Internet banking was the second last choice of all the public sector respondents under all income groups. The score of preferences was highest of the order of 3.26 among Rs. 25,000-Rs. 50,000 income group respondents, followed by 3.17 among more than or equal Rs. 75,000 income group respondents. The lowest level of preference was 3.13 among both the Rs. 50,000-Rs. 75,000 and less than Rs. 25,000 income group respondents. The score of preference was not significantly related with the income as indicated by the F-ratio of 0.59.

PRIVATE SECTOR

Age: A perusal of Table 9 indicated that branch banking came to be the second choice of respondents in all the age groups in private sector. The highest score of preference was of the order of 2.37 among the age group of 40-50 years, followed by 2.33 among the age group of above 50. The lowest score of preference was of the order of 2.26 among the age group of 30-40, followed by 2.31 among age group of below 30 years. However, the preference score was not significantly related with the age as indicated by F-ratio of 0.24.

TABLE 9: RELATIONSHIP OF PREFERENCE OF RESPONDENTS FOR VARIOUS BANKING SERVICE TECHNOLOGIES WITH AGE

Age (years)	Branch Banking		ATM Banking		Mobile Banking		Internet Banking	
	Mean	Pref	Mean	Pref	Mean	Pref	Mean	Pref
Below 30	2.31	2	1.20	1	3.39	4	3.09	3
30-40	2.26	2	1.14	1	3.47	4	3.12	3
40-50	2.37	2	1.11	1	3.53	4	3.00	3
Above 50	2.33	2	1.11	1	3.11	3	3.44	4
F-ratio	0.24		0.86		1.95		1.11	

ATM banking came to be the first choice of respondents in all the age groups in private sector. The highest score of preference was of the order of 1.20 among the age group of below 30 years, followed by 1.14 among the age group of 30-40 years. The lowest score of preference was of the order of 1.11 among the age group of both 40-50 and above 50 years. The preference score was not significantly related with the age as indicated by F-ratio of 0.80.

Mobile banking came to be the least preferred choice of respondents in all the age groups in private sector accept in the age group of above 50, where mobile banking was the second last choice of the respondents.. The highest score of preference was of the order of 3.53 among the age group of 40-50 years, followed by 3.47 among the age group of 30-40 years. The lowest score of preference was of the order of 3.11 among the age group of above 50, followed by 3.39 among age group of below 30 years. However, the preference score was non-significant between all the age groups as indicated by F-ratio of 1.95.

Internet banking came to be the second last choice of respondents in all the age groups in private sector accept in the age group of above 50 years, where mobile banking was the least choice of the respondents.. The highest score of preference was of the order of 3.44 among the age group of above 50 years, followed by 3.12 among the age group of 30-40 years. The lowest score of preference was of the order of 3.00 among the age group of 40-50 years, followed by 3.09 among age group of below 30. The preference score was non-significant between all the age groups as indicated by F-ratio of 1.11

Gender: Table 10 showed that branch banking came to be the second choice of both male and female respondents in private sector. The higher score of preference was of the order of 2.34 among male respondents as compared to 2.19 among female respondents. However, there was no significant difference between the preferences of both male and female respondents as revealed by the non-significant t-value of 1.46. ATM banking came to be the first choice of both male and female respondents in private sector. The higher score of preference was of the order of 1.17 among male respondents as compared to 1.14 among female respondents. However, there was no significant difference between the preferences of both male and female respondents as revealed by the non-significant t-value of 0.59.

TABLE 10: RELATIONSHIP OF PREFERENCE OF RESPONDENTS FOR VARIOUS BANKING SERVICE TECHNOLOGIES WITH GENDER

Gender	Branch Banking		ATM Banking		Mobile Banking		Internet Banking	
	Mean	Pref	Mean	Pref	Mean	Pref	Mean	Pref
Male	2.34	2	1.17	1	3.44	4	3.04	3
Female	2.19	2	1.14	1	3.35	4	3.32	3
t-value	1.46		0.59		1.04		2.42*	

Mobile banking came to be the last choice of both male and female respondents in private sector. The higher score of preference was of the order of 3.44 among male respondents as compared to 3.35 among female respondents. However, there was no significant difference between the preferences of both male and female respondents as revealed by the non-significant t-value of 1.04. Internet banking came to be the second last choice of both male and female respondents in private sector. The score of preference was 3.32 among female as compared to 3.04 among male respondents. There was a significant difference between the preference level of both male and female respondents as indicated by the t-value of 2.42.

Marital Status: It is evident from Table 11 that branch banking was the second choice of all the married, unmarried and divorced respondents. The highest score of preference was of the order of 2.33 among unmarried respondents, followed by 2.30 and 1.67 among married and divorced respondents respectively. However the score of preference was non-significant as indicated by the F-ratio of 1.68.

TABLE 11: RELATIONSHIP OF PREFERENCE OF RESPONDENTS FOR VARIOUS BANKING SERVICE TECHNOLOGIES WITH MARITAL STATUS

Marital Status	Branch Banking		ATM Banking		Mobile Banking		Internet Banking	
	Mean	Pref	Mean	Pref	Mean	Pref	Mean	Pref
Married	2.30	2	1.14	1	3.43	4	3.12	3
Unmarried	2.33	2	1.17	1	3.43	4	3.07	3
Divorced	1.67	1.5	1.67	1.5	3.00	3	3.67	4
F-ratio	1.68		5.91**		0.83		1.03	

ATM banking was the first choice of all the married, unmarried and divorced respondents. The highest score of preference was of the order of 1.67 among divorced respondents, followed by 1.17 and 1.14 among unmarried and married respondents respectively. However the score of preference was significant as indicated by the F-ratio of 5.91.

Mobile banking was the last choice of married and unmarried respondents while second last choice of the divorced respondents. The highest score of preference was of the order of 3.43 among both married and unmarried respondents, followed by 3.00 among divorced respondents . The score of preference was non-significant as indicated by the F-ratio of 0.83.

Internet banking was the second last choice of all the married and unmarried respondents while the last preference of divorced respondents. The highest score of preference was of the order of 3.67 among divorced respondents, followed by 3.12 and 3.07 among married and unmarried respondents respectively. However the score of preference was non-significant as indicated by the F-ratio of 1.03.

Education: The information given in Table 12 indicated that branch banking was the second choice of all the respondents according to education level. The highest score of preference in branch banking was of the order of 2.65 among postgraduates, followed by2.26 among graduates.

TABLE 12: RELATIONSHIP OF PREFERENCE OF RESPONDENTS FOR VARIOUS BANKING SERVICE TECHNOLOGIES WITH EDUCATION

Education	Branch Banking		ATM Banking		Mobile Banking		Internet Banking	
	Mean	Pref	Mean	Pref	Mean	Pref	Mean	Pref
Matric/10+2	2.11	2	1.11	1	3.50	4	3.28	3
Graduation	2.26	2	1.12	1	3.39	4	3.21	3
Postgraduation	2.65	2	1.15	1	3.42	4	2.77	3
Professional	2.18	2	1.36	1	3.45	4	3.00	3
F-ratio	5.26**		4.32**		0.31		4.28**	

The lowest level of preference was of the order of 2.11 among matric or 10+2, followed by 2.18 among professionals. However the preference score was significantly related with the education as conveyed by the F-ratio of 5.26.

ATM banking was the first choice of all the respondents according to education level. The highest score of preference in ATM banking was of the order of 1.36 among professionals, followed by1.15 among postgraduates. The lowest level of preference was of the order of 1.11 among matric or 10+2, followed by 1.12 among graduates. The preference score was significantly related with education as conveyed by the F-ratio of 4.32.

Mobile banking was the last choice of all the respondents according to their education level. The highest score of preference in mobile banking was of the order of 3.50 among matric or 10+2 respondents, followed by3.45 among professionals. The lowest level of preference was of the order of 3.39 among graduates, followed by 3.42 among postgraduates. However the preference level was not significantly related with education as conveyed by the F-ratio of 0.31.

Internet banking was the second last choice of all the respondents according to their education level. The highest score of preference in branch banking was of the order of 3.28 among matric/10+2 respondents, followed by3.21 among graduates. The lowest level of preference was of the order of 2.77 among postgraduates, followed by 3.00 among professionals. The score of preference was significantly related with the education as conveyed by the F-ratio of 4.28.

Occupation: Table 13 showed that branch banking came to be the second choice of all the respondents in private sector in all the professions. The score of preference was highest of the order of 2.53 among academicians/students, followed by 2.40 and 2.33 among other professions and serviceman respectively. The lowest level of preference was of the order of 1.90 among homemakers, followed by 2.24 among self employed/businessman. The score of preferences was significantly related with the occupation as indicated by the F-ratio of 2.47.

ATM banking came to be the first choice of all the respondents in private sector in all the professions. The score of preference was highest of the order of 1.20 among other professions, followed by 1.18 and 1.17 among academicians/students and serviceman respectively. The lowest level of preference was 1.10 among homemakers, followed by 1.14 among self employed/businessman. The score of preferences was not significantly related with the occupation as indicated by the F-ratio of 0.22.

TABLE 13: RELATIONSHIP OF PREFERENCE OF RESPONDENTS FOR VARIOUS BANKING SERVICE TECHNOLOGIES WITH OCCUPATION

Occupation	Branch Banking		ATM Banking		Mobile Banking		Internet Banking	
	Mean	Pref	Mean	Pref	Mean	Pref	Mean	Pref
Self-employed/business	2.24	2	1.14	1	3.47		3.12	3
Service	2.33	2	1.17	1	3.42	4	3.07	3
Academician/Students	2.53	2	1.18	1	3.41	4	2.88	3
Homemaker	1.90	2	1.10	1	3.50	3.5	3.50	3.5
Others	2.40	2	1.20	1	2.80	4	3.60	3
F-ratio	2.47*		0.22		2.49*		2.50**	

Mobile banking came to be the last choice of all the respondents in private sector in all the professions. The score of preference was highest of the order of 3.50 for homemakers, followed by 3.47 and 3.42 among self employed/businessman and serviceman respectively. The lowest level of preference was of the order of 2.80 among other professions, followed by 3.41 among academicians/students. The score of preferences was significantly related with the occupation as indicated by the F-ratio of 2.49.

Internet banking came to be the second last choice of all the respondents in private sector in all the professions. The score of preference was highest of the order of 3.60 for other professions, followed by 3.50 and 3.12 among homemakers and self employed/businessman respectively. The lowest level of preference was of the order of 2.88 among academicians/students, followed by 3.07 among serviceman. The score of preferences was significantly related with the occupation as indicated by the F-ratio of 2.50.

Income: A perusal of Table 14 showed that branch banking was the second choice of all the private sector respondents under all income groups. The score of preferences was highest of the order of 2.51 among less than 25,000 income group respondents, followed by 2.46 among more than or equal to 75,000 income respondents. The lowest level of preference was 2.11 among 50,000-75,000 income group respondents, followed by 2.17 among 25,000-50,000 income group. The score of preference was significantly related with the income as indicated by the F-ratio of 5.29.

ATM banking was the first choice of all the private sector respondents under all income groups. The score of preferences was highest of the order of 1.23 among less than 25,000 income group respondents, followed by 1.19 among 50,000-75,000 income group respondents. The lowest level of preference was 1.10 among 25,000-50,000 income group respondents, followed by 1.15 among more than or equal to 75,000 income group. The score of preference was not significantly related with the income as indicated by the F-ratio of 1.53.

TABLE 14: RELATIONSHIP OF PREFERENCE OF RESPONDENTS FOR VARIOUS BANKING SERVICE TECHNOLOGIES WITH INCOME

Income	Branch Banking		ATM Banking		Mobile Banking		Internet Banking	
	Mean	Pref	Mean	Pref	Mean	Pref	Mean	Pref
<25000	2.51	2	1.23	1	3.15	4	3.10	3
25000-50000	2.17	2	1.10	1	3.53	4	3.19	3
50000-75000	2.11	2	1.19	1	3.56	4	3.15	3
>=75000	2.46	2	1.15	1	3.42	4	2.92	3
F-ratio	5.29**		1.53		6.55**		1.16	

Mobile banking was the last choice of all the private sector respondents under all income groups. The score of preferences was highest of the order of 3.56 among 50,000-75,000 income group respondents, followed by 3.53 among 25,000-50,000 income group respondents. The lowest level of preference was 3.15 among less than 25,000 income group respondents, followed by 3.42 among more than or equal to 75,000 income group. The score of preference was significantly related with the income as indicated by the F-ratio of 6.55.

Internet banking was the second last choice of all the public sector respondents under all income groups. The score of preferences was highest of the order of 3.19 among Rs. 25,000-Rs 50,000 income group respondents, followed by 3.15 among Rs. 50,000-Rs. 75,000 income group respondents. The lowest level of preference was 2.92 among more than or equal to Rs. 75,000, followed by 3.10 among less than Rs. 25,000 income group respondents. The score of preference was not significantly related with the income as indicated by the F-ratio of 1.16

SUMMARY AND CONCLUSIONS

Among public sector and private sector respondents branch banking was used by all the 100 percent respondents, followed by ATM banking, internet banking and mobile banking. Internet banking was used by a significantly higher proportion of respondents in private sector as compared to that in private sector banks.

In public sector and private sector banks the first preference of respondents was ATM banking followed by branch banking. The least preference of respondents was mobile banking followed by internet banking. The analysis showed that ATM banking was the first choice of both public and private sector respondents, while internet banking was indicated as the least choice.

The preference of customers for different delivery channels exhibited varied behavior with different demographic variables. The preference for branch banking was significantly related with occupation as academicians and students preferred branch banking the most in public sector and with education, occupation and income in private sector banks. The customers with high level of education, academicians and students and having high income preferred branch banking the most.

The preference for ATM banking was related to none of the demographic variables in public sector banks while it was observed that the preference for ATM banking was significantly related with marital status and educational level of customers of private sector banks. Divorced and customers with high level of education preferred ATM banking the most.

The preference for mobile banking was significantly related with marital status and income level of customers of public sector banks. Married persons and higher income group customers preferred the mobile banking the most. In private sector banks, the preference for mobile banking was significantly related with occupation and income of the customers. Academicians and students and customers having higher level of income preferred mobile banking the most in private sector banks.

It can be concluded that ATM banking is most preferred and most commonly used banking technology in both public as well as private sector. However, Internet banking is more popular in private sector banks as compared to the public sector banks. Priorities, preferences and utility pattern of various banking technologies are significantly correlated with each other.

The bank management needs to develop plans, techniques and its practicability keeping in view demographic features of the customers. The management should conduct surveys in different regions to know the behavior of demographic features towards behavioural intention and adoption of different delivery channels. The customers belonging to different age groups, genders, marital status, educational status, occupational status and income level may bear direct or indirect bearing on their perceptions towards adoption, use pattern and preference for different delivery channels.

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HR ANALYTICS: ITS USE, TECHNIQUES AND IMPACT

SHILPI NARULA
ASST. PROFESSOR
DEPARTMENT OF COMMERCE
FACULTY OF COMMERCE & BUSINESS
DELHI SCHOOL OF ECONOMICS
UNIVERSITY OF DELHI
DELHI

ABSTRACT

This paper gives insights on using analytics in the HR area. Various forms and uses of analytics have been highlighted in the paper. Prescriptive, descriptive and optimizing analytics have been discussed in this paper. This paper also intends to report the empirical findings of the surveys conducted on use of analytics and its applicability in the HR field. Techniques that can be used in analytics are listed in this paper. Link of HR analytics with the individual performance and organization performance has also been established.

KEYWORDS

HR Analytics, HR modelling and techniques, Human Capital Workforce Analytics.

CONCEPT AND BACKGROUND

The term analytics has become popular in the past few years but the first decision support applications back to the late 1960s and early 1970s. These applications were most often called decision support systems (DSS). Over the time period other decision support applications such as executive information systems (EIS) and online analytical processing (OLAP) emerged to become part of the decision support applications portfolio. In the late 1980s and early 1990s, data warehousing (DW) and Business Intelligence (BI) were also included in the decision support applications portfolio. Today, the word analytics is often used as an umbrella term (Watson 2010). Today, the different types of analytics are frequently used in different settings to discover the drivers of tangible business outcomes. For example, banks use predictive analytics to assess credit risk associated with the client. Market researchers often use consumer demographics data to predict consumer buying behaviors. These approaches help in making educated, informed decisions based on facts and figures. Heads of finance department do the same thing when they produce financial forecast reports or perform cost and benefit analysis of the projects (Mondore et al. 2011). Therefore, the employees' related data can also be scientifically and rationally related to tangible business outcomes based on facts and data. HR analytics include statistics research design, identifying meaningful questions, using appropriate data, applying scientific standards to evaluate the results and translating the results into meaningful business reports (Levenson 2005).

HR METRICS AND HR ANALYTICS

To perform appropriate analytics establishing the linkage between HR practices and business outcome some basic things are required. First the appropriate HR metrics are required. But only metrics are not sufficient; appropriate analytic models and measures of company performance are also required to link the effectiveness of HR programs with company performance (Edward et al. 2004). There is difference between HR metrics and HR analytics. Metrics are data driven (numbers) document that reflect some detail about given processes or outcomes, such as, success in recruiting new employees, effectiveness of training program. Analytics refer to approaches for combining data indicators (such as % of hiring externally, source of recruitment) into metrics and for examining relationships or changes in the metrics. Understanding these combinations is done in HR analytics to inform managers about the changing state of human capital in an organization to facilitate managerial decision making based on facts and figures (Carlson & Kavanagh n.d.). To become a true strategic partner HR needs to develop better metrics and analytics (Lawler & Mohrman 2003).

HR analytics use the information maintained on human resource information system. It consists of number of component systems that are interdependent. The various components may be broadly classified into the following four main sub-systems: data warehousing, data analytics, performance management system, and information delivery (Kapoor & Sherif 2012). Data warehousing system deals with design, implementation, and operations of a data warehouse including data extraction, data cleansing, data transformation, and loading of data from different sources. The system also includes meta-data management, security management, backup and restore, and disaster recovery.

TYPES OF HR ANALYTICS

Different forms of analytics can be categorized into descriptive, predictive, and optimization analytics (Watson 2010). Optimization analytics involves mathematical programming (e.g. linear, integer), simulation etc. Predictive analytics involves decision trees, genetic algorithms, neural networks etc. Descriptive analytics involves the use of Data visualization, Dashboards/scorecards, OLAP reports, Published reports and SQL queries.

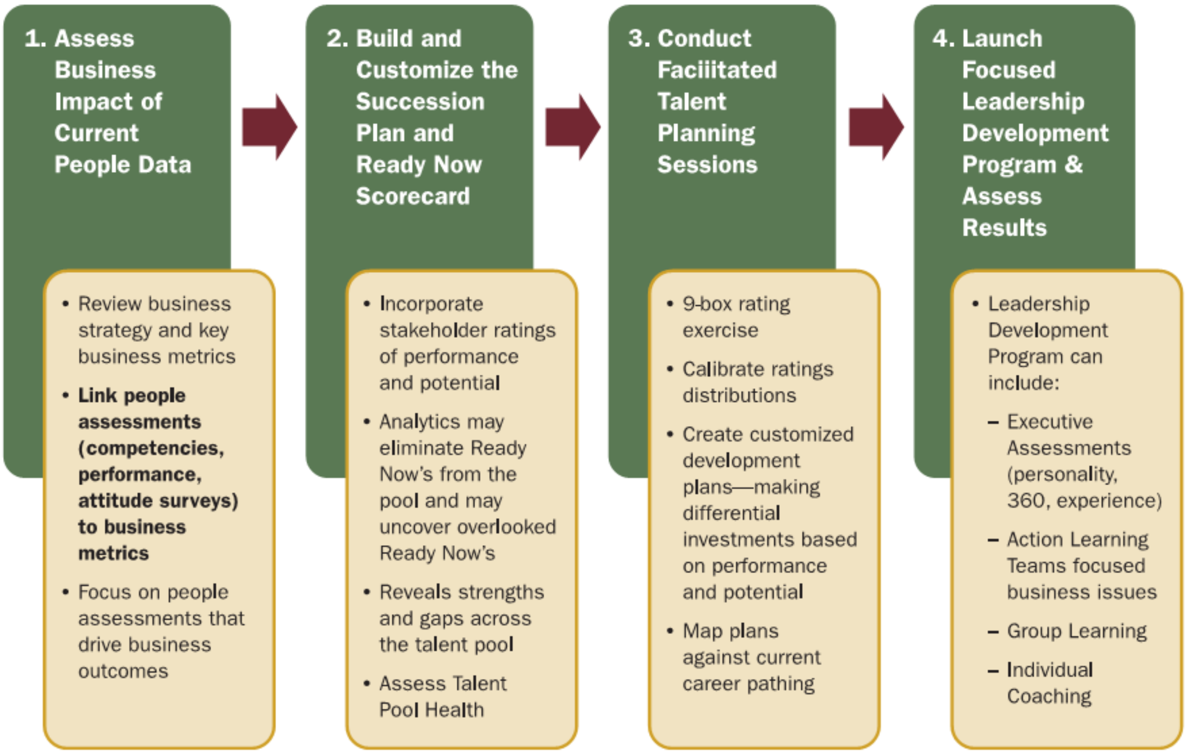
Descriptive analysis is the first level of analysis. It involves understanding of past behavior and outcomes (Fitz-enz 2009). It looks for and describes relationships among data without ascribing meaning to the patterns. It is exploratory rather than predictive. From it, one can see trends from the past. Yet, it is very risky to extrapolate the past into the future in the volatile, rapidly changing markets of today and tomorrow.

HR Analytics tools can be used for predictive analysis to facilitate the HR decision making. Whereas descriptive analytics reveals current data patterns, predictive analytics gives meaning to those patterns for the future. With practice, one can look at historical data and foretell, to some degree, the likelihood of a future occurrence (Fitz-enz 2009). Companies receive large number of job applications that must be screened to select the right candidate for the job. Predictive analytics can be used to identify the attributes that are required for high job performance and thus screen applicants for various job positions (Watson 2010). By using predictive analytics every job application is considered but only the best applicants suitable for the job are interviewed. Analytics is also used for workforce planning and optimization. For example, simulation models can assess the supply and demand for workers with specific skills (e.g. Java developers) over tome to have a right number at the right time. As the conditions change (such as change in workload) the models can be rerun to update hiring and retention plans.

Bersin (2013) have found that only 4% of companies have attained the ability to perform "predictive analytics" about their workforce and 14% of the 480 large organizations surveyed, have done significant "statistical analysis" of employee data.

Mondore et al. (2011) have suggested two strategies in HR analytics to maximize the effectiveness and influence of HR analytics in the organization. First, HR Process Analytics helps connect an individual process, such as on-boarding, selection, performance management, employee opinion surveys, competencies, leadership development, 360 assessments, work-life balance initiatives etc. to important business outcomes. Each of this process can be analyzed separately to show the impact and drive action. Second, Integrated HR Analytics combines the key business drivers from the process analytics approach into an integrated business-focused strategic plan. Succession planning as illustrated in the Fig. I is an important area that consists of several processes, but can be focused upon by an integrated analytics approach. Individual level process data such as competencies, performance, attitudes surveys are assessed and those aspects are identified and focused that drive business results. Then, succession plan is created and talent development plans are chartered out at stage three. To execute the succession plan proper leadership development programs are initiated.

FIG. I: ANALYTICS BASED SUCCESSION PLANNING

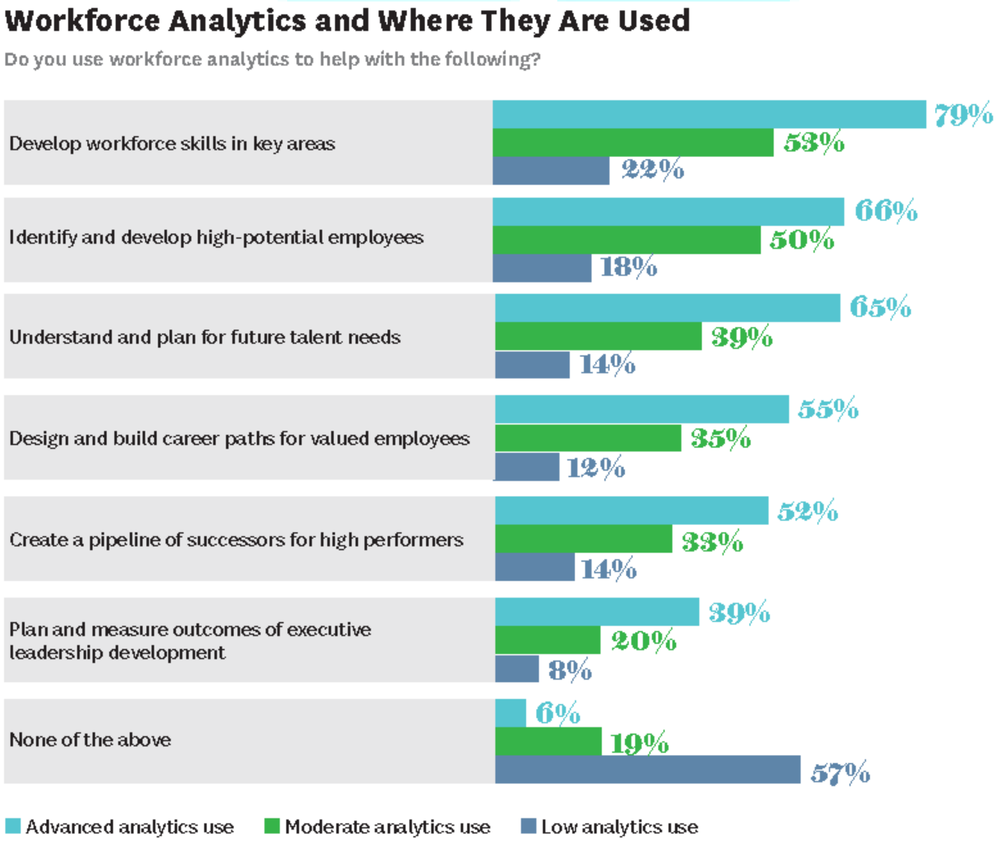


(Source: Mondore et al. 2011)

USE OF HR ANALYTICS

Based on 480 large organizations surveyed by Bersin (2013) more than 60% of companies are investing in Big Data and analytics help make HR departments more data driven. Low users of HR analytics suffer from a lack of investment in any analytics technology. It can be their cultural position, with 51 percent of low users saying analytics is not a priority in their business (HBR sum total report 2013). This can be also due to shortage of analytics skills in low users' organizations. This report also showed that ineffective companies show results similar to those of low analytics users. Ineffective companies do not make analytics a priority (48 percent), lack analytics technology (47 percent) and skills (41 percent), and have little or no integration of HR systems with other enterprise systems (50 percent) according to HBR sumtotal report (2013) based on world wide 498 responses. Fig. II depicts use of HR analytics in human resource development areas by companies with advance analytics use, moderate analytics use and low analytics use.

FIG. II: USE OF WORKFORCE ANALYTICS



(Source: HBR sumtotal report 2013)

SERVICE PROVIDERS IN THE AREA OF HR ANALYTICS

SAP, IBM, SAS, Oracle, and Microsoft are the mega vendors in the area of Business Intelligence. They have made BI software their focal product to develop or acquire. Each also offers HR modules with BI and data analytics capabilities embedded in them (Kapoor & Sherif 2012). The vendors claim that the following features and functions are included in their software:

- HR planning by identifying those in the high-risk group by job category pinpoints the employees most likely to voluntarily leave, predicted turnover percentage, causes of voluntary termination, understand and manage employee turnover.
- HR cost planning and simulation, to get a comprehensive view into employees' absence events; using absence trends to predict employee engagement levels.
- HR benchmarking by assessing HR's overall performance and employee performance using industry standards such as revenue generated per employee, contribution per employee, and return on human capital.
- HR process analytics and measurement by monitoring workforce demographics in line with recruitment and retention objectives, analyzing efficiency of the entire recruitment process lifecycle, understanding learning needs by analyzing course registration by job delivery methods.
- Talent management analytics and measurement to engage and develop internal talent, by tracking the movement of high and low performers in the company.
- Aligning organizations goals with the strategy, understands the linkage between compensation and performance, ensure equitable and consistent compensation, and align variable compensation with the company's goals and strategies..

SOME SELECT CASES ON HR ANALYTICS

Two cases (Motorola and Hewlett-Packard) make the point of the business value of analytics (Fitz-enz 2009). In the 1990s, Motorola could not reconcile diverging curves of bookings and hiring. As bookings grew, hiring was stagnant. As hiring ramped up, bookings dropped. This went through three cycles and cost the company over $1 billion in hiring and layoffs, not to mention lost business. The company never recovered its 1980s market leadership.

In case of Hewlett-Packard (HP), the workforce planning function constantly monitors the relationship of revenue and profits to labor costs. This allows the business leaders to identify rapidly any misalignment of workforce costs and revenue. They also use the data as levers to improve productivity. As the economy fell off the cliff in late 2008, HP was able to rapidly assess and realign the workforce. Each small business unit (SBU) reacted quickly to control costs while retaining the "muscle" of the company. An ironic side note is that when the planning and analytics function was formed, management found no one inside the HR function who had the skills for this type of work. The analytics unit was staffed from outside.

The analytics leads to predictive action, in which companies can anticipate employees' preferences and future behaviors and tailor HR practices to help them hold on to their valuable talent (Harris et al. 2011). This was the approach taken by Convergys, a company that manages billing, payroll, benefits and pensions for businesses in 40 countries. After the company's initial public offering in 1999, the Convergys workforce doubled to 35,000, but turnover was a major headache – the company had to recruit 50,000 new people in 1999 to maintain that level of staffing. To reduce attrition, Convergys turned to a consumer marketing technique, conjoint analysis. When used with products, such analysis helps companies deter mine how people value different combinations of features. When used with employees, it helps companies figure out the mix of benefits most likely to encourage people to stay with the organization. Using this tool, Convergys learned, for example, that employees were more likely to stay with the company if they got half their annual pay raises every six months instead of the entire amount only once per year. Instituting that change was a low-cost way to keep people longer. In addition, the company found it needed to offer a customized mix of benefits to different locations. It established Employee Engagement Teams at each of its 57 customer contact centers to work out the right mix for each location, with items such as flexible scheduling, tuition aid and employee recognition on the table for negotiation. While this analytical effort required real investments of time, it paid off. The company estimates that attrition over a four-year period was reduced by nearly 58,000 employees, with savings in recruiting and training estimated at $57 million (Mullich 2005).

Google uses operational experiments to assess the effectiveness of the ad text used on its web site (Ayres 2007). They have created an experiment for this purpose than simply relying on hunch or perceptions. It configures its site to alter the presentation of competing ad text for the visitors and then tracks the number of clicks on the ad for a time period. Based on the number of hits, Google can get quantitative and specific data on the impact of the various advertisements in a relatively short time period and then adopt the ad text proved to be most effective.

ANALYTIC TECHNIQUES

The first challenge in applying analytics is in choosing from the wide array of statistical and analytic techniques that are available. Table I lists categories of analytic competencies divided by type and level of complexity. The top panel of Table I focuses on analytical competencies related to statistical techniques, and the bottom panel contains other analytic competencies. The second column provides examples of techniques and concepts, while the third column provides a rough approximation of the coursework and on-the-job experience needed to become proficient for each competency, as well as the general education level associated with people who are proficient.

TABLE 1: HR ANALYTICAL COMPETENCIES

ANALYTICAL COMPETENCIES RELATED TO STATISTICAL TECHNIQUES		
Category	Examples	Level of statistical expertise required (and approximate educational equivalent)
Basic data analysis	•Mean •Median •Minimum & maximum; range •Percentiles	•Beginning course in basic statistics •Minimal on-the-job experience applying the techniques •High school / undergraduate level education
Intermediate data analysis	•Correlation •Statistically significant differences •Standard deviation	•One to two courses in basic statistics •3-6 months on-the-job experience •High school / undergraduate education
Basic multivariate models	•ANOVA / ANCOVA •Regression •Factor analysis	•Course in advanced statistics •1-2 years on-the-job experience •Undergraduate / MBA education
Advanced multivariate models	•Structural equations models •Hierarchical linear models •Bivariate / multivariate choice models •Cross-level models, including adjustments for grouped and non-normal errors	• Degree or concentration in statistical methods •Substantial experience applying the techniques on-the-job (multiple years) •Graduate degree (Masters or Ph.D.)
OTHER ANALYTIC COMPETENCIES		
Data preparation	•Identify data for analysis •Prepare / clean the data for analysis (transform, identify outliers, etc.)	•One to two courses in basic statistics •3-6 months on-the-job experience •High school / undergraduate education
Root cause analysis	•Identify causal paths •Six Sigma analysis	•One to two courses in basic statistics •6-12 months on-the-job experience •High school / undergraduate education
Research design	•Treatment vs. control groups •Experimental design (exogenous variation created by researcher) vs. "natural" experiments (exogenous variation that already exists in the data)	•Course in advanced statistics •1-2 years on-the-job experience applying the techniques •Undergraduate / MBA education
Survey design	•Sample selection •Survey item design; validity; reliability	•Course in advanced statistics •1-2 years on-the-job experience •Undergraduate / MBA education
Qualitative data collection and analysis	•Interview techniques •Interview coding •Content analysis	•Course in research design •1-2 years on-the-job experience •Undergraduate / MBA education

(**Source:** Levenson 2011)

BOTTOM LINE IMPACT OF HR ANALYTICS

HR analytics is an evidence-based approach for improving individual and organizational performance by making better decisions on the people side of the business. Although it is not its purpose to prove the worth of HR, analytics can certainly enhance the credibility of the HR function by improving the effectiveness of HR policies and practices and contributing to the competitive advantage of organizations that develop it as a core competency. An added side-benefit is that HR analytics can help expose where effort, resource and budgets are not producing their intended impacts, and in so doing reduce the workload while improving the effectiveness of HR (Bass 2011).

Organizations can use three different kinds of metrics to assess the impact of HR activities and to evaluate business strategy and performance. These are efficiency, effectiveness and impact. Efficiency of the HR function means how HR function performed its basic routine and administrative tasks. The second kind of HR metrics focus on effectiveness: whether HR programs have the proposed effect on the people toward which they are directed. For example in the case of training and development effectiveness metrics should offer information whether employees build needed skills and not just on how many employee participated and completed training successfully (Edward et al. 2004).

Human capital initiatives impact how work is organized and executed; have ripple effects that can invade a wide variety of product or process outcomes, including teamwork, innovation, cycle time, customer satisfaction, organization learning, and knowledge management (Levenson 2005). Based on the survey of 480 large organizations Bersin (2013) found that the companies, who use analytics in their HR related decisions, generate high returns in the stock market, deliver high impact recruiting solution and have strong leadership pipeline. Their HR teams are more likely to be valued by their business counterparts for their data and fact based decision making.

Effective HR Analytics can help organizations in their efforts to:

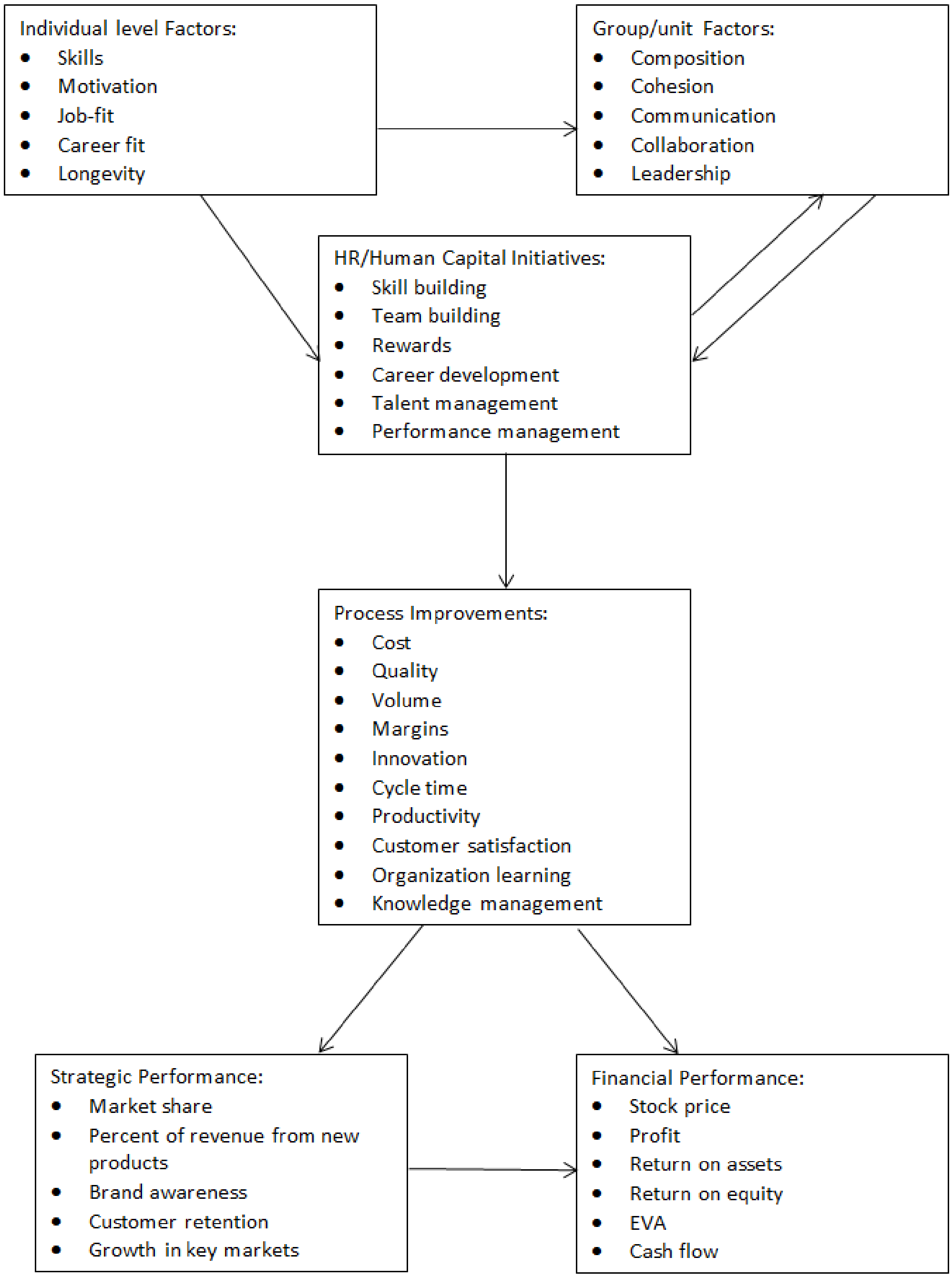
- Embed analytics as a foundation of management decision-making
- Improve workforce planning and forecasting
- Shorten recruiting cycles
- Reduce separation and recruiting costs
- Retain critical talent

Return on investments, cost benefit analysis, and impact analysis are the widely used measures used in HR analytics to evaluate Human capital initiatives (Levenson 2005). ROI converts all costs and benefits into single number. It oversimplifies complex process and its calculation may require excessive time and resources. Thus, relying on ROI without any context or consideration of the underlying assumptions can lead to incorrect decisions.

Cost benefit analysis preserves the rich details of the individual costs and benefit. This enables decision makers to see each cost and each benefit detailed, with a monetary value assigned to each. Impact Analysis involves identifying the causal links between individual and group factors on one hand and process improvements on the other hand.

The real challenge to assess the impact of HR practices on organization performance lies in establishing a causal link from the individual level and group factors to the process improvements. This can be done by behavioural modelling as depicted in Fig. III.

FIG. III: BEHAVIOUR AND PREDICTIVE MODELLING FRAMEWORK



Source: Levinson 2005

HR ANALYTICS: CHALLENGES AHEAD

Most of the HR teams find it hard to find the people who can combine "data" and "business" and people who can translate a "finding" into a solution that drives business results. High performing analytics/team of analytics must have multidisciplinary skills. These include business acumen, data visualization and management, statistical analysis and presentation skills. They should be capable of translating finding into a solution or program delivery. Finding the person with the right mix of skill set is a daunting task for the organizations. Lack of adequate analytical competency possessed by the HR professionals is the major challenge. Edward et al. (2004) found that eighty percent of the organizations responding to the survey based on responses of 37 medium and large corporations in US on the Fortune 500 list had an enterprise-wide HR information system that could be linked to business data, and far fewer reported metrics and analytics link HR investments with business results. The reason can be HR team do not have competencies in analysis, research design, and data interpretation. Even when these exist, they are applied only to specific areas such as surveys or instrument validation. Organization areas that depend on data analysis and reports (such as Research & Development, market analysis, operations management, finance) often have competent analysts in their teams who can connect business decisions to business success. HR organizations can have partnerships with these organization areas in order to achieve analytic competencies. However, in the long run, some analytic skills need to developed and retained within the HR team, and should become an important HR competency. In future, analytics will be viewed as a source of competitive advantage for the companies who have rights competencies and commitment to use analytics in their decision making.

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CONSTRAINTS AND OPPORTUNITIES FACING WOMEN ENTREPRENEURS IN DEVELOPING COUNTRIES

KINJAL PATEL
ASST. PROFESSOR
DEPARTMENT OF MANAGEMENT
VADODARA INSTITUTE OF ENGINEERING
VADODARA

ABSTRACT

Entrepreneurship among women has been a recent concern. Women has become aware of their existence, there rights and there working situation. However women of the middle class are not too eager to alter their role in fear of social backlash. The progress is more visible among the upper class families in urban cities. The paper focus on women entrepreneurship. The paper slides from the era of fifties to the 21st century how the situations has being changed. Also it consist of the various challenges being faced but them and how to overcome them. Along with that how gender gap affects the process of women entrepreneurs.

KEYWORDS

women entrepreneurs, developing country, women power.

INTRODUCTION

Women entrepreneurs have been designated as the new engines for growth and the rising stars of the economies in developing countries to bring prosperity and welfare. A variety of stakeholders has pointed at them as an important 'untapped source' of economic growth and development .The World Economic Forum identified women entrepreneurs as "the way forward" at their annual meeting in 2012. Others speak of women entrepreneurs as if they are the 'New Women's Movement'. They state: "forget aid, focus on foreign investment in women entrepreneurs as key drivers for growth and development". The growth of the proportion of women entrepreneurs in developing countries has drawn the attention of both the academic and the development sector. Donors, international public institutions, national and local governments, NGOs, private companies, charities, knowledge institutes and business associations have initiated programs or policies to promote and develop women's entrepreneurship. They initiate programs for capacity-building of entrepreneurial skills, strengthening women's networks, provide finance and trainings, or design policies that enable more and stronger start-ups and business growth. They all claim that women entrepreneurship is essential for growth and development. Some even argue that women entrepreneurs' contribution tends to be higher than that resulting from entrepreneurial activity of men. In recent years, the general attention to women and entrepreneurship in developing countries has increased to a great extent and the focus on this 'untapped source' of growth seems to be indispensable nowadays for development practitioners and policy makers. However, despite this growing number of initiatives and resources made available to promote and develop women's entrepreneurship in developing countries, women still own and manage fewer businesses than men, they earn less money with their businesses that grow slower, are more likely to fail and women tend to be more necessity entrepreneurs.

WOMEN ENTREPRENEURS FROM 15TH TO 21ST CENTURY

KEY CHANGES IN WOMEN ENTREPRENEURS IN LAST FIVE DECADES

- WOMEN ENTREPRENEURS OF THE FIFTIES: Compulsive factors led to the creation of women entrepreneurs.
- WOMEN ENTREPRENEURS OF THE SIXTIES: Women began to aspire but also accepted the social cultural traditions.
- WOMEN ENTREPRENEURS OF THE SEVENTIES: The women in this decade opened up new frontier. They had not only aspiration but ambition
- WOMEN ENTREPRENEURS OF THE EIGHTIES: Women were educated in highly sophisticated, technological and professional education. They became equally contributing partners.
- WOMEN ENTREPRENEURS OF THE NINETIES: This was the first time when the concept of best rather than male heir was talked about.
- WOMEN ENTREPRENEURS OF THE 21st Century: "Jill of all trades"

ISSUES/PROBLEMS FACED BY WOMEN ENTREPRENEURS

- **Problem of Finances arrangement:** - Finance is said to be the "life blood" of every business undertaking, be it large or medium or small scale enterprise. Usually women entrepreneurs face the problems of shortage of finance on two important grounds. Firstly, women do not generally have property on their own names to use that as collateral securities for obtaining loans/funds from banks and other financial institutions. Thus their access to external sources is very limited .Secondly, the banks also consider women less credit worthy and discourage women borrowers on the belief that they cannot repay back the amount of loans taken by them.
- **Scarcity of raw materials required for productive capacities:** - They have to even face the problems of scarcity of raw-materials and necessary inputs. On the top of this, is the high prices of raw materials, on one hand and getting raw materials at minimum discount rates are the other.
- **Limited mobility factor in case of women entrepreneurs: -** Unlike men, women mobility in India is highly limited due to many factors/reasons. A single women asking for room is still looked with suspicion. Cumbersome exercise involved in starting with an enterprise coupled with officials humiliating attitude towards women compels them to give up their spirit of surviving in enterprise altogether.
- **Family responsibilities, ties as well as commitments: -** In India, mainly a woman's duty is to look after her children and manage the other members of the family. Man plays a secondary role only. In case of married women she has to strike a fine balance between her business and family. Her total involvement in family leaves little or almost no time or energy to be diverted for the business activities. Support and approval of husbands seems to be necessary condition for women entry into business. Accordingly, the educational level and family background of husbands also influences women participation in the field of enterprise.
- **Lack of education and prevalent levels of illiteracy amongst women:** - In India, around 3/5th (60%) of women are still illiterate. Illiteracy is the root cause of socio-economic barriers or hurdles. Due to lack of education and that to qualitative education, women are not aware of business, technology and market knowledge. Also lack of education causes low achievement motivation amongst women. Thus lack of education creates problems before women to set up competitive enterprises.
- **Domination by male and ideology of male dominated society: -** Male chauvinism is still prevalent in many parts of the country yet. The constitution of India speaks about the equality between both the sexes, i.e. men and women. But in practice, women are looked upon as "abla" i.e. weak in all respects. Thus women suffer from a number of problems, in a nutshell in a male dominated society, women are not treated equal to men. This in turn, serves as a barrier to woman's entry into business.
- **Lesser risk and uncertainty bearing attitude:** - Women in India lead a protected life. They are even less educated and economically not stable neither self-depended. All these factors reduce their ability to bear risks and uncertainties involved in a business unit, which is the most important criteria of every business activity.

EXPLAINING THE GENDER GAP: PROXIMATE AND ULTIMATE DETERMINANTS

Recent global surveys indicate that the gender gap in entrepreneurship persists at different levels and varying widely across countries. Yet a quick scan of current research suggests that there are some commonalities as to the proximate and ultimate determinants of these differences.

- **Inadequate training and access to information: -** One challenge often mentioned in research on women entrepreneurs in developing countries is that they enjoy a relatively low level of education and skill training. This, combined with a lack of career guidance, generally seems to limit their access to various publically and privately offered support services including business development services and information on business growth. Others found that a lack of experience and skills also accounted for the fact that women entrepreneurs had a preference in industry.
- **Work-family interface**:-Another more recently frequent mentioned challenge is the combination of the business with family responsibilities, which may undermine the success of the business. Women entrepreneurs indicate that they deploy several strategies to cope with the double workload and challenges deriving from combining business with family. But while self-employment may provide flexibility,. Furthermore, the location of the business at home may also undermine the legitimacy of the business as perceived by customers and creditors. Furthermore, some studies indicate that women strongly rely on support from husbands, partners, and relatives in order to successfully start and grow a business .Much more research is needed on the topic of coping strategies to combine business with family in general and specifically, on how to engage husbands and other family members in supporting women entrepreneurs in developing countries.
- **Women's safety and gender based violence**:-Others identify the issue of safety and protection of women entrepreneurs, especially those operating in the informal economy. Even though less documented in academic research, there are numerous stories of killings, harassment and rape of female vendors and micro-business owners. This results in stress, constant fear and not having the opportunity to freely choose your business location and time of opening hours which seriously limits the chances and choices of becoming a successful entrepreneur for women in some developing countries. However, more research is needed on for example alternative coping strategies (besides policy frameworks) and how women that are facing these challenges can best be supported.
- **Lack of societal support**: Furthermore, scholars point out that normative constraints and societal attitudes based on cultural and religious beliefs in some countries are not supportive of the work of women in general or that of women in entrepreneurship in particular . In a variety of countries, the perception is that entrepreneurship is an appropriate career choice for men and not women, or only for the poor and not the educated, which in most cases are women. These perceptions are mostly based on the association of entrepreneurship with traditional male stereotypes.
- **Legal barriers and procedures**: Varying across countries, the lack of government support in terms of policy, laws and services has been identified as a barrier for women entrepreneurs across countries, most research indicates that regulations, taxation and legal barriers can pose serious obstacles for running and starting a business. This may affect both men and women to a certain extent and more research is needed to identify country specific issues. Data from the annual report Women Business and the Law (World Bank, 2012) measured that in all Middle Eastern and North African countries, women have fewer inheritance rights than men and moreover, there are 1 or more legal differences between women and men that limit women's economic opportunity in over 75% of the world's economies. According to that same report, women only own 1% of the world's property and in 2/3 of countries, legal rights of women decline with marriage, 44 countries restrict the number of hours women can work and 71 countries restrict the types of industries.

SUGGESTIONS FOR THE GROWTH OF WOMEN ENTREPRENEURS

Women entrepreneurs need to be given confidence, independence, and mobility to come out of their paradoxes. The following measures are suggested to empower the women to seize various opportunities and face challenges in business.

- There should be a continuous attempt to inspire, encourage, motivate and co-operate women entrepreneurs.
- An Awareness programs should be conducted on a mass scale with the intention of creating awareness among women about the various areas to conduct business.
- Attempts should be there to enhance the standards of education of women in general as well making effective provisions for their training, practical experience and personality development programs, to improvise their over-all personality standards.
- Organize training programs to develop professional competencies in managerial, leadership, marketing, financial, production process, profit planning, maintaining books of accounts and other skills. This will encourage women to undertake business.
- Vocational training to be extended to women community that enables them to understand the production process and production management.
- Skill development to be done in women's polytechnics and industrial training institutes. Skills are put to work in training-cum-production workshops.
- Educational institutes should tie up with various government and non-government agencies to assist in entrepreneurship development mainly to plan business projects.
- International, National, Local trade fairs, Industrial exhibitions, seminars and conferences should be organized to help women to facilitate interaction with other women entrepreneurs
- Women in business should be offered soft loans & subsides for encouraging them into industrial activities. The financial institutions should provide more working capital assistance both for small scale venture and large scale ventures.
- The weaker section could raise funds through various schemes and incentives provided by the government to develop entrepreneurs in the state.

LIFE OF AN ENTREPRENEUR – HINAL SHAH BHUPTANI (INDIA)

Hina Shah is a home maker, a classical dancer, an entrepreneur, a painter, an academician and the director of ICECD. In a man's world, she has created a niche for herself with path breaking innovative ideas. She began her career in 1976 in the plastic packaging industry and with a belief that economic empowerment is the tool for overall empowerment of women, she piloted a development strategy in 1980 that viewed women as an active participant in economic development. In 1986, she transformed her vision into an initiative "International Centre for Entrepreneurship and Career Development (ICECD)" which today is recognized as "Centre for excellence" by United Nations. She has thus facilitated thousands of deprived women to become entrepreneurs all over India and the developing world. Hina Shah started her first

Programme, termed Entrepreneurship Development Programme for women with 25women from Gujarat, out of which 16 women established non-traditional businesses. Shah became instrumental in initiating and institutionalizing Women Economic Empowerment strategy in countries such as Zambia, Bangladesh, Lesotho, Botswana, Cameroon, Malaysia, Philippines, Jordan, Sri Lanka, Guyana, Ivory Coast and St. Kitts. Her efforts have created a consolidated wealth of Rs. 195 crores in India and Rs. 620 crores in other countries till date. Her mission has always been to create successful and persistent women entrepreneurs, who will emerge as job creators and not job seekers. Mrs. Hinal Shah Bhuptani's vision is to turn women from job seekers to job provider. The core idea of "she can you can" initiative by Hina shah was Tupperware's basic ideology of empowering women and giving them wings to fly. She Can You Can, in essence, is an initiative to capture stories of women going beyond the ordinary. Focusing on empowering the women of today, the campaign endeavors to bring out the hidden achievers while helping the womenfolk lead a self reliant lifestyle. The campaign seeks to inspire many more women, to come forward to start dreaming and start achieving. Hina Shah's relentless efforts to change the face of the deprived, dependent women of rural India created a noteworthy impact. These are the women who hardly involved themselves in income generation and always despaired. Their status improved as they began their little businesses, earned, started spending profits on improving their lives; family diet; health and other essentials, and started sending their children to school. Their self-esteem and confidence blossomed. They have savings in place, and are confident, healthier, better fed and housed, better informed and respected in the community. There has been an irrevocable change in the role of women in the deeply backward areas. Ms. Hina Shah has been chosen as a social entrepreneur, who in the past 3 years has led over 13,000 widows of Gujarat to become successful entrepreneurs, and is currently reaching out to over 2500 Primitive Tribal Youth of the State to become self sufficient. Her contribution to the development of Gujarat over the last 22 years has been significant, for which she has received various national laurels. Having spread her wings to over 52 Asian, African and Pacific countries world over, she is a huge source of inspiration to many who have changed the course of their lives to follow her leadership.

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FOREIGN DIRECT INVESTMENT IN INDIA

VANDANA GOSWAMI
ASST. PROFESSOR
SATYAWATI COLLEGE
UNIVERSITY OF DELHI
DELHI

ABSTRACT

Foreign direct investment has been associated with economic growth of developing countries; every country is in a race of attracting more and more FDI into the nation. For India FDI plays a very important role. Here with this paper we are trying to understand the current scenario of FDI in India, such as country wise FDI, Sector wise FDI, regional FDI in India, main sources of FDI inflow etc.

KEYWORDS

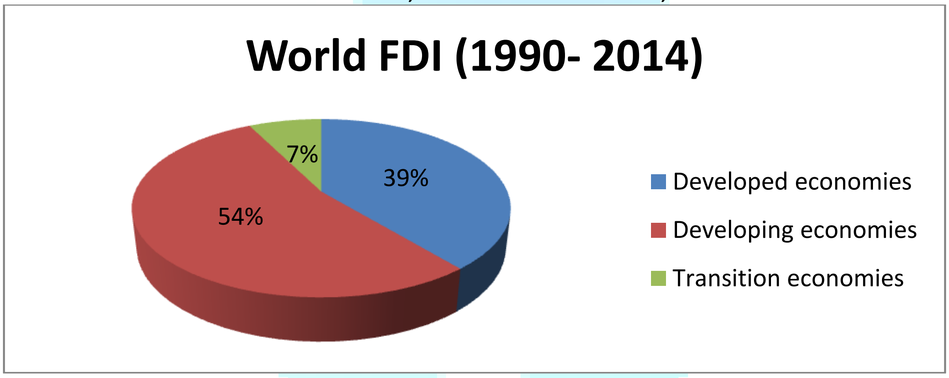
FDI, Country wise FDI, Sector wise FDI, State wise FDI.

1. INTODUCTION

The only motive of every country is economic growth. And economic growth significantly associated with capital inflows in the countries. Foreign Direct Investment is a term which is globally using by all the countries developing and developed. It is generally perceived that Foreign Direct Investment is a key to economic growth & development. Level of FDI inflows is associated with the development of the nation. Developing countries doesn't have sufficient savings for investment due to low per capita. So they need foreign investment for the growth of the country.

Underdeveloped or least developed countries are trying their best to attract foreign Investments into their countries. They are changing their policies, making rules and regulations more liberal to get more investment by foreign investors. In these countries low level of income results low level of savings, so govt. do not have sufficient fund for the further development of the nation. For development these countries require a good amount of investment by foreign nations. As FDI plays a pivotal role in the development of a country, all the countries specially South Asian countries undertook major reforms measure to attract more and more FDI inflow into their countries. These countries have acted as facilitators and promoted FDI, as it is an important determining of growth and employment in the country.

FIGURE 1.1: FDI INFLOWS, BY REGION AND ECONOMY, 1990-2013



Source: Compiled from World Bank Reports

CONCEPT AND POLICY OF FOREIGN DIRECT INVESTMENT

The world investment report 2002, UNCTAD defines FDI as, "an investment involving a long term relationship and reflecting a lasting interest and control by a resident entity in one economy (foreign direct investor or enterprise) in an enterprise resident in an economy other than that of the FDI enterprise, affiliate enterprise or foreign affiliate.

FOREIGN DIRECT INVESTOR

A foreign direct investor is an entity (an institutional unit) resident in one economy that has acquired, either directly or indirectly, at least 10% of the voting power of a corporation, or equivalent for an unincorporated enterprise, resident in another company.

FDI ROUTES

The Foreign direct investment can enter into India by two routes. One is automatic route and the second is government route.FDI through automatic route doesn't require any prior approval by the government or RBI. Investor only has to inform RBI within 30 days with documents, through government route investor has to take prior approval from government.

FDI POLICY

Foreign direct Investment promotes the economic growth of the host country by being an important source of private external finance. FDI plays a favorable impact on the balance of payment position of a country. In July 1991, in the middle of a crisis of balance of payments the process of Liberalization, privatization and globalization was started, and FDI was allowed in India. Since 1991, India has witnessed so many changes in policies. Initially the policies were restricted with regard to foreign inflow of capital but with the period of time, Indian Government felt a need for foreign investment for growth and development. However Government is more liberal in formulating macroeconomic policies to attract foreign investment into the nation.

FDI is an Investment involving a long term relationship and reflecting a lasting interest and control of a resident entity in one economy in an enterprise resident in an economy other than that of the foreign direct Investment." Foreign direct investment doesn't only bring capital to the host nation, but technical know-how, employment also with it.

Both inflow and outflow of capital from India have been rising at international level. India is an attractive nation for the foreign investors. It is emerging as the fifth largest recipient of foreign direct investment across the globe and second largest among all other developing countries (world investment report 2010). AT Kearney confidence index 2012 rate India as the second most promising country for investment and business.

2. OBJECTIVES OF THE STUDY

The objective of my current study is to understand the current scenario of FDI in India. To fulfill my primary objective secondary objectives are following:

1. To analyze the trend and patterns of FDI in India.
2. To examine trends and patterns of state- wise FDI in India.

3. REVIEW OF LITERATURE

Geraham and Krugman (1991) argue domestic firms enjoy advantage of better knowledge of domestic market. So before investing in a nation, a country must have Balasundram Maniam and Amitiava Chatterjee (1998) studied the determinants of US foreign investment in India; identify the growth of US FDI in India and the changing attitude of the Indian Government towards it as a part of the liberalization program.

E. Borenszteina J. De Gregorio, J. W. lec (1998) finds the effect of FDI on economic growth is dependent on the level of human capital available in the host economy. It also finds there is a strong positive interaction between. James R. Mark use inc, Anthom J Vonables (1998) finds effects of FDI on the home economy may operate through many different channels. They further identify that FDI have a positive impact on host country development. Balasubramanyam. V.N. and Vidya Mahambre (2003) concluded that FDI is a very good means for the transfer of technology and knowhow to the developing countries. Prof. V. Krishna Chaitanya (2004) reveals that removal of limits on FDI in sectors like petroleum, where the petroleum retailing should be allowed without any link to refining. Further suggests that there is need an attitudinal mindset change towards FDI. And govt. should take steps to provide more and better information about policy, regulation, procedure etc. about each sector. Chew Ging Lee (2009) has pointed out that GDP per capita has a positive effect on FDI inflows in the long run. Shralashetti. A.S. and S.S. Huger (2009) have made a comparison of FDI inflows during pre and post liberalization period, country-wise, sector-wise and region-wise. Singh (2009) stated in their study that foreign direct investment (FDI) policies play a major role in the economic growth of developing countries around the world. Subash Sasidharan and Vinish Kathuria (2011) examine the relationship between FDI and R & D of the domestic firms in the post-liberalization regime. Devajit (2012) conducted the study to find out the impact of foreign direct investments on Indian economy and concluded that Foreign Direct Investment (FDI) as a strategic component of investment is needed by India for its sustained economic growth and development through creation of jobs, expansion of existing manufacturing industries, short and long term project in the field of health care, education, research and development. Sharma Reetu and Khurana Nikita (2013) in their study on the sector-wise distribution of FDI inflow to know about which has concerned with the chief share, used a data from 1991-92 to 2011-2012 (post-liberalization period). This paper also discusses the various problems about the foreign direct investment and suggests the some recommendations for the same. In the study found that, Indian economy is mostly based on agriculture. So, there is a most important scope of agriculture services. Therefore, the foreign direct investment in this sector should be encouraged. R. Anitha (2012) Finds the high market size, availability of highly stilled human resources, Second economic policy, abundant and diversified natural resources all these factors enables India to attract FDI. If further finds global share of FDI in India is very less in comparison of other developing countries. . Sarbapriya Ray (2012) finds For FDI to be a noteworthy provider to economic growth, India would do better by focusing on improving infrastructure, human resources, developing local entrepreneurship, creating a stable macroeconomic framework and conditions favorable for productive investments to augment the process of development. Dr. M. Shateel Harneedu (2014) finds. FDI in India to various sectors can attain sustained economic growth and development through creation of jobs, expansion of existing manufacturing industries. He further finds the service and construction sector from 2000 to 2013 attained substantial sustained growth and development through creation of jobs in India. Supriya Chopra and Satvinder Kaur Sachdeva (2014) finds, FDI though one of the important sources of financing the economic development, but not is not a solution for poverty eradication, unemployment and other economic ills. FDI may be an attractive source of investment but they may exploit the natural resources at faster rate and leave the host country deprived in the long run. Despite of being an important contributor to economic development, FDI is a big threat to survival of domestic players. FDI also leads to many disadvantages such as, increased income inequalities, inappropriate consumption patterns, fall in profits of domestic industries and also influence on political decisions. Robert J. Shapiro and Aparna Mathur (2014) India has the opportunity to become a global center for pharmaceutical development and production; and more generally, it has the ability to attract FDI on the scale of its neighbor and competitor, China. Reetika Garg and Pami Dua (2014) analyze the macroeconomic determinants of portfolio flows to India and find that lower exchange rate volatility and greater risk diversification opportunities are conductive to portfolio flows. However, higher equity returns of other emerging markets discourage these flows. Other conventional determinants of portfolio flows are domestic equity performance, exchange rate, interest rate differential and domestic output growth. Moses Joseph Showa, Grafoute Amareo, (2014) investigates the relationship of FDI with host country's GDP growth, domestic Investment and export. And finds a casual relationship between FDI, export, domestic Investment and GDP growth of Kenya. Kishore Sharma (2000) finds Foreign Investment have statistically no significant Import on India's export performance although the co-efficient of FDI variable has a possible sign. The above review of literature gives new issues for further research.

4. RESEARCH METHODOLOGY

4.1 DATA SOURCE

The secondary data has been collected for the present research through various already published reports and bulletins by various institutions such as Government of India, Reserve bank of India, Department of industrial policy and promotion.

4.2 METHODS

The various excel tools and techniques, ratio, percentage, graph; table and pie chart are being used as methodology to analyze the data.

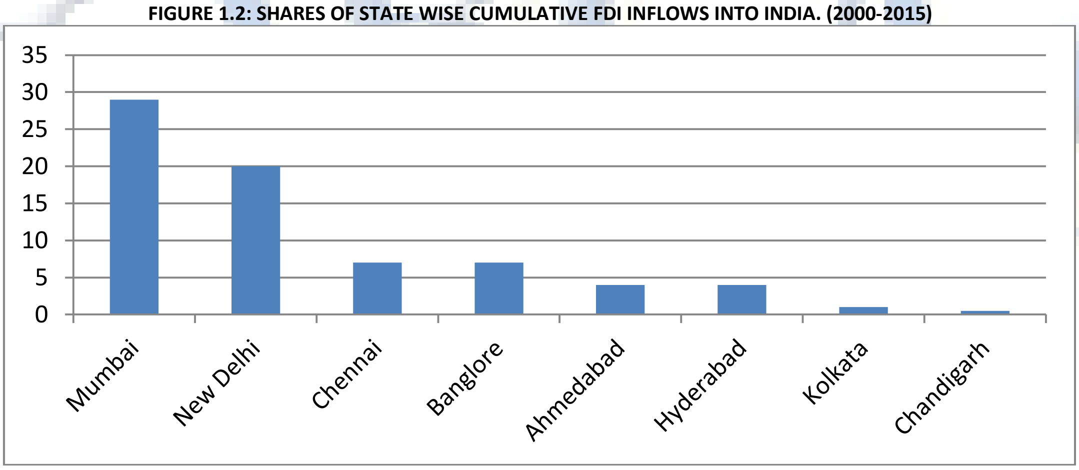
5. TRENDS OF FDI IN INDIA

India has witnessed a great change in policies since 1991, FDI inflow has also changed by the time, in the year 1991-1992 India received a sum of US $ 165 which has been increased to US$ 3682 million in the year 1997-98,

STATE WISE FDI IN INDIA

Although at the national level the aggregate FDI inflows into India have grown progressively over the past 25 years, the distribution of inward FDI among India's states have been very much uneven. As shown in the figure 1.2, FDI in India is concentrated to some states only while other states are malnourished.

FIGURE 1.2: SHARES OF STATE WISE CUMULATIVE FDI INFLOWS INTO INDIA. (2000-2015)



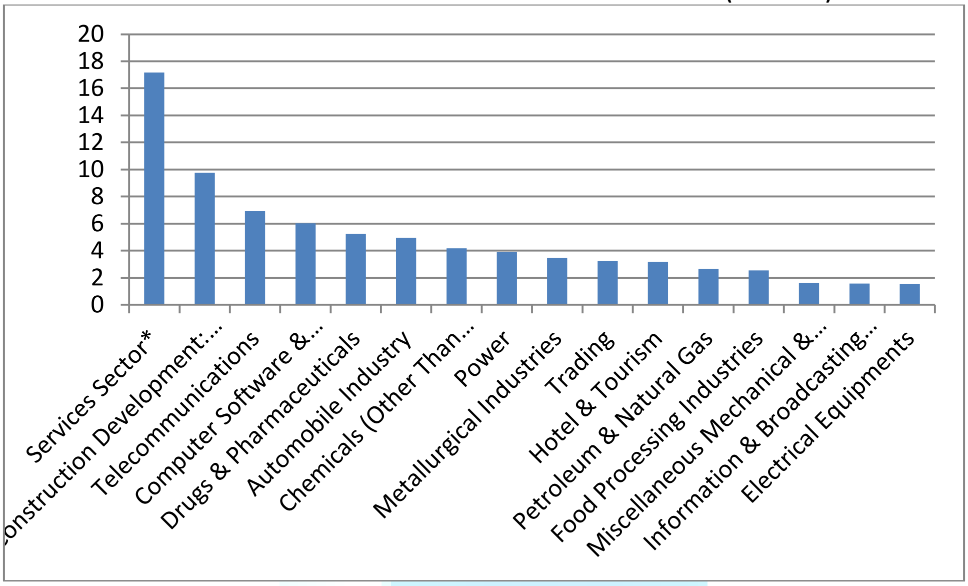
Source: compiled from RBI bulletins. 2015.

Mumbai and Delhi has been the top performer with the majority of FDI inflow in India. FDI in India at state level is highly concentrated to these two states only. Regional distribution of FDI in India is very much uneven by the end of 2014, as shown in the figure 1.2, FDI in India concentrated only to two states, Maharashtra and Delhi which is 29 and 20 percent of total cumulative FDI inflows, Chennai and Bangalore achieved only 7 percent, Ahmadabad and Hyderabad at 4 percent and Kolkata at 1 percent only, while all other states of India are underfed. This shows the uneven distribution of FDI at state level in India.

SECTOR -WISE FDI DISTRIBUTION

Different sectors are attractive FDI inflow into India. Service Sector is the main sector which got a highest investment of 17.53% with an amount of US $ 40,684.98. Construction Development (township, housing) etc. is getting an investment US$ 23,874.10 which is 10.29% of total FDI inflows. Telecommunication 7% (US$ 16,628), computer hardware & Software 6% (US $ 13,239), Drugs o& pharmaceuticals 5% (US$ 12,689), Automobile Industry 5% (US $ 10,847), Chemical 4% (US $ 10,081), Power 4% (US $ 9,310), Metallurgical Industries 4% (US $ 8,271), Hotel & Tourism 3% (US$ 7,532).

FIGURE 1.3: SECTOR WISE CUMULATIVE FDI INFLOWS INTO INDIA. (2000-2015)



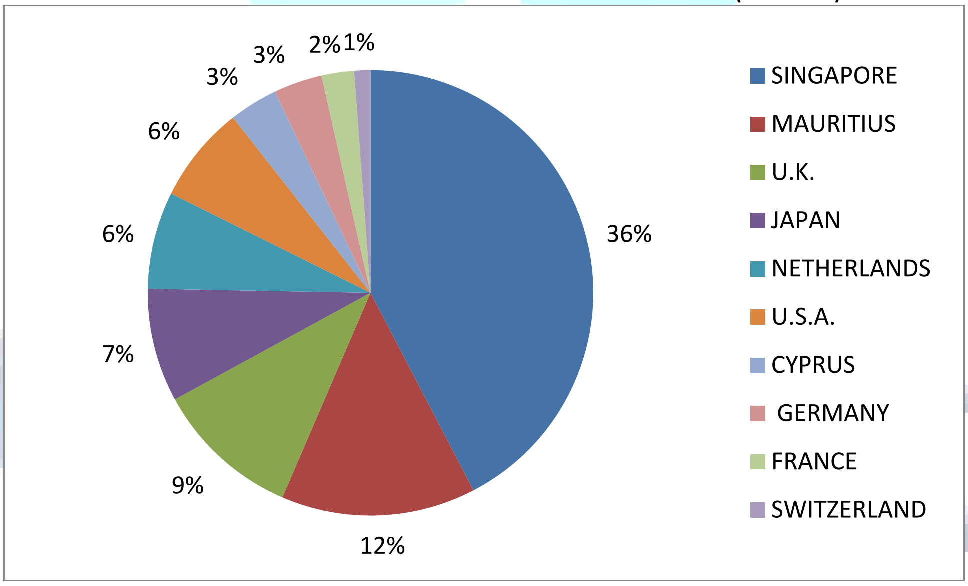
Source: compiled from RBI bulletins. 2015.

Honorable Prime Minister has taken initiative and changing various policies for foreign Investors, Foreign capital & technology. Recently govt. has decided to allow FDI up to 100 percent under automatic route in township, housing, built up infrastructure and construction development projects. The FDI & FII went up to USD 39.90 billion in April-September, 2014, from USD 7.76 billion in the first half of the previous fiscal.

TOP INVESTING COUNTRIES' FDI INFLOWS INTO INDIA

FDI was US$ 0.1 billion in 1991. Total FDI flows into India since 2000-2014 is US $ 345,073 million. And FDI inflow during financial year 2014-15 (from April, 2014 to September 2014) into India is US $ 21,511 million. Out of these amount FDI equity inflows is US $ 14,472 million. Mauritius is the largest source of foreign direct investment (FDI) in India, accounting for an inflow of $4.19 billion in the April-September 2014 period.

FIGURE 1.4: COUNTRY WISE CUMULATIVE FDI INFLOWS INTO INDIA. (2000-2015)



Source: compiled from RBI bulletins. 2015.

Singapore is one of the top investing countries, with the highest investment of US$ 82,717.43 million for 2000 to 2014, and it 35.65% of total FDI inflow into India. Mauritius is 21.01% with an investment of US $ 27,859.61. China, Germany, Netherland, Japan, USA, Cyprus, have a share of investment into India 9.31%, 7.41%, 5.69%, 4.65%, 3.38%, 2.97% respectively.

6. CONCLUSION

Foreign Direct Investment is grasping the attraction of all the countries at global level, by developing as well as developed countries with the study of previous literature and current data, developing countries are playing better than developed countries. India is getting a good amount of FDI inflows. In the race of developing country's FDI inflow India has a second place, and China is at first place. Investors are seeing India as an attractive place for Investment, because India has a good population, which may be an attractive market for the investors. Foreign Direct Investment is grasping the attraction of all the countries at global level, by developing as well as developed countries.As a nation India has been successful in attracting FDI inflows.FDI in India is concentrated to only 5-6 states, which is 70% of total cumulative FDI inflows, while all others 25 states are receiving only 30% of total FDI inflows.Regional distribution of FDI at state level has been observed very much uneven. Only a few states are getting largest part of total FDI inflows, while others are underfed.

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CONCERNS IN ORGANIZATIONAL CLIMATE: RESEARCH PERSPECTIVES OF INDIAN BANKING SECTOR

NEHA GUPTA
RESEARCH SCHOLAR
THE BUSINESS SCHOOL
UNIVERSITY OF JAMMU
JAMMU

ABSTRACT

Limited research restricts comprehensive understanding of challenges that hit various aspects of Indian Banking. There has been a dearth of studies that address the impact of changing environment on Organizational Climate paradigm. In the changing times, it is pertinent to verify the relevance of Organizational Climate in business priorities, its compatibility and efficiency in Indian banks. This paper ascertains various challenges that Indian banking industry is facing and the subsequent requirement of change in the Organizational Climate. The paper forms the foundation for further diligent research in the area and identifies the missing links in researches which are crucial to pave way to the future of Organizational Climate and performance of Indian banking.

KEYWORDS
Bank Executives, Indian Banking, Organizational Climate and Perception.

JEL CODE
M12

INTRODUCTION

Any Organization that would like to be dynamic and growth oriented has to pay attention to the development of its human resources. Every organization is facing the twin challenges of modernization and globalization and has to reorient itself to meet them. An increasing number of companies are realizing their social responsibility, which is reflected in their policies of commitment to employees' welfare and betterment of the organizational climate. The organizational climate is just like an asset, comprising of the attitude of the people towards the organization as a whole. It is a set of properties of the work environment, perceived by employees and assumed to be a major factor in influencing their behavior. It can neither be seen nor be touched, but it exists like air in the room, it surrounds and affects everything that happens in the organization. The climate of a particular organization may be observed from the environment and feelings held in common. The organizational climate has a major influence on human performance through its impact on individual motivation and job satisfaction, and the job satisfaction significantly influences how people approach their level of efforts and commitment and their contribution to organizational effectiveness.

REVIEW OF LITERATURE

The earliest reference of Organizational Climate was found in the article of Lewin, Lippitt and White (1939). This article focussed on the experimentally created social climates on a number of groups of teenage boys. The article mainly emphasised on the relationship between leadership styles and so-called 'Social Climate'.

Climate was again mentioned in an article by Fleishman (1939). This article discussed the development of leadership attitude and its implication through the measurement of behavioural scales. In that article Fleishman discussed 'Leadership Climate' as a construct but he did not explain the concept of climate very elaborately. In their extensive research work ,Litwin and Stringer (1968) introduced a very comprehensive framework of Organizational Climate. They provided six dimensions of Organizational Climate that include i) structure ii) responsibility iii) reward iv) risk v) warmth and vi) support.

Litwin and Stringer (1968) in another book gave emphasis on the concept of climate and its influence on the McClelland's 'need factors' of motivation i.e. n. power, n. achievement, and n. affiliation. Attempts were also made to establish the operationalization of climate through the assessment of members' perceptions. During this time the actual concept of Organizational Climate began to take shape.

Schneider(1973) in his study "The Perception Of Organizational Climate: The Customer's View" defined climate as the summary perception that bank customers have of their bank. Perceived climate was conceptualized as an intervening variable -- a summary perception based on specific service -- related events but preceding customer account switching. Questionnaire data obtained from 674 present and 87 former bank account holders indicated that (a) present customer intentions to switch accounts are more strongly related to summary perceptions than to specific service -- related event perceptions of the bank and (b) former customers have significantly more negative perceptions of the bank and its employees than do present customers. Future organization climate research for analyzing the relationship between employee and customer was recommended. Rogg, Schmidt, Shull and Schmitt (2001) in their article "Human Resource Practices, Organizational Climate, And Customer Satisfaction" explained the degree to which organizational climate mediates the relationship between human resource practices and customer satisfaction is investigated for 351 small businesses in the same industry. The results indicated support for the hypothesized mediated relationship. The indirect effects of HR practices on customer satisfaction were significant and relatively large while the direct effect was non significant and near zero. The results were supportive of a social context model of the impact of human resource practices on organizational outcomes. The study conducted by Gani and Shah (2001) in the banking industry in Kashmir, provides an adequate description of the concepts, constructs, determinants and correlated of the organizational climate. The study suggests that the banking industry, as a whole, has a poorly perceived organizational climate and that the situation in the private-sector banks is worse than the public-sector banks. A McKinsey Global Institute (2003) study put forward that the Indian banking sector had a much lower level of productivity compared with banks operating in the US. This means that there is a need and potential for improvement in the Indian banking sector. Successful human resource management (HRM) practices can be benchmarked and help Indian banks improve their competitive advantages in the markets they operate. Organizational climate is to key to success for any organization and that success lies in how efficiently the organization develops and manages its human resources, adapts to changes, matches with the global standards, evaluates on an ongoing basis continual upgradation in the organization (Gupta 2003.

The study by Malcolm,et al (2005) predicted that the association between the company climate and the productivity would be mediated by an average level of job satisfaction.The study by Purang (2006) compared the HRD climate perceptions of public, private and multinational organizations. The study compares the perception of middle level managers from five organizations (two private sector, two public sector and one multinational organization), on ten dimensions of HRD climate. The study concluded that the climate at individual level was a summary perception of the organization's work environment that is descriptive rather than evaluative in nature.

Frenkel and Sanders (2011) in their study Strategic HRM as process: how HR system and organizational climate strength influence Chinese employee attitudes state that in contrast to the high-performance work systems literature that focuses on HR practices, we follow Bowen and Ostroff in examining human resource management (HRM) processes, specifically the strength of an HR system (its distinctiveness, consistency, and consensus) and its contribution to the organizational climate (employees' shared perceptions of the HR system). Based on 810 employees within 64 units in three Chinese hotels, we examine how employee perceptions of HRM system strength and organizational climate are associated with employees' work satisfaction, vigor, and intention to quit. The distinctiveness of an HRM system was found to be related to the three employee work attitudes, and high climate strength increases both the positive relationship between consensus and work satisfaction, and the negative relationship between consensus and intention to quit.

Farooqui (2012) in his study "Measuring Organizational Citizenship Behavior (OCB) as a Consequence of Organizational Climate (OC) aimed to explore different dimensions of Organizational Climate (OC) and establishes its relationship with OCB. The effect of gender was also taken into account. This was an explanatory study based on 114 faculty members (lecturers) randomly selected from public sector universities of Lahore. Data was collected through an online questionnaire designed on five point likert scale. Data was analyzed through both descriptive and inferential statistics. All the dimensions of the Organizational climate were found to be significantly related to Organizational Citizenship Behaviour and gender had also an explanatory power towards OCB.

Schneider and Macey (2013) in their articl;e ."Organizational Climate and Culture" defined organizational climate as the meanings people attach to interrelated bundles of experiences they have at work. Organizational culture is briefly defined as the basic assumptions about the world and the values that guide life in organizations.

The review of literature reveals that many studies have been conducted on organizational climate or its relationship with other factors, like job satisfaction, productivity, organizational role stress, etc. a few studies have also compared public and private sectors on the above accounts. But not much research work has been carried out to study the organizational climate of public and private sector banks. The present study is an endeavour to examine the organizational climate in the banking sector in the Jammu region.

RATIONALE OF THE STUDY

As banks operate in highly dynamic financial and consumer markets it is imperative that they have a professional approach to their human resources. Berger and Humphrey (1991) point out that in the banking sector, the inefficiency of the human resources is a much more significant problem than those relating to the scale and scope of activities. According to the Asian Development Bank(1999), India needs to accelerate structural reforms directed towards its Financial and capital markets , concentrate on infrastructure and public finance consolidation and strengthening support for human resource development to ensure sustainability of reform process in the banking sector that have impacted the sector extensively (Reddy 2005). There is a need to focus on developing Human Resources to cope with the rapidly changing scenario. In transforming Indian Banking Sector into a vibrant system, inititatives would not work unless quality human resources are available (Jalan 2001a, 2002b). Keeping in view the banking sector reforms, it is the need of the hour, to compare the public and private-sector banks on the basis of the organizational climate.

OBJECTIVES AND SCOPE

The study has the following objectives:

1. To evaluate the overall organizational climate in the banking industry in Jammu region.
2. To examine the organizational climate in public and private-sector banks.
3. To assess the various dimensions of organizational climate in public and private-sector banks.

The study is related to branches of public and private sector banks in Jammu region. The banks taken up for the purpose of study are: State Bank of India(SBI), Punjab National Bank(PNB), Housing Development and Financing Corporation (HDFC) Bank and Industrial Credit and Investment Corporation of India (ICICI) Bank. Out of public-sector banks, SBI and PNB were selected because these banks are the leading banks in north India. HDFC and ICICI banks were selected out of the private-sector banks since these banks were also leading, and are comparable as regards organizational structure, functioning, and system of operations.

RESEARCH METHODOLOGY

SAMPLE

In order to evaluate and assess the overall organizational climate in the banks understudy, the zonal offices of all the four banks understudy were personally visited by the researcher. The information was collected about the total strength of the executives working in their respective branches. Then, proportionately 200 executives were selected. However, only 188 executives responded to the questionnaire. Out of these 188 respondents, 48 belonged to SBI, 45 belonged to PNB, 49 to HDFC and 46 to ICICI. Keeping in view the availability and accessibility of the bank executives, convenient sampling was used.

DATA COLLECTION

The present study is based on primary data. All the branches of the four banks understudy were personally visited by the researcher in order to gather first hand information as well as to get the questionnaires filled from the respondents.

QUESTIONNAIRE

Litwin and Stringer (1968) structured 50 item questionnaire was used for the study and formed the basis of the study. The nine dimensions of organizational climate covered here under 5 point likert type scale were Structure (8 items), Responsibility (7 items), Reward (6 items), Risk (5 items), Warmth (5 items), Support (5 items), Standard (6 items), Conflict (4 items) and Identity (4 items).

For taking definite decisions, a grand mean and standard deviation was calculated for organizational climate which are 141 and 21, respectively. All the executives were divided into three categories on the basis of mean and standard deviation.

TABLE 1

Category	Score
Highly Satisfied	21
Satisfied	140
Neither Satisfied nor Dissatisfied	20
Dissatisfied	5
Highly Dissatisfied	2

The higher the mean implies that the perceived organizational climate is favorable to that particular executive and the lower score implies that the respondent does not perceives the climate to be favorable. It explains that he is unable to adapt and cope with various methods and procedures followed in the organization. Non –Parametric tests which are easy to calculate and simple to apply were used for the study. To study the difference between the public and private sector banks, mean was calculated. The standard deviation was calculated for judging the representativeness of the mean score among public and private-sector banks. To find the significance of the mean difference between the public and private-sector banks, t test was used and chi- square test was used to describe that magnitude of the discrepancy between the distribution of public and private sector bank executives across the three categories, namely, highly satisfied, moderately satisfied, and less satisfied , with the organizational climate.

DATA ANALYSIS

1. The study primarily deals with the analysis of the overall organizational climate in the banking industry and makes a comparative analysis between the organizational climate in the public and private-sector banks. It also presents a dimension wise comparison on organizational climate of the two categories of the banks understudy.

1.1 THE ORGANIZATIONAL CLIMATE IN BANKING INDUSTRY

On the basis of responses collected with the help of the questionnaire, the overall mean score of the organizational climate for the total sample (N=188) turned to be 94.6.As revealed by the table1, bank executives perceive the climate moderately. In order to study the distribution pattern of the public and private-sector bank executives across the levels of the perceived organizational climate, the respondents were classified into five categories on the basis of their organizational climate score and were compared in terms of their number and percentage in public and private-sector banks.

TABLE 2: SATISFACTION LEVELS OF ORGANIZATIONAL CLIMATE IN PUBLIC AND PRIVATE SECTOR

Category of banks	No. of Executives	Highly Satisfied with OC	Satisfied with OC	Neither Satisfied nor dissatisfied with OC	Dissatisfied with OC	Highly Dissatisfied with OC
Private-sector banks	95	26 (24.7)	61 (57.95)	4 (3.8)	6 (5.7)	4(3.8)
Public –sector banks	93	35 (32.55)	48 (44.64)	4 (3.72)	8 (7.44)	5 (4.65)

Note: The figures given in parentheses denote percentages.

Table 1 depicts the classification of the bank executives on the basis of five categories namely highly satisfied, satisfied, neither satisfied nor dissatisfied, dissatisfied, highly dissatisfied. As far as the private sector banks are considered, the table reveals that 26 percent executives were highly satisfied with the organizational climate in their respective bank, 61 percent of the executives were satisfied with the same but 6 percent people were less satisfied with the organizational climate prevailing in their organization and 4 percent bank executives were highly dissatisfied with the same.3 percent people hardly bothered about what the organizational climate prevailing their respective bank was. In the public-sector banks, the table reveals that 35 percent executives were highly satisfied with the organizational climate in their respective bank, 48 percent of the executives were satisfied with the same but 8 percent people were less satisfied with the organizational climate prevailing in their organization and 5 percent bank executives were highly dissatisfied with the same. While 4 percent people hardly bothered about what the organizational climate prevailing their respective bank was. The table shows that there is a wide difference between the two categories of bank executives as far as the organizational climate is concerned. However, in case of the public sector banks , the number of executives who are highly satisfied with the organizational climate are much higher than those compared to the private sector banks, which means that the bank executives in the public sector banks perceive their organizational climate as more favourable as compared to their counter parts in the private sector banks. But the over all satisfaction of both the categories of bank executives i.e public as well as private sector appears to be satisfactory with the various parameters of organizational climate.

This has been testified by the chi-square value (61.50), which is significant at 0.01 level. Thus, the two categories differ significantly with regards to their perception of the organizational climate.

1.2 PUBLIC-SECTOR AND PRIVATE-SECTOR BANKS COMPARED

The second objective of the study was to compare the public and the private-sector bank executives on the basis of organizational climate. Table 2 provides whether the difference of satisfaction with the organizational climate, among the executives is significant or non-significant, which was calculated on the basis of mean, standard deviation and the critical ratio. The mean was calculated to find the difference in the perception of the public and the private sector bank executives in terms of the organizational climate. The standard deviation was calculated for ascertaining the representativeness of the mean among public and private sector bank executives and the 't'test was applied to see the significance of the mean differences.

TABLE 3

Category of banks	No. of Executives	Mean	S.D	Critical ratio
Private-sector Banks	95	134.63	23.33	
				4.933*
Public-sector banks	93	146.58	16.90	

*$p<.01$

Table 2 shows that there is a significant difference in the means between the two categories of the bank executives with regards to the organizational climate, as critical ratio turned out to be significant at 0.01 level. The mean score in case of public –sector banks (146.58) is higher than that in case of the private-sector(134.63).This helps in concluding that the public sector bank executives perceive the climate more favorable as compared to the public sector bank executives. Good training and refresher courses, cordial superior subordinate relationship, good communication skills, adequate opportunities for career growth can be possible reasons for satisfactorily perceived organizational climate in the public-sector.

1.3 DIMENSIONS-WISE ANALYSIS OF ORGANIZATIONAL CLIMATE

For all the nine dimensions of the organizational climate, means and standard deviations were calculated for comparing the public and the private-sector bank executives. Table 3 shows the dimension-wise mean scores of the organizational climate in the public and private-sector banks. As revealed by the table, in case of public sector banks, reward has the highest mean score (14.18), followed by responsibility (14.00), warmth(13.95), structure(13.60), risk(13.58), support(13.51), identity(13.39), standards(13.28) and conflict(13.02). Similarly, in case of the private-sector banks, reward dimension has the highest mean score (15.53), identity(15.26), structure(15.12), warmth(15.07), responsibility(14.29),support(14.17), standards(13.40) , risk(13.24) and conflict(13.27).

TABLE 4

Variables	Public-sector banks		Private-sector banks		t-values
	Mean	S.D.	Mean	S.D.	
Structure	13.60	3.12	15.12	2.45	1.45NS
Responsi-bility	14.00	3.17	14.29	2.52	5.50**
Reward	14.18	3.34	15.53	2.58	5.69**
Risk	13.58	3.31	13.24	2.35	3.97**
Warmth	13.95	2.88	15.07	2.97	2.52**
Support	13.51	3.15	14.17	2.30	4.54**
Standard	13.28	2.89	13.40	2.48	3.63**
Conflict	13.58	3.57	13.24	2.31	0.44NS
Identity	13.39	2,43	13.27	2.52	5.28**

NS: $P>0.05$, **$p<0.01$

The analysis of the data indicated that reward system contributes maximum to the improvement of the organizational climate in both the public and private-sector banks. A well-designed compensation system keeping in view the inputs , hard work and time devoted by each employee contributes towards a favorable organizational climate in the organization. The other dimensions in the order of their significance as regards the organizational climate in the private-sector are responsibilities assigned, warmth, structure of the organization, risks associated with the job, support mechanism available, identity grooming, standards of

performance set by the top management and conflicts in the organization. Similarly in the public-sector banks, identity recognition, organizational structure, warmth, responsibilities assigned are the dimensions that are responsible for significant improvement in the organizational climate.
The table also reveals that out of the nine dimensions of the organizational climate namely standard, conflict and risk show non significant difference between both the categories of the banks. It suggests that the standards of performance set by the top management, conflict arousal and resolution system and risks associated with the job are considered to be same in both the categories of the banks. The remaining six dimensions of the organizational climate namely reward system, structure, warmth, responsibility, support and identity show a higher mean score in case of the public-sector banks as compared to the private-sector banks, which suggests that the overall dimension-wise organizational climate is more favorably perceived by the executives in the public-sector banks, as compared to the executives in the private-sector banks.

CONCLUSION AND POLICY IMPLICATIONS
The analysis of the data collected reveals that the organizational climate is perceived moderately by the bank executives in the Jammu region. The distribution pattern of the executives under five categories namely highly satisfied, satisfied, neither satisfied nor dissatisfied , dissatisfied and highly dissatisfied reveals that majority of the executives fall under the category of satisfied. A comparative study between the public and the private-sector bank on the basis of the organizational climate reveals that the executives in the public-sector perceive the organizational climate as more favorable as compared to the private sector bank executives. The dimension wise analysis states that reward system, identity and structure of the organization are the important dimensions that need to be focused by the top management in order to improve the organizational climate.
Thus, there is a need to improve to organizational climate in order to shift the executives from the category of satisfied to highly satisfied. For taking the initiative in this regards the dimensions that need to be taken care for is reward system, structure of the organization, identity recognition and grooming. Steps need to be taken up by the management to improve the support system available to the executives, love, care and warmth to the executives, minimization of various risks associated with the job, standards of performance set and the conflict resolution system especially in the private sector banks so that they can come at par with the public sector banks as regards the above mentioned dimensions of the organizational climate. To ensure a healthy growth of the organization, suitable organizational development interventions in the form of adequate compensation, training and development mechanisms, ought to be introduced. Employees have to encouraged to cooperate with their counterparts, achieve the standards set for them , abide by the rules and regulations framed by the organization and develop a congenial organizational climate in the bank. The level of the organizational climate should be checked regularly, with the help of experts so that future development policies can be formulated. The results and analysis of the study can be used for the betterment of the organization.

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WOMEN ENTREPRENEURSHIP IN PALAKKAD DISTRICT

DEEPIKA C
LECTURER
DEPARTMENT OF COMMERCE
SRIKRISHNAPURAM VTB COLLEGE
MANNAMPATTA

ABSTRACT

The entrepreneur is the aggressive catalyst for change in the world of business. He or she is an independent thinker who dares to be different in a background of common events. Women who were earlier the bread maker have now become the bread earners and they are doing a great job indeed. Today many women are open to the entrepreneurial world despite of the problems faced by them. Even though it is said that entrepreneurs are born, they can be made by sharpening their skills and providing training. There are several institutes and organizations in our country to provide entrepreneurship training and financial assistance. But measures should be initiated to make it popular among the women. The present study is an attempt to study the problems faced by women entrepreneurs in Palakkad District. Thus the study is relevant to examine the present status of women and development in women entrepreneurship in Palakkad district. The study reveals that women entrepreneurs faces financial, labour, personal and technical problems. Though the present status of the women are satisfactory, and they possess various skills such as communication, leadership, technical and managing ability. But there are still a lot of challenges to women entrepreneurs. Thus the study concludes that a conscious effort by everyone in the ecosystem is needed to combat the challenges faced by women entrepreneurs in Palakkad District.

KEYWORDS

Women entrepreneurship, women power.

INTRODUCTION

Entrepreneurs are always an important source of economic development. It is only through effective training programmes will be able to provide entrepreneurial motivation to the upcoming generation. Today many women are open to the entrepreneurial world despite of the problems faced by them. Even though it is said that entrepreneurs are born, they can be made by sharpening their skills and providing training. There are several institutes and organizations in our country to provide entrepreneurship training. But measures should be initiated to make it popular among the women. In order to promote this, such activities should be done. Thus, Entrepreneurship is considered as one of the most important factors contributing to the development of the society in India.

Women in Kerala has marked their presence in every walk in life such as freedom fight, literature, politics, governance , social work , professions and fine art and so on .Although women constitute half of the population only minorities of them have active participation in the entrepreneurial sector. Majority of the working women were engaged in the unorganized sector as employees and when they start a business or industry that was confined to low technology and investment traditional lines .Kerala that has been placed in the first for highest degree of literacy among women in India is promoting women entrepreneurship with a dedication.

Because of this prominence, it is very essential to study the problems faced by women entrepreneurs. Thus the present study is relevant to examine the development in women entrepreneurship in Palakkad district.

SIGNIFICANCE

It was always believed that as an entrepreneur, women tend to stick to comfort zones like apparel and hospitality. In the more profitable sectors of science, engineering and technology, women are marginalized by the macho culture. Nevertheless, as per recent respective studies and data, women seem to be breaking their shackles and are trying their luck in all these fields. Many women have been choosing this path by their choice or by force. Now-a- days, several Government agencies and financial institutions have been lending their aid to construct a strong women entrepreneurial base. Based on anecdotal evidence, it was stated that women have more limited access to bank loans and the gap is even wider when it comes to venture capital funding. Thus the present study is relevant and it is conducted to envisage the women entrepreneurship in Palakkad District.

RESEARCH PROBLEM

Since time immemorial, women have always been celebrated and respected. Women play important role in bringing about important social changes. Women are also considered to be the strength adding function in man. It is depicted in the godly form of "Ardhanareeshwara' where the deity is depicted as half man and half woman. The word 'Shakti' refers to the power that a woman possesses to create tremendous change in society. The present study is an attempt to examine the women entrepreneurship in Palakkad District. It seeks to explore the problems faced by women entrepreneurs. It also identifies the present status and the skills possessed by women entrepreneurs.

OBJECTIVES OF THE STUDY

The primary objective of the study is to examine the women entrepreneurship in Palakkad District. In order to fulfil the primary objective the following secondary objectives were formulated.

The secondary objectives are:-

- To explore the problems faced by women entrepreneurs.
- To identify the skills possessed by women entrepreneurs.
- To find out the present status of women entrepreneurs.

METHODOLOGY AND DATA BASE

The study used a descriptive and analytical research approach based on both primary and secondary data. The primary data necessary for the study has been collected from 30 entrepreneurs in Palakkad District. This study was conducted as a survey using structured questionnaire that examines the problems faced by women entrepreneurs The secondary data required for the study were collected from the books, Journals, websites etc.

RESULTS AND DISCUSSION

The results of the analysis are briefly given below:

TABLE 1: DEMOGRAPHIC PROFILE OF SAMPLE RESPONDENTS

Characteristics	Categories	No. of Respondents	Percent
Marital status	Married	24	80
	Unmarried	5	17
	Divorced	1	3
Age-group	20 to 30	6	20
	30 to 40	10	33
	40 to 50	9	30
	50 to 60	4	14
	above 60	1	3
Qualification	SSLC	5	17
	HSE	7	23
	DEGREE	13	43
	PG	5	17
Experience	Less than 5	22	73
	5 to 10	3	10
	More than 10	5	17
	Total	30	100

Source: Primary data

A brief demographic profile of the surveyed respondents is given in table 1. Marital status distribution of sample respondents shows that 80% of the sample respondents are married. It is seen that 83% of the sample respondents are in the age group of below 50.The qualification level shows that most of them are degree holders. Experience level of the majority of the respondents is below 5 years.

TABLE 2: BUSINESS PROFILE OF SAMPLE RESPONDENTS

Characteristics	Categories	No. of Respondents	Percent
Ownership	Owned	12	40
	Rented	18	60
Form of business unit	Sole proprietorship	23	77
	Partnership	5	17
	Co-operative society	2	6
Origin	Inherited	8	27
	Purchased	3	10
	Newly started	18	60
	Others	3	1
Position	MD	24	80
	Manager	6	20
	Total	30	100

Source: Primary data

A brief Business profile of the surveyed respondents is given in table 2. Among the 30 people surveyed, around 60% of sample have rented out their business unit and the balance owns them. The main form 0f business among the women entrepreneurs are sole proprietorship. Majority of the sample respondents have started their business unit newly. Majority of the sample holds the position of MD in their business unit and the balance acts as managers.

TABLE 3: PROBLEMS FACED BY THE RESPONDENTS

Problems	N	Mean	Ranks
Financial	30	4.8	**I**
Technical	30	2.2	**III**
Labour	30	4.3	**II**
Personal	30	2.1	**IV**

Source: Field Survey, 2015

The above table presents Problems faced by the women entrepreneurs. The respondents' ranked finance as the major problem and personal problem as the least one. The mean score for Financial, Technical, Labour and Personal is 4.8, 2.2, 4.3 and 2.1 respectively. The first rank is assigned to Financial Problem. Followed by this second rank is assigned to Labour Problem while third rank goes to Technical Problem. The fourth rank was assigned to Personal Problem. It can be noted that Financial and Labour Problem are the major Problems faced by the women entrepreneurs.

TABLE 4: SKILLS POSSESSED

Skills	Frequency	Percent	Cumulative Percent
Communication	12	40	40
Technical	5	17	57
Managing	3	10	67
Leadership	10	33	100
Total	30	100	

Source: Field Survey, 2015

The above table presents skills possessed by the women entrepreneurs.40% of the women entrepreneurs' possessed Communication skill. 33% among them possessed leadership skill.17% of the respondents acquired Technical skill. About 10% possessed Managing skill.

TABLE 5: PRESENT STATUS OF WOMEN ENTREPRENEURS

Statement	Very high	High	Moderate	Low	Very low	Mean score	Sd
1.Taking major decisions	16 (53)	10 (33)	4 (14)	0	0	4.4	.72
2.Problem solving power	14 (47)	16 (53)	0	0	0	4.46	.50
3.Motivating power	18 (60)	9 (30)	3 (10)	0	0	4.5	.68
Total Mean score						**13.36**	

Source: Field Survey, 2015

Note: The figure in the parenthesis represents percentage.
Scale (individual mean) 0-2.5=low: 2.51-3.5= average and 3.51 and above=high
Scale (overall mean) 3-7=low: 8-11=moderate and 12-15=high
The above table presents present status of women entrepreneurs. The overall mean score is 13.36 which means that the respondents are having highly favourable opinion about their present status.

FINDINGS OF THE STUDY

- Problems faced by the women entrepreneurs are Financial, Technical, Labour and personal. The respondents' ranked finance as the major problem and personal problem as the least one.
- Commonly developed skills includes communication skills and leadership skills. About 15% had development of their technical skills and 12% had development of their managing skills.
- The present status of the women entrepreneurs are highly satisfied. The overall mean score is 13.36 which means that the respondents are having highly favourable opinion about their present status.

SUGGESTIONS AND CONCLUSION

Women have been the backbone of the family and the society from time immemorial. Since India is an agricultural country, men were known to work in the fields since it involve lot of physical labour. Women stayed at home to take care of the family, although they were not contributing financially. Though initially by force, there was a gradual change in the trend where women started working or started their own ventures more by choice, thereby contributing positively towards their families and society at large. Initiations can be made from the part of government in the form of financial aid and infrastructure support to the women who are taking up new entrepreneurial initiatives. Government should also initiate programs imparting the knowledge of entrepreneurship and to develop skills among women. Government should conduct awareness programs to make aware the women about the schemes provided by govt. A conscious effort by everyone in the ecosystem is needed to combat these challenges.

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CORPORATE SOCIAL RESPONSIBILITY PRACTICES IN INDIAN BANKING INDUSTRY

DAROGA MANJHI
SR. RESEARCH FELLOW
DEPARTMENT OF BUSINESS ADMINISTRATION
UNIVERSITY OF LUCKNOW
LUCKNOW

ABSTRACT

The objective of this paper is to explore the relationship between public sector banks and private sector banks on the basis of their practices in Corporate Social Responsibility activities. The methodology of the study is based on the survey through primary data collection. This paper identified the ten activities on the basis of literature review. And check out the level of involvement in these activities by both public and private sector banking companies. Finding of the study is both the companies have positive correlation in regards to their practices in corporate social responsibility.

KEYWORDS

Banking companies Corporate Social Responsibility, CSR initiative and Correlation.

I. INTRODUCTION

The evolution of corporate social responsibility in India is the extended version of social responsibility of person or a society towards other stakeholder of society. In present time this social responsibility performed by Corporation which has separate entity as an individual human being.
CSR is in fact a combination of three words vis. Corporate, Social and Responsibility. It is the relationship among corporations and the society, in large, in the arena in which they operate and interact. CSR in fact also encompasses the responsibilities which are inherently present among both sides of these relationships. For CSR, Society is used in wide sense and on different horizon and levels that include all stakeholders and the constituent groups that have inherent interest in the operation of that organization.
The basic theme of this study is to examine the CSR activities of the different companies of a same industry at the rural level. Because even today our country largest part of people lived in rural areas and remote areas, which has suffering from hunger and poverty, health issues, unemployment, fully under developed and poor infrastructure, lack of education, high child mortality rate, problem of gender inequality, environment issues etc. activities must be followed by companies then it is sure that we are able to solve the problem of rural sector.
There is no doubt in ministry of rural development at state level government and at central level government for their responsibility and accountability for development in rural areas. Beside this we not able to solve the problem of under developed areas of our country through only government efforts. This requires supports from various entities. This is also an ethical obligation of any business concern to serve the society where it operates.
According to the Companies Bill, the following activities is included in CSR: Eradication of hunger and poverty, promotion of education and gender equality, empowerment of women, reduction in child mortality and improvement in maternal health, combat of HIV and other diseases, environmental sustainability, vocational training, contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central or state governments, welfare of SC/STs and OBCs.
The banking industry presence have much impact on human beings, environment. The Indian banking industry divided into public sector banks, private sector banks, foreign banks, development banks, Cooperative banks and Regional Rural Banks etc.
Under this paper we consider the public and private sector banks for study. And the study about the possible relationship between these two banks for practices in corporate social responsibility activities.
This paper is divided into nine sections such as introduction, literature review, objective of the study, research methodology, hypothesis, data analysis and interpretation, Conclusion & Suggestion, References and appendix.

II. LITERATURE REVIEW

The term 'Corporate Social Responsibility' is hotly debated topic in our Government, business concern and in society also. Werther, William B and Chandler, Chandler (2013) said in their research for CSR definition as a "Corporate responsibility, Business responsibility, Corporate community engagement, Corporate citizenship, Global business citizenship, Community relation, Social responsibility, Corporate stewardship and Strategic philanthropy".
In the words of Frynas, Jedizei George "CSR is a recent term; preoccupation with business ethics and the social dimensions of business activity has a long history. Business practices based on moral principles and 'controlled greed' have been advocated by pre- Christian western thinkers such as Cicero in the first century BC and their non- western colleagues such as Indian statesman and philosopher Kautilya in the fourth century BC, while Islam and the medieval Christian church publicly condemned certain business practices, notably usury" (Frynas, Jedrzej George, 2005) and also the root of Corporate Social Responsibility has in a pivotal 1953 decision by the New Jersey State Supreme Court which removed legal restrictions on corporate philanthropy.
According to Corporate watch report (2006) "The term Corporate Social Responsibility was coined in 1953 with the publication of H.R Bowen's Social Responsibility of Businessmen" (Murray, Mike, 2009). The evolution of CSR is as trade and business for any of corporation. Industrialization and impact of business on society led to completely new vision. By 80's and 90's academic CSR was taken into discussion. (Corporate watch report, 2006). The first company implemented CSR was Shell in 1998. (Corporate watch report, 2006). In India about all companies and industries implementing CSR and working for the development of society.
With the changing of time 'the meaning of corporate social responsibility is changing due to changing role of government and its drivers and responses.'(Albareda at al.).These changing is depend on economic power of the country, political and social influence, government and other legal entities rules and regulation etc.

III. OBJECTIVE OF STUDY

The objective of this paper is "to explore the relationship between public sector banks and private sector banks on the basis of their practices in Corporate Social Responsibility activities."

IV. RESEARCH METHODOLOGY

This paper is based on primary sources of data (information) which was collected through open ended questionnaire. Spearman rank correlation is taken to satisfy the objective of this paper.The selection of respondent on the basis of convenience sampling, SPSS statistical software has been used for analysis and hypothesis testing. Descriptive Statistic of the data is given in appendix1.
Under it we take ten companies of public sector such as Allahabad Bank, Bank of Baroda, Bank of India, Corporation Bank, Oriental Bank of Commerce, Punjab National Bank, Union Bank of India, Indian Overseas Bank, State Bank and its associates and State Bank of India.

And under the private sector bank includes Axis Bank, Yes Bank, HDFC Bank, ICICI Bank, IndusInd Bank, IDBI Bank, Yes Bank, Kotak Mahindra Bank, Dhanlaxmi Bank and Federal Bank.

CSR activities includes Environment Sustainability, Eradication of Poverty, Health care, Promotion of Education, Promotion of Gender Equity, Vocational Training, Promotion of Arts and Culture, Rural Electrification, Clean Drinking water, Promotion of green planet.

V. HYPOTHESIS

Ho: There is no relationship between public and private sector banks in reference to their practices of CSR initiative taken by both of them.

VI. DATA ANALYSIS AND INTERPRETATION

CSR activities	Total Rating of Public sector bank	Total Rating of Private sector bank
Environment Sustainability	7	7
Eradication of Poverty	7	7
Health care	7	6
Promotion of Gender Equity	3	2
Vocational Training	7	7
Promotion of Arts and Culture	1	2
Rural Electrification	3	2
Clean Drinking water	4	4
Promotion of green planet	3	4
Promotion of Education	6	7

CORRELATIONS

			Public sector bank	Private sector bank
Spearman's rho	Public sector bank	Correlation Coefficient	1.000	.880**
		Sig. (1-tailed)	.	.000
		N	10	10
	Private sector bank	Correlation Coefficient	.880**	1.000
		Sig. (1-tailed)	.000	.
		N	10	10
**. Correlation is significant at the 0.01 level (1-tailed).				

This is strongly positive correlation (0.880) which is significant at 1% level of significance. Hence, our hypothesis is rejected that there is no relationship between public and private sector banks in reference to their practices of CSR initiative taken by both of them.

VII. CONCLUSION & SUGGESTION

This is the good sign that both that both the public sector banks and private sector banks doing well in area of Corporate Social Responsibility. They are highly positive correlated to each other. They should give more emphasis on promotion of arts and culture, promotion of gender equity and promotion of green planet.

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APPENDIX

DESCRIPTIVE STATISTICS

	N	Minimum	Maximum	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
Public sector bank	10	1.00	7.00	4.8000	2.25093	-.348	.687	-1.481	1.334
Private sector bank	10	2.00	7.00	4.8000	2.25093	-.275	.687	-1.950	1.334
Valid N (list wise)	10								

A STUDY ON WORK STRESS OF SECONDARY SCHOOL TEACHERS IN VIZIANAGARAM CITY, AP, INDIA

ANURADHA. N
RESEARCH SCHOLAR
DEPARTMENT OF EDUCATION
KRISHNA UNIVERSITY
MACHILIPATNAM

SWARNA LATHA. P
POST DOCTORAL FELLOW
DEPARTMENT OF GEOGRAPHY
ANDHRA UNIVERSITY
VISAKHAPATNAM

TAMMI NAIDU. G
POST DOCTORAL FELLOW
DEPARTMENT OF GEOGRAPHY
ANDHRA UNIVERSITY
VISAKHAPATNAM

ABSTRACT

The purpose of this research study is to identify the role stress in secondary school female teachers living in Vizianagaram city and is a district headquarters of Vizianagaram district in the Indian state of Andhra Pradesh. A total number of 100 teachers belong to 13 Government and private schools located in the study area have participated in the present study. At the conclusion of this study it is seen that Post graduate teachers have higher role stress than graduate teachers and also Government Telugu medium school teachers have higher role stress than their Private and English medium school counterparts.

KEYWORDS

Role Stress, Sampling Statistical techniques, Teacher.

INTRODUCTION

Stress is the "wear and tear" our bodies experience as we adjust to our continually changing environment. It has physical and emotional effect on us and can create positive or negative feelings. Positive influence stress can help compel us to action. It can result in a new awareness and an exciting new perspective. Negative influence it can result in feelings of distrust, rejection, anger, and depression, which in turn can lead to health problems such as headaches, stomach upset, rashes, insomnia, ulcers, high blood pressure, heart disease, and stroke. Adjusting to different circumstances, stress will help or hinder us depending on how we react to it. The most significant or sensible way out is a change in life style. Relaxation techniques such as meditation, physical exercises, listening to soothing music, deep breathing, various natural and alternative methods, personal growth techniques, visualization and massage are some of the most effective of the known non-invasive stress busters. The word 'stress' is defined by the Oxford Dictionary as "a state of affair involving demand on physical or mental energy". A condition or circumstance (not always adverse), which can disturb the normal physical and mental health of an individual. In medical parlance 'stress' is defined as a perturbation of the body's homeostasis. This demand on mind body occurs when it tries to cope with incessant changes in life. A 'stress' condition it seems a 'relative' in nature. Extreme stress conditions, psychologists say, are detrimental to human health but in moderation stress is normal and, in many cases, proves useful, Stress, nonetheless, is synonymous with negative conditions. Today, with the rapid diversification of human activity, we are facing with numerous causes of stress and the symptoms of stress and depression. Stress arises when Individuals perceive that they cannot adequately cope with the demands being made on them or with threats to their will being. Cox, T (1978) observes that stress can only be sensibly defined as a perceptual phenomenon arising from a comparison between the demand on the person and his or her ability to cope. An imbalance in this mechanism, when coping is important, gives rise to the experience of stress, and to the stress response. Palemer, S (1989) defines stress is the psychological, physiological and behavioral response by an individual when they perceive a lack of equilibrium between the demands placed upon them and their ability to meet those demands, which, over a period of time, leads to ill-health. We know that stress does not do the same thing to all people. One of the factors that are involved is how the impact of stress in situations is altered by how it is perceived by individuals who are affected by the situation.

REVIEW OF THE LITERATURE

Kyriacou and Sutcliffe (1978) believe that the behavioral gesture of a person, the focus of control and the method of opposing to stress are influential factors in the adjustment of the relationship between job satisfaction and stress and people who have an outside focus control, are faced with more stress. Teacher's burnout may be defined as a syndrome resulting from prolonged teacher stress, characterized by physical, emotional and attitudinal exhaustion (Kyriacou, 1987). High levels of occupational stress often lead to job dissatisfaction, absenteeism and work turnover. Response correlates of teacher stress may be psychological (anxiety, depression), physiological (headaches, tachycardia, hypertension, increased blood pressure) and/or behavioural (alcohol consumption, smoking, life-style, sleeping problems. Kinnune & Leskinen (1989) assessed 142 teachers by repeated self-report during the autumn and spring terms of an academic year. It was found that recovery from stress occurred each weekend during the spring term, but that by the end of the longer autumn term weekend recovery no longer took place. Classroom discipline is also a significant source of stress. Travers & Cooper (1996) found that teachers named lack of government support, lack of information about changes, constant change and the demands of the National Curriculum as among their greatest sources of stress. These 'trickle-down' systemic factors act in addition to and feed into the dynamics of individual organizations (Jennings & Kennedy, 1996). A study of 1000 students teachers (Morton et al, 1997) revealed that classroom management was their second greatest sources of anxiety, the greatest being evaluation apprehension. Of all the stressors reported, classroom management anxiety was the only one that did not decline following teaching practice. Evaluation apprehension is an issue of increasing import, as quality assurance procedures increasingly demand lesson observation. The phenomenon is currently under researched in qualified teachers, although there is a modest body of research on student teachers. Capel (1997) questioned student PE teachers following first and second teaching practices on their levels and sources of anxiety. Evaluation apprehension emerged as the stressor in both practices. A substantial body of contemporary research has examined the cognitive factors affecting individual susceptibility to stress amongst teachers. A study by Pitchers and Soden (1998) has highlighted role overload as a significant stressor in teachers. They assessed levels of strain, organizational roles and stress in 322 Australian and Scottish vocational and PE lecturers. Strain was found to be average in both national groups, but there were high levels of stress, with role overload emerging as the major cause. Some research has identified a cyclical pattern in the effects of overwork, contingent on the academic year. In another study by Bibou-Nakou et al (1999) the role of attributions was examined. 200 primary schools teachers were presented with four hypothetical class management situations sand they were questioned as to their attributions in each case. There was a significant association between internal attributions and symptoms of burnout, suggesting that teachers who blame themselves for difficulties are more vulnerable to stress. Self-efficacy has also been researched as a cognitive vulnerability factor. Lewis (1999) examined teachers' estimations of stress arising from being unable to discipline pupils in the way they would prefer. Overall, maintaining discipline emerged as a stressor, with those worst affected being teachers who placed particular emphasis on pupil empowerment. At the level of the institution factors such as social support amongst colleagues and leadership style have found to be important in affecting levels of stress. Friedman (2000) examined the self-reports of newly qualified teachers and described his findings as the 'shattered dreams of idealistic performance'. Respondents revealed sharp declines in self-efficacy as they found that they could not live up to their ideal performances. A vast number of studies exist in the relevant literature identifying the main job stressors facing teachers. The bulk of evidence points to specific factors that are responsible for high levels of psychological pressure for teachers, such as high ratio between teacher pupils, limited progress of pupils, heavy workload, role overload and role conflict, relationships with colleagues/poor working environment, insufficient salary, status, time/resource difficulties, professional and recognition needs (Laughlin 1984, Manthei & Solman, 1988, , Borg et al, 1991, Guglielmi & Tatrow, 1998). Relevant research evidence derived from studies conducted in mainstream schools (primary and secondary) showed that for secondary school teachers the negative feelings, the area of school, the teachers' goals (occupational and financial) and the gender (Women appeared more vulnerable than men) seemed to be associated with increased stress levels and psychosomatic symptoms (Papastylianou,1997). Lewis R. (1999) in his study on "Teachers Coping with the stress of Class Room Discipline" explains that the teachers‟ estimations of stress arose from being unable to discipline pupils in the way they would prefer. Large numbers of teachers report high levels of stress (Jarvis, 2002). Xiao Z., et al (2003) in their study on "Teachers Needs in China" reveal that during the past ten years or more, a majority of researchers job satisfaction in China have mainly focused on urban areas rather than on rural areas with more and more emphasis on education in rural areas, especially in areas of high poverty, recent studies have paid more attention to teacher job satisfaction in rural areas. Sargent, T. and Hannum, E. (2005) in their study on "keeping Teachers Happy job Satisfaction among Primary School Teachers in Rural North-west China" comparative study highlight an in-depth research on teacher job satisfaction in rural north-west China, in terms of community factors, school environment factors, and teacher characteristics. Their findings were mostly in alignment with previous studies, but contrary to their assumptions, however, teachers with greater workloads, felt more satisfied. Further more economic development was negatively connected with teacher's satisfaction. Stressed teachers had more illness, medicine intake, anxiety, depression, and sexual passivity. More psychological and psychosomatic symptoms were reported by teachers experiencing high burnout (Bauer et al., 2006). Studies on the relationship between teacher's occupational stress and their qualification have shown that postgraduate teachers have significantly less job satisfaction on job role item than the undergraduate and graduate teachers (Mondal et al., 2011). Khurshid et al. (2011) showed that the teachers with low income experience more occupational role stress than teachers with higher income level.

NEED OF THE STUDY

Teacher stress is a much talk of phenomenon, however there is little consensus between different professional groups regarding its etiology, or how to tackle it. Based on a review of international research, it is concluded that teacher stress is a real phenomenon and that high levels are reliable associated with a range of causal factors, including those intrinsic to teaching, individual vulnerability and systemic influences. Limitations with the current research bas of teacher stress are identified; we have a reasonable understanding of the etiology of teacher stress, but little is known about the effects of reducing or mediating the impact of stressors. There are very few studies of effective interventions and none involving large samples or long term follow up. There are serious problems in generalizing findings from stress management in other occupational sectors. As well as addressing these gaps in our understanding, future research based on a social representations approach is needed to allow teachers and stress management practitioners a shared understanding of stress.

STATEMENT OF THE PROBLEM

The main focus of this study is to find out the stress among school teachers and identify variables causing stress.

OBJECTIVES OF THE STUDY

This study is carried out to anlayse the role of stress among the female secondary school teachers in Vizianagaram city and is a district headquarters of Vizianagaram district in the Indian state of Andhra Pradesh

1. To study the role stress of female teachers and classify them.
2. To study the impact of some school related variables like subjects handled type of management and medium of instruction on role stress of teachers.
3. To study the impact of some personal variables like qualification, marital status, type of family, income of family and experience on role stress of teachers.

HYPOTHESIS OF THE STUDY

1. There exists no significant difference between graduate and post graduate teachers on their role stress.
2. There exists no significant difference between government and private school teachers no their role stress.
3. There exists no significant difference between English and Telugu Medium school teachers on their role stress.
4. There exists no significant variance between teachers handling different subjects and their role stress.
5. There exists no significant variance between teachers with more, less or middle level experience and their role stress.
6. There exists no significant difference between married and unmarried teachers on their role stress.
7. There exists no significant difference between teachers in nuclear and joint families on their role stress.
8. There exists no significant variance between teachers having high, medium and low incomes on their role stress.

SCOPE AND LIMITATIONS OF THE STUDY

The scope of the present study is confined to studying the role stress of hundred secondary school teachers using a questionnaire.

LIMITATIONS OF THE STUDY

1. The study is limited to 100 teachers working in Vizianagaram town.
2. The study is limited to 2 types of schools.
   (i) Urban Private Schools (Telugu & English Medium Schools)
   (ii) Urban Government Schools (Telugu Medium)
3. The study is limited to female teachers of Vizianagaram city only.

VARIABLES OF THE STUDY

The variables chosen for the study are:

S.No	Independent Variable	Dependant Variable
1	Educational Qualification	Graduate/Post graduate
2	Type of Management	Government/Private
3	Medium of Instruction	English/Telugu
4	Subjects handled	Languages, Mathematics, Physical Science, Biological Science, Social Studies
5	Experience as teacher	More/Middle level/low
6	Marital Status	Married/Unmarried
7	Type of Family	Nuclear/Joint family
8	Income of Family	High/middle/Low

METHODOLOGY AND COLLECTION OF DATA

The present study is based on sampling and statistical techniques. Sampling has been conducting through a survey among 100 female secondary school teachers in Government and Private schools located in the study area. The author personally went to each of the selected teachers took permission from the respective heads of the institution and administered the tool to 100 teachers. Before administering the questionnaire teachers were informed that their responses would be treated as strictly confidential. They were asked to be frank in their responses and teachers were asked to respond all the items.

TOOLS USED IN THE STUDY

The tool used was a modified version of the tool prepared by Prof. Mrs. Vijayalakshmi Ghali. A pool of 40 items was made and after consultation relevant to causing stress among school teachers. The three option were strongly agree, neutral and disagree and marks were given on likert model as 3,2,1 for positive statements and vice versa for negative statements.

SAMPLE SIZE

S.No	Type of School	Area	No. of Schools	No. of Teachers
1	Government Schools	Urban	7	50.
2	Private Schools	Urban	6	50
	Total		13	100

STATISTICAL TECHNIQUES USED

Various statistical techniques like Arithmetic Mean, Standard Deviations, Skewness, Kurtosis,'t' Value, Correlation Coefficient, Anova were used for the analysis of obtained data.

ANALYSIS AND INTERPRETATIONS

Organization of data: The mass of data collected through the use of various suitable and valid tools, are raw. It needs to be systematized and organized i.e., edited, classified, and tabulated before it can serve any worthwhile purpose.

Analysis of the data: Analysis of data means studying the tabulated material in order to determine inherent facts or meanings. It involves breaking down existing complex factors into simple points and putting the points together in new arrangements for purpose of interpretation. A plan of analysis can and should be prepared in advanced before the actual collection of material. Data should be studied from as many angles as possible to find out new and newer facts.

ROLE STRESS OF TEACHERS

In attempting to assess the status of teachers, the overall Role Stress of teachers was calculated. Table 1 presents mean, S.D. Skewness and Kurtosis of the whole sample of teachers with respect to their role stress.

TABLE 1: ROLE STRESS OF TEACHERS – WHOLE SAMPLE

Sample	N	Mean	% of Mean	S.D	Kurtosis	Skewness
Whole	100	51.12	68	5.28	2.93	-4.001

Table 1 presents descriptive statistics of whole sample role stress. The mean and % of mean role stress of teachers is 51.12 and 68 with SD being 5.28 i.e., teachers have a fair amount of role stress. The Skewness value of distribution is -4.001 and Kurtosis is 2.93 indicating that the distribution is Leptokurtic and negatively skewed. Stress is inevitable in any organization in optimal limits. It motivates and mobilizes the potentialities of the individual to work more effectively. However increasing amount of stress for prolonged periods may create overwhelming frustration and anxiety in the individuals which may in turn affect their morale. In this study it is found that teachers are on the threshold of reaching distress levels of stress. Thus, it is necessary that teachers stress factors are identified and stress busting techniques are practiced.

CLASSIFICATION OF TEACHERS ON THE BASIS OF THEIR ROLE STRESS

Teachers were classified on the basis of their properties as

a) Teachers with High Role: Scores greater than mean + S.D i.e., >56
b) Teacher with Moderate Role Stress: Scores between mean + SD and mean –SD i.e., 45 – 56
c) Teachers with poor role Stress: Scores less than mean –SD ie., < 45

TABLE 2: CLASSIFICATION OF TEACHERS ON THE BASIS OF THEIR ROLE STRESS

S.No	Classification	Score Range	N
1	High Role Stress	> 56	**13**
2.	Moderate Role Stress	45 – 56	**85**
3	Poor Role Stress	<45	**2**

From the table 2, it is observed that there are only 2 teachers with poor role stress. A large number i.e., 85% of teachers have average role stress and 13 % have role stress. Stress at work place is a relatively new phenomenon of modern day life style. The nature of work has undergone drastic changes and stress as a phenomenon has invaded all professions teaching profession being no exception. The data in table 2 is a grim reality and alarm signal as where 98% of teachers have reported to be having substantial amount of role stress.

ROLE STRESS AND QUALIFICATION OF TEACHERS

One of the objective f the study was to find out the difference between gradates and post graduate teachers in their role stress and data pertaining to it is presented in table 3.

TABLE 3: ROLE STRESS OF GRADUATE AND POST GRADUATE TEACHERS

Variable	N	Mean	% of Mean	SD	't' value
Graduate	**60**	51.32	68.42	12.97	2.558*
Post Graduate	**40**	51.8	69.06	12.22	

* Significant at 0.05 level

The mean value of the role stress of the 60 graduate's teachers is 51.32, SD is 12.97 and the percentage of mean is 68.42. In comparison the mean, % of mean and SD for role stress of post graduate teachers is 51.8, 69.06 and 12.22. The 't' value obtained to find the significance of mean difference between graduate and post graduate teachers is 2.558 which is significant at 0.001 level. Post graduate teachers are probably not satisfied with their job. Since, they are having higher qualifications. Also they are teaching at secondary levels and hence more stressed since their teaching is linked to student achievement results. Hence the hypothesis 1 formulated that there exists no significant difference between graduate and post graduate teachers on their role stress is rejected.

INFLUENCE OF TYPE OF SCHOOL AND ROLE STRESS OF TEACHERS

The present study attempted to find out the difference between the Government and Private School teachers on role stress and data pertaining to it is provided in a table 4.

TABLE 4: ROLE STRESS OF GOVERNMENT AND PRIVATE SCHOOL TEACHERS

Variable	N	Mean	% of Mean	SD	't' value
Graduate	**50**	51.9	69.2	9.64	2.58106*
Post Graduate	**50**	51.12	68.16	15.50	

* Significant at 0.05 level

The mean value of the role stress of government school teachers is 51.9, SD is 9.642857 and the % value is 69.2, mean value of the role tress of private teachers is 51.12. SD is 15.4955102 and the % of mean value is 68.16. The 't' value for significance for mean difference between government and private school teachers role stress is 2.58 which indicates that the difference is significant. It is rather surprising that government school teachers have expressed that they have higher role stress than their private school counterparts. It is a general feeling that teachers in private schools have more work load, lesser pays and are generally not happy. But it is probable that in spite of all there they are not having a role stress and are experiencing job satisfaction. It is possible that government school teachers are working in very pathetic conditions and are under stress to produce extraordinary results at times. Hence the hypothesis 2 formulated that there exists no significant difference between government and private school teachers on their role stress is rejected.

INFLUENCE OF MEDIUM OF INSTRUCTION ON ROLE STRESS OF TEACHERS

The study attempted to find out the difference between the teachers of English and Telugu medium school on their role stress and data pertaining to it is provided is table 5.

TABLE 5: ROLE STRESS OF ENGLISH AND TELUGU MEDIUM SCHOOL TEACHERS

Variable	N	Mean	% of Mean	SD	't' value
English Medium	**41**	51.0.4878	68.065	9.64	2.8839*
Telugu Medium	**59**	51.82.50	69.107	15.50	

* Significant at 0.01 level

The mean value of the role stress of English medium school teachers is 51.04878, SD is 16.547560 and % mean value is 68.065 and in comparison the mean value of the role stress of Telugu Medium teachers is 51.83050, SD is 9.832846 and the % mean value is 69.107. The't' value for significance of mean difference between English Telugu medium school teachers is 2.88 and is significant at 0.01 level. It indicates that Telugu Medium school teachers are experiencing more role stress than English medium school teacher. This result is in tune with the earlier finding that government school teachers and experiencing more role stress since most private schools are English medium schools. Thus, the hypothesis 3 id formulated that there exists no significant difference between English and Telugu medium school teachers on their role stress is rejected.

INFLUENCE OF SUBJECT HANDLED ON ROLE STRESS TEACHERS

Teachers were grouped into 5 groups based on the subjects they teach i.e., (i) Language teachers (ii) Mathematics (iii) Natural Sciences (iv) Physical Science (v) Social Studies. The following Table 6 presents data related to it.

TABLE 6: ROLE STRESS OF TEACHERS AND SUBJECT HANDLED

Subject handled	Mean	SD	% of Mean
Languages	51	13.3333	68
Mathematics	52	11.8242	69.33
Natural Science	49	6.5277	65.33
Physical Science	52	13.1025	69.33
Social Studies	52	14.4952	69.33

ANOVA

Source of Variation	Sum of Variation	Df	Mean Square	F
Between Groups	55.978	4	14	1.162^{NS}
With in Groups	1191.011	95	13	
Total	1246.99	99		

NS: Significant at 0.05 level

From the table 6 it can be seen that Natural science teachers have least stress i.e., % of mean role stress is 65.33, Mathematics, Science and Social have identical role stress of 69.33%. But the ANOVA table shows that there is no significant variance between teachers teaching different subjects as evidenced by F obtained 1.116. The facilities or treatment method out to teacher do not appear to be dependent on their subjects. It is not a person or subject which is influencing their role stress but other factors which are causing their role stress. Hence the hypothesis 4 formulated that there exists no significant variance between teachers handling different subjects and their role stress is accepted.

INFLUENCE OF EXPERIENCE ON ROLE STRESS

One of the objectives of the study is to find out the influence of experience on role stress of teachers. The following table .7 presents ANOVA data pertaining to influence of experience on role stress of teachers.

TABLE 7: EXPERIENCE AND ROLE STRESS OF TEACHERS

Experience	Mean	SD	%of Mean
More experience (>15 yrs)	49	11.3142	65.33
Middle level experience (5-10 yrs)	51	9.9173	68
Less experience (<5 yrs)	52	12.4283	69.33

ANOVA

Source of Variation	Sum of Variation	Df	Mean Square	F
Between Groups	12.3244	2	61	5.275106
With in Groups	124.666	97	12	
Total	1246.99	99		

From the table 7 it can be seen that the stress of teacher decreases with experience. The mean and % of mean role stress for teachers with experience less than 5 years is 69.33, for those with 5-10 years experience it is 68, and for those with experience greater than 15 years it is 65.33, but the 'F' value calculated is 5.26 which shows that variance is significant. Teacher's role stress is decreasing with advancing age. This phenomenon could be probably attributed to the fact that older teachers have adjusted to the demands of their job and are able to live with the difficulties they encounter. Also, the youngsters since they are new entrants are probably a little apprehensive and hence higher role stress, but the worrying factor is that they are on the threshold of distress. In contract with the present study where experience influences role stress, Usha (1993) in her study didn't find any significant difference in role that middle aged teachers on the basis of their tenure of service but Gupta (1993) found that middle aged teachers perceived more role conflict that younger and older teachers. Hence the hypothesis 5 formulated that there exists no significant variance between teachers with more, middle level and less experience on their role stress is rejected.

ROLE STRESS AND MARITAL STATUS OF TEACHERS

The study attempted to find out the difference between married and unmarried teachers and data pertaining to it is provided in table 8.

TABLE 8: ROLE STRESS AND MARITAL AND UNMARRIED TEACHERS

Variable	N	Mean	% of Mean	SD	't' value
Married	**91**	52.6593	68.88	12.44	4.53*
Unmarried	**9**	50	66.76	13	

* Significant at 0.01 level

The mean value of the role stress of married teachers is 51.6593, SD 12.4493278 and the percentage of mean is 68.879. The mean role stress value of the unmarried teachers is 50, SD is 13. The 't' value obtained is 4.53 which teachers is significant at 0.01 level. Hence it is can be seen that married and unmarried teachers have perceived a significantly higher role stress than unmarried teachers. Marriage makes a women teacher perform multiple roles at home as a mother, a wife, a daughter-in-law etc. The dual role of housekeeping and teaching appears to have cast a significant influence on the teachers role stress. The over burden of dual responsibilities is probably influencing the role stress of married teachers. Paratkar, G.Subhada (1994) did not find a correlation between role stress and marital status in contract to the findings of the present study which found that marital status had an impact on the role stress of teachers. Hence the hypothesis 6 formulated that there exists no significance difference between married and unmarried teachers on their role stress is rejected.

ROLE STRESS OF ENGLISH AND TELUGU MEDIUM SCHOOL TEACHERS

The study attempted to find out the difference between joint family and nuclear family teachers. The data pertaining to this is given in table 9.

TABLE 9: ROLE STRESS OF ENGLISH AND TELUGU MEDIUM SCHOOL TEACHERS

Variable	N	Mean	% of Mean	SD	't' value
Joint Family	**48**	50.75	67.66	12.10638	2.4319*
Nuclear Family	**52**	52.211	69.61	12.24849	

* Significant at 0.05 level

The mean value of the role stress of Joint family teachers is 50.75, SD is 12.10638 and the % of mean value is 67.66. The mean value of the role stress of nuclear family teachers is 52.34, SD is 12.24849 and the percentage of mean value is 69.61. The't' value is 2.4319 which shows that the differences between the joint family and nuclear family teachers is significant at 0.05 level. The result shows that teachers in nuclear family are experiencing higher role stress than those in joint family. This may be probably due to the fact that the stress at home may be transferred to school. The teachers of nuclear families have many more responsibilities at home. So maybe they are getting stressed out faster than their joint family counterparts. Hence, the hypothesis 7 formulated that there exists no significant difference between teachers in nuclear and joint families on their role stress is rejected.

INFLUENCE OF FAMILY INCOME ON ROLE STRESS

One of the objectives of the study was to find out the influence of family income on role stress of teacher and table 10 presents data pertaining to it.

TABLE 10: ROLE STRESS AND FAMILY INCOME

Groups	Mean	% of Mean	SD
High Income	52	69.33	9.95755102
Medium Income	50	66.66	16.42192192
Low Income	53	70.66	8.025641026

ANOVA

Source of Variation	Sum of Squares	df	Mean Square	F
Between Groups	71.57312	2	36	2.953246*
With in Groups	1175.417	97	12	
Total	1246.99			

* Significant at 0.05 level

From the data in table 10 it can be seen that teachers of high and low income have similar role stresses i.e., mean and percentage of mean role stress are 52, 69.33 and 53, 70.66. But teachers of medium income have comparatively lesser role stress i.e., 50 and % of mean 66.66. But the 'F' value obtained 2.95 indicates that the differences is not significant. Hence the hypothesis 8 formulated that there exists no significant difference between teachers of high, low medium level incomes on their role stress is accepted.

HYPOTHESIS TESTING

The table 11 given on the next page presents an overall picture of the hypothesis testing data.

TABLE 11: OVERALL PICTURE OF THE HYPOTHESIS DATA

S. No.	Hypothesis	Variable	't' /F Values	Test of Significance	Finding
1	There exists significant difference between graduate and post graduate teachers on their role stress.	Gradates =60 Post Gradate = 40	t = 2.56*	Significant at 0.05 lelvel	Hypothesis is rejected. Post graduate teachers have higher role stress.
2	There exists no significant difference between government and private school teachers on their role stress	Government = 50 Private = 50	t = 2.58*	Significant at 0.05 level	Hypothesis is rejected. Government school teachers have higher role stress.
3	There exists no significance difference between English and Telugu Medium school teachers on their role stress.	English Medium = 41 Telugu Medium = 59	t = 2.88*	Significant at 0.01 level	Hypothesis is rejected. Telugu medium school teachers have higher role stress.
4	There exists no significant variance between teachers handling difference subjects on their role stress	Languages = 51 Mathematics = 52 Natural Science = 49 Physical Science = 52 Social Studies = 52	F =1.12^{NS}	Not significant at 0.05 level	Hypothesis is accepted. Subject handled doesn't influence role stress
5	There exists no significant variance between teachers with more, middle level or less experience on their role stress	More Experience = 49 Middle Experience = 51 Less experience = 52	F = 5.27*	Significant at 0.01 level	Hypothesis is rejected. Role stress of teachers decreases with experience.
6	There exists no significance difference between married and unmarried teachers on their role stress	Married teacher Unmarried	t = 453*	Significant at 0.01 level	Hypothesis is rejected. Role stress of married teachers is more.
7	There exists no significant difference between teachers in nuclear and joint families on their role stress	Nuclear families Joint families	t = 2.43*	Significant at 0.05 level	Hypothesis is rejected. Role stress of teacher is more for nuclear family teachers
8	There exists no significant variance between teachers having high medium and less increase on their role stress.	High income Medium income Low income	F = 2.65 ^{NS}	Not significant at 0.05 level	Hypothesis is accepted. Family income does not influence role stress of teachers.

STUDY FINDINGS

From the data analysis the following findings were found in the study:

1. The whole sample means of role stress of teachers and % of mean are 51.12 and 68 with SD being 5.28.
2. The Kurtosis and Skewness of overall role stress of teachers are 2.93 and 4.001 respectively.
3. 13 teachers are having high role stress, 85 are having moderate role stress and only 2 teachers are having poor role stress.
4. The mean, % of mean and SD of graduate teachers is 56.32, 68.42 and 12.97 while that o post graduate teachers is 51.8, 69.06 and 12.22 respectively.
5. The 't' value for mean difference of role stress between graduate and post graduate teachers is 2.558 which is significant at 0.05 level.
6. The mean, % of mean and SD of Government school teachers is 51.9, 67.2 and 96.4 in comparison that of private school being 51.12, 68.16 and 15.495 respectively.
7. The 't' value for mean difference of role stress between government and private school teachers is 2.58 which is significant at 0.05 level.
8. The mean, % of mean and SD for role stress of English and Telugu Medium school teachers are 51.05, 68.06 and 16.548 and 51.82, 69.11 and 9.83 respectively.
9. The 't' value for mean difference of role stress between English and Telugu medium school teachers is 2.88 which is significant at 0.01 level.
10. The mean and % of mean, role stress of language, maths, natural science, physical science and social studies teachers are 51 & 68, 52 & 69.33, 49 & 65.33 and 52 & 69.33 respectively.
11. The F value for variance in role stress of teachers with respect to subject handled is 1.12 which is not significant at 0.05 level.
12. The mean and % of mean role stress of teachers with respect to experience are 49 & 65.33 for more experience, 51& 68 for middle level experience and 52 & 69.33 for less experience.
13. The F Value for variance in role stress of teacher with respect to their experience is 5.28 which is significant at 0.01 level.
14. The mean, % of mean and SD of role stress for married teachers is 51.66, 68.88 and 12.44 while that of their unmarried counterparts is 50, 66.67 and 13 respectively.
15. The 't' value for mean difference between married and unmarried teachers role stress is 4.53 which is significant at 0.01 level.
16. The joint and nuclear family teachers role stress, mean, % of mean and SD are 50.73, 67.66 and 12.102 and 52.21, 69.61 & 12.25 respectively.
17. The 't' value of mean difference between teachers of joint and nuclear family is 2.43 which is not significant at 0.05 level.
18. The mean, % of mean and SD role stress of high income teachers is 52, 69.33, 9.96, that of medium income teachers is 50, 66.66, 16.42 and that of low income teachers is 53, 70.66, 8.03 respectively.
19. The F value for variance in role stress of teachers of different income groups is 2.95 which are not significant at 0.05 level.

CONCLUSIONS

From the findings of the study, the following conclusions are drawn:

1. The stress is having a fair amount of role stress and distribution is leptokurtic and negatively skewed.
2. Most of the teachers are having moderate level role stress.
3. Post graduate teachers have higher role stress than their graduate counter parts.
4. Government Telugu medium school teachers have higher role stress than their Private and English medium school counterparts.
5. Subject handled is not casting its influence on role stress of teachers.
6. Experience is not having a bearing on the role stress of teachers.
7. Marital status and type of family have a significant impact on role stress of teachers.
8. Family income does not cast its impact on role stress of teachers.

In real life, occupational stress is an inevitable phenomenon and it exists in all kinds of occupation although it varies in degree and extent. There is no doubt that the teaching profession in India is highly stressful as is known from public opinions and the results revealed in the present study. If teacher stress is left unresolved, it will have substantial negative impacts on teachers' physical and mental health. Worst still, this will accelerate the turnover rate of teachers and aggravate the problem of teacher shortage. The whole educational system will be impaired and inefficiency will ensue. In view of all the possible adverse consequences of teacher stress, certain measures must be undertaken to alleviate teacher stress and strain in order to enhance their enthusiasm in teaching.

From the results of the present study, a few recommendations are raised for school management's authorities, teachers' organizations and the Educational Department.

RECOMMENDATIONS FOR SCHOOL AUTHORITY

The following recommendations are proposed for school authority to help in reducing teacher stress and strain:

1. The school authority should try to have more interactions with teachers as well as create more opportunities for communications among members of the staff. This can be done by organizing informal social gathering and various kinds of extra curricula activities for teachers with the aim to promote mutual understanding and concern among teachers. The principal should actively taken part in these activities and try to establish a friendly and supportive relationship with the staff.
2. The school authority should find ways to minimize the heavy work load of teachers by lifting some of the non teaching duties of teachers and distributing evenly the work load among teachers.
3. Efforts should be made in school to see that teachers have opportunity to fulfill their needs in self actualization, autonomy and esteem in order to avoid the feeling of strain. The school authority should help teachers to develop their potential in teaching by allowing them a higher degree of flexibility and independence in teaching. Besides, the school authority should promote the image of teachers are deserving respect.
4. Orientation programs should be conducted for younger and inexperienced teachers so that they can familiarize themselves with their work quickly and easily.

RECOMMENDATIONS FOR TEACHERS' ORGANIZATIONS

Below are some recommendations proposed for teachers' organizations to help in reducing teachers' stress and strain:

1. Teachers' organizations should organize seminars and workshops to help teachers cope with work stress and reduce the feeling of strain. The Hong Kong professional teachers' Union occasionally organizes seminars on stress management. Teachers who are young, of graduate status and teaching lower forms should be encouraged to participate,
2. They should arouse the awareness of teachers towards the importance of social support especially from supervisors and co-workers and persuade them to seek support whenever stress and strain arise.
3. They should try to fight for increasing the benefits of teachers in terms of monetary and non monetary rewards so that teachers' security needs can be fulfilled.
4. They should provide counseling service to stressed and strained teachers.

RECOMMENDATIONS FOR THE EDUCATION DEPARTMENT

The Education department should play a role in redressing the problem of teacher stress. The following are some proposed methods to do so;

1. The education department should see to the needs of the teachers by discussing with the government on increasing the welfare benefits and upgrading the social status of teachers. Besides, rules should be set to ensure that teachers have authority and control over their own teaching and have rights to participate in school decision making.
2. Work overload was found to cause tremendous stress and strain in teachers. The education department should increase the teacher to class ratio so as to each school so that more clerical staff can be employed to relief the non teaching duties of teachers.
3. The education department should provide more teaching aids and resources for different subjects so that teachers can get more information handily.

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RELATIONSHIP BETWEEN CORPORATE SOCIAL RESPONSIBILITY AND CONSUMER BEHAVIOUR

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

ABSTRACT

Businesses can no longer sustain by focusing only on their businesses. Stakeholders expect a lot more from them; they expect the companies to be a "good corporate citizen" concerned with human and social welfare. Corporate Social Responsibility or the CSR has gained attention of the researchers, academicians and practioners all over the world and its significance and influence on different aspects of business performance is a major concern. This paper attempts to study one such relationship i.e. between CSR and consumer behavior. In understanding so, we first look into the concept of CSR, its evolution and impact on different business spheres by analyzing the previously developed theories, models and studies related to the subject matter in the following sections of the paper.

KEYWORDS
Corporate Social Responsibility, Consumer behavior, purchase decisions, Consumer Social Responsibility.

1. INTRODUCTION

Businesses have always existed to serve customers and their prime responsibility is to satisfy all their needs and wants. For years, corporations have worked consistently to improve their customer services and become aware of all their desires and become their only preferred choice. But as markets have grown and become more mature the expectations of all the stakeholders, including the consumers have risen. They are no longer the profit making entities but have a greater responsibility and accountability towards environment, government and society at large.

Companies have realized their obligations to the society in terms of responsible business practices, and are trying to become good corporate citizens by taking their economic, ethical, and altruistic responsibilities (Louche, Idowu & Filho, 2010).The discussions and debate on Corporate Social Responsibility (CSR), has gained momentum worldwide and has become a topic of great interest for the researchers, academicians, practioners and business managers. In pursuing their business endeavors, companies and managers now have assumed greater responsibility towards society and the environment where they are operating and at the same time using and applying it as a marketing tool to help create a competitive advantage.

Over the time, different researchers and organizations have developed varying definitions of CSR which have broadened its scope. The European Commission (2011) defines CSR as "the responsibility of enterprises for their impacts on society". More specifically, the responsibility of corporations includes the integration of social, environmental and ethical issues as well as human rights and consumer concerns, into their business operations and core strategy in close collaboration with their stakeholders. In the wake of rising awareness and consciousness about corporations' behavior, consumers have also started to reward this behavior. They value the firms more who indulge in good corporate practices. As suggested by, Creyer and Ross (1997) customers do indeed expect socially responsible behavior from companies. The image of the corporate as a socially responsible citizen can also have a significant influence on the purchase behavior, choice of brands, products and services a consumer chooses and his level of satisfaction and loyalty with the brand and company choice. The following sections of the paper discuss the concept and evolution of CSR, the consumer behavior and the relationship between CSR and consumer behavior.

2. OBJECTIVES OF THE STUDY

- To understand the concept and evolution of Corporate Social Responsibility (CSR).
- To understand different aspects of Consumer Behavior.
- To study the relation between CSR and Consumer behavior and its impact on consumer decision making.
- To understand the concept of Consumer Social Responsibility

3. RESEARCH METHODOLOGY

This is a conceptual paper based upon secondary resources only. The nature of research is purely descriptive. The research is based upon the previous studies related to the subject matter. The information, facts and figures and other relevant data have been collected from sources like, journals, newspapers, e-sources (websites, blogs, research articles, online publications etc.)

4. LITERATURE REVIEW

4.1 CORPORATE SOCIAL RESPONSIBILITY

In the past few decades we have seen an increasing interest of both business and academic community to pitch for the greater responsibilities of the corporate for the good of the society. Every business derives resources whether physical or human from the society and therefore must be accountable to repay them. Like in the words of, Andreasen & Drumwright (2001), organizations by their very existence can be viewed as entering into a social contract that obligates the corporation to take the interests of society into consideration when making decisions. So, in a way we can say that the corporate had a social responsibility since inception and shall continue to have forever.

However, a seminal work on CSR by, Carroll (1979) presented corporate social responsibility as a construct that "encompasses the economic, legal, ethical, and discretionary expectations that society has of organizations at a given point in time." It is suggested that the organizations must assume the above mentioned four responsibilities not as an obligation but a voluntary acceptance to ensure the welfare of all the stakeholders of the business.

Carroll (1991) proposed four levels (pyramid) of CSR: economic, legal, ethical and philanthropic responsibilities.

- Economic, fundamental layer of the Carroll's pyramid. Corporations expect to maximize their earning per share and make all the possible efforts to maximize, survive and grow in the markets.
- Legal, it is the second layer in the pyramid whereby firms are required to adhere to all the laws and regulations prevailing at the point of time. Legally responsible also reflects the "codified ethics" of business operation, as well as the pursuit of economic responsibilities set by lawmakers (Carroll, 1991).
- Ethical responsibility follows legal responsibility layer, whereby firms voluntary do things for the good of the society. These are not codified into any laws or regulations but are the choice of individual firms. But an issue here is, as soon as any firm follows such practice, public expectations change very rapidly and to meet these ever growing and changing demands, business may not be enthusiastic to take such initiatives.
- Philanthropic, here the objectives of the firms are to become a good corporate citizen by aiming the good for one and all. They aim human and social welfare, thereby building goodwill for their organizations. Philanthropic responsibility distinguishes itself from ethical responsibilities by sense of discretion. The public will not regard firms that fail in fulfilling philanthropic responsibilities as unethical because philanthropic is not in the fields of ethics and morals (Carroll, 1991).

Mohr, Webb and Harris (2001) defined CSR as "a corporation's commitment in minimizing or eliminating any harmful effects and maximizing its long-run beneficial impact on society."
Becker-Olsen et al. (2006) also argued that firms need to be selective when practicing CSR.It is not that every CSR initiative will have a positive impact on costumers and society at large, therefore CSR initiatives need to "fit" with a firm's specialization and strengths. They should be aligned with a firms product lines, brand image, position etc.
The Companies Act, 2013 has introduced a provision on CSR .Under this, Ministry of Corporate Affairs has notified Section 135 and Schedule VII of the Companies Act as well as the provisions of the Companies (Corporate Social Responsibility Policy) Rules, 2014 (CRS Rules) which has come into effect from 1 April 2014.As per the provision, every qualifying company (either on the basis of net worth ,turnover or profit) requires spending of at least 2% of its average net profit for the immediately preceding 3 financial years on CSR activities. Even if the law does not specifically state the provisions, it is in the good interest of the companies to follow such practices because they have an influence on their stakeholders and can become an effective strategy tool.

4.2 CSR-A COMPETITIVE STRATEGY

Researches in the past indicate that CSR not only enhances the non-financial performance of the corporations but also has impact on their financial performance. Cochran & Wood, 1984; McWilliams & Siegel, 2000; Tsoutsoura, 2004, studied the relationship between CSR and corporate financial performance, but no widely agreed conclusions have been drawn. A cost benefit analysis must be carried out by the managers to evaluate the effectiveness of their CSR activities. The oppositions may come from individual investors who perceive such activities to be a compromise in their share of profits whereas; institutional investors will favor socially responsible firms.
CSR can also help firms to achieve a competitive advantage, superior and stable than the competitors. It can help them to attract more customers, employees and business partners. The firm is likely to benefit more as the resources will be available to them easily as compared to their competitors and will lead to many other strategic advantages. The business of CSR is not a zero-sum activity between business and the society, business can also benefit from CSR initiatives (Porter & Kramer, 2006).

5. CSR AND CONSUMER BEHAVIOR

Consumers are the reason for existence of any business firm. They are the users of their goods and services, hence it is important for them to realize the needs and perspectives of the consumers. Consumers value the initiatives of the firms and have a more positive outlook for firms which are more socially responsible. They reward and punish firms accordingly by choosing or exhibit aversion to firms' products (Mohr et al., 2001).
Different researchers over the years have conducted various studies to analyze the impact of CSR initiatives of companies on their customers and have found varying results. Some studies show that increase in CSR has positive influence on customers and play a role in deciding about the product and service choice. According to Lafferty, Barbara and Ronald (1999), a positive corporate image is positively correlated to purchase intention and also helps consumers to differentiate between companies and their product or service offerings. Mohr et al. (2001) conducted a consumer interview project for investigating the impact of firms' CSR on consumer behavior. They tried to find out how well the customers are aware of the CSR initiatives of the firms and what are their responses towards them. Mohr et al. (2001) found that consumers are positive to business in general. Their response is more positive towards the firms which are socially responsible than towards the one which are socially irresponsible.
Sen and Bhattacharya in 2001 conducted a similar study and found that consumers' reactions to CSR are highly related to the congruence between CSR activities and consumers' individual interests. It was a complex process as compared to the evaluation of the impact of CSR on firm's financial performance. Low CSR evaluation can reduce the purchase intention even though the product itself may be of good quality. Consumers know about the company and its image well before they get to know their products and services and tend to form an opinion about its quality before a product is actually introduced to them.Therfore,the researchers Sen and Bhattacharya (2001) called for attention to the congruence between consumer's interest and the focus of CSR.
Not only consumers' choice and preferences have an influence but also their financial status. Individuals who are in a strong financial position are more interested in knowing about CSR background of the companies and consider it in the decision making process, than those who are in financial distress. Öberseder et al. (2011) conducted a study and called attention to two core factors of consumers' evaluation of CSR in the purchasing process.One,is the sufficiency of CSR information and the other is the credibility of the CSR information. They concluded that the consumers will consider the impact of CSR in their purchase process only when the information is available to them.Also,once the information is available to them they are likely to evaluate the credibility of the information. The more the information is available and it is credible ,more likely it will be purchased by a consumer.
Carrigan and Attalla (2001) used focus group interviews when studying whether consumers care about a firm's ethical behavior. They found that the firms' unethical behavior does not necessarily lead to negative impact on consumer choices. Consumers do not have much information available with them about CSR of the firms and their purchase decisions are more likely to be based on price, value, brand image and trend . They also suggested that the consumers claim that they are willing to pay a higher price for products of socially responsible firms, but are not willing to spend time on figuring out which firm is socially responsible. Also there are certain set of consumers who continue to buy products from firms with well acknowledged bad ethical conducts. Consumers do not act as what they claim. They categorized consumers into four types based on their ethical awareness and ethical purchase intention.

1. Caring and ethical consumers ; who obtain sufficient CSR information and are highly ethical in their purchase activities.
2. Confused and uncertain consumers; low ethical awareness but show high ethical purchase intention.
3. Cynical and disinterested consumers ; high ethical awareness but do not make purchase intention accordingly .
4. Oblivious consumers ; low ethical awareness and low ethical purchase intention.

They also suggested that the CSR activities of the firm are not only important from customers' perspectives but also from the perspectives of other stakeholders like government, employees and environmental organizations.Therfeore, a firm must align their activities with the focus of different interest groups. It is equally important for firms to communicate their activities to the consumers because the lack of information is a major consideration. If consumers have the information about CSR practices of different firms, then they are more likely to consider it in their purchase decisions.
Similarly, Dawkins (2004) argues that consumers feel the need to get more informed about Corporate Social Responsibility and the majority state that their purchases would be influenced if they were more informed about CSR practices. Brown and Dacin (1997) showed that a negative image of CSR can damage the consumer's valuation of a product or a service while in contrast a positive CSR image can improve product evaluations. Therefore, we can say that CSR does impact the purchase intentions of the consumers provided they have the relevant and credible information with them. The literature gives us incidents where the effects, both negative and positive are likely to occur on consumer purchase behavior and also when there is no significant impact and other product/service attributes play a role. So, we can say there is an absence of a unanimous view on the impact of CSR initiatives of firms on the consumer behavior but undoubtedly, firms must realize their obligations and undertake activities which are in the benefit of the society as a whole.

6. CONSUMER SOCIAL RESPONSIBILITY: A WAY FORWARD

Gabriel and Lang (1995, p. 175) define the 'citizen consumer' as 'a responsible consumer, a socially-aware consumer, a consumer who thinks ahead and tempers his or her desires by social awareness, a consumer whose actions must be morally defensible and who must occasionally be prepared to sacrifice...'.
The concept of consumer responsibility is still underdeveloped as compared to CSR which has received considerable attention. This concept of consumer social responsibility could be defined as analogous to the four dimensions of CSR. Therefore it would be "... a consumer's obligation to maximize his/her positive impact on stakeholders ... and to minimize his/her negative impact. There are four kinds of ... responsibility: legal, economic, ethical and philanthropic..." (Brinkmann 2007, p. 88). Just like it is argued that the businesses use the resources of the society and therefore, must pay back to it, consumers also have the right to live freely and choose and must respect the society and the laws and regulations therein. The concept of "citizen-consumer" implies a social practice – "voting with your money" – that can satisfy competing ideologies of consumerism (an idea rooted in individual self-interest) and citizenship (an ideal rooted in collective responsibility to a social and ecological commons). The choice of the product/service should not only satisfy their needs or wants but should also

contribute in generating sustainability and social agreement for society as a whole. The consumers should be able to satisfy their personal desires while simultaneously addressing social and environmental issues.

7. CONCLUSION

Corporate Social Responsibility(CSR) is a business policy which is most sought after all the stakeholders. Consumers,employees,business partners and government all look upon the organizations which are engaged in good corporate practices. After coming in of Companies Act 2013, corporate are obliged to contribute percentage of their profit share towards CSR activities but otherwise too, companies should voluntarily work for the welfare of their stakeholders. As various studies in past have shown that CSR positively influence customer purchase intentions and the purchase decision, it will be fruitful for the company to go ahead and invest in CSR activities. This will lead to a win-win situation for both the organizations as well as customers. However it must be noted that not all CSR activities will have the same impact on the customers ,therefore ,managers must take caution and undertake a rigorous cost benefit analysis . If there is any negative impact on consumers about a company's image which is not so active on CSR forefronts, then it must take remedial steps to build a good corporate image. Business firms should realize their responsibilities and work more to strengthen not only their bottom line but also their relationship and rapport with its stakeholders and the society at large. Consumers should also become socially responsible and should focus not only on their individualistic needs and wants but towards sustainable consumption and environmental concerns.

8. LIMITATIONS AND DIRECTIONS FOR FUTURE RESEARCH

This paper is purely descriptive and is limited to an extensive review of the existing literature, previous studies and theories on the related topic. No empirical testing has been done in the paper to know about the responses of customers and their behavioral tendencies towards the CSR initiatives of the firms. Therefore, future research can be done where the existing theories and models can be empirically tested and results can be generalized. Also, a comparative analysis should be made of the practices of the Indian and global companies and assessing their impact on Consumer Behavior and the best practices should be adopted to ensure the human and social welfare.

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FDI INFLOWS INTO THE GREECE DURING 1971-2013: TREND ANALYSIS

V.LEKHA
RESEARCH SCHOLAR (MATHEMATICAL ECONOMICS)
SCHOOL OF ECONOMICS
MADURAI KAMARAJ UNIVERSITY
MADURAI

ABSTRACT

In this paper contain the FDI inflows of Greece during four decades. At present his research very important to need due to Greece will be faced debt crises in order to financial crises also lead to the worse economic position of Greece. Whereas, the Greece economy will shake off. This study consists of trend analysis of FDI inflows into the Greece during 1971 to 2013,then the years will be split into the decades, and every decade concerned with ten years, so here four decades used for the trend analysis and last decade concern with thirteen years. Foreign direct investment (FDI) can play an important role in an economy's development effort. Here used in the index number average and the annual growth rate to find out trend analysis of FDI inflows of Greece. While discussing the position of global and developed countries FDI and this paper also presented advantages, disadvantages and benefits of FDI inflows of Greece.

KEYWORDS

FDI inflows, global FDI, index number and AGR, linear growth rate.

1. INTRODUCTION

In this paper contain the FDI inflows of Greece during four decades. At present his research very important to need due to Greece will be faced debt crises in order to financial crises also lead to the worse economic position of Greece. Whereas, the Greece economy will shake off. This study consists of trend analysis of FDI inflows into the Greece during 1971 to 2013, then the years will be split into the decades, and every decade concerned with ten years, so here four decades used for the trend analysis and last decade concern with thirteen years. Foreign direct investment (FDI) can play an important role in an economy's development efforts, including: supplementing domestic savings, employment generation and growth, integration into the global economy, transfer of modern technologies, enhancement of efficiency, development of local suppliers, and raising skills of local manpower. In Developed countries, in particular, besides being a critical source of long-term capital for investment in infrastructure and other developmental initiatives, FDI can be a catalyst for economic diversification, helping these economies move beyond overdependence on natural resource.

2. GREECE POSITION DURING 1971-2013

Greece position during 1971-2013 was the Greek economic miracle is the period of sustained economic growth in Greece from 1950 to 1973. During this period, the Greek economy grew by an average of 7.7%, second in the world only to Japan The rapid recovery of the Greek economy following the Greek Civil War was facilitated by a number of measures, a drastic devaluation and attraction of foreign investments, significant development of the chemical industry, development of tourism and the services sector in general and, last but not least, massive construction activity connected with huge infrastructure projects and rebuilding in the Greek cities. Greek growth rates were highest during the 1950s, often exceeding 10%, close to those of a modern tiger economy. Industrial production also grew annually by 10% for several years, mostly in the 1960s. Growth initially widened the economic gap between rich and poor, intensifying political divisions. In total, the Greek GDP grew in 54 of the 60 years following WWII and the Greek civil war. From 1950 until the 2008 economic crisis, with the exception of the relative economic stagnation of the 1980s, Greece consistently outperformed most European nations in terms of annual economic growth. Marginal GDP contractions were recorded in the 1980s, although these were partly counterbalanced by the evolution of the Greek black economy during that time. Between the early 1970s and 1990s, double digit inflation, often closer to 20% than 10%, was normal until monetary policies were changed to comply with the criteria for joining the Euro zone[1]. In these crises lead to Greek depth into the debt crisis in 2015.It won't to redemption of debt to IMF, Euro zone 1.5and 1.7 trillion respectively[2]. Debt crises create the lacking of income generation, unemployment is of crucial importance since its current level (27.6% in 2013q4 from 7.2% in 2008q3) can create the seeds of social unrest, poverty, an unstable (and unsustainable in terms of funding), social security system is low[3].

3. STATEMENT OF THE RESEARCH PROBLEM

In this study only based on the trend analysis of FDI inflows of Greece. During 1970s FDI inflows of Greece was very slowdown comparable to among the European Union and other developed countries. Unprecedented of FDI inflows of Greece after 1990s the implications new economic policy will helpful to gradually increase the FDI inflows of Greece. It means abolish to the trade restriction and motivated to FDI inflows. Used here only for a simple method of Trend analysis, Index number, average and annual growth rate.

4. NEED FOR THE STUDY

At presently this paper analyses are highly tremendous. Greece is one of the developed countries along with the European Union. The country is now facing the debt crisis, it's a greater serious issue about the Greece and it's embedded in debt crisis, then Greece's people lose for their delightful life and the reason is peoples are wanting to lives sophisticated not for austerity life it lead to Greece became debt country among the developed countries or World. The country borrowed 1.5 and1.7 trillion debts from Euro Union and IMF. Whereas Greece enable to resilient from the debt crisis and people are restoration their life so in this situation just find out what about the FDI inflows of Greece.

5. OBJECTIVES OF THE STUDY

In this paper deliberately done used by the following objectives and the paper will structure in objective wise;

- To study the Trend analysis of FDI inflows of Greece
- To study the Global FDI
- To study the advantages, disadvantages and benefits of FDI inflows of Greece
- To study the problems faced by Greece during FDI inflows

6. METHODOLOGY

6.1 DATA REQUIREMENTS

The time series data on total FDI inflows would FDI inflows into developed countries. Greece FDI inflows of the Greece are required for the present study.

6.2 SOURCE OF DATA

The data are collected from published sources for this research study mainly from the World Bank publications and UNCTAD.

6.3 CHOICE OF TIME PERIOD
In this paper take out the study period is 1971 to 2013, the forty-three years divided into four decades, each decades contain ten years and the last decade was only considered about thirteen years

6.4 ANALYSIS OF DATA AND TOOLS USED
In this chapter, all the data on FDI are taken in US dollars. The growth of the FDI has been assessed through Trend analysis like to find out the Index number, average, annual growth and linear growth rate of FDI inflows.

6.5 LIMITATIONS OF THE STUDY
In this work concern with only FDI inflows of Greece during 1971-2013. Here data were collected from published sources that are secondary data. This paper works out trend analysis and did t not take considered about any other factors

7. LITERATURE REVIEW
During the last decade a number of interesting studies of the role of foreign direct investment in stimulating economic growth have appeared. Experienced researched research work will be used for present research work.

Osama M. Badr Tahar L. Ayed (2015)[4], in their study on "The Mediator Role of FDI in North Africa: Case of Egypt." The main purpose of this paper is to examine the various factors that attract Foreign Direct Investment (FDI) in North Africa countries, in order to find answers to the following question: What are the determinants / impediments of FDI inflow to North Africa countries? The study investigates the relationship between FDI and the economic growth in the North African countries, covering the period 1961-2012.They find results of the analysis suggest that FDI is explained by some economic determinants but has non-significant effect on GDP growth. This study also investigates FDI Behaviour in Egypt and explaining this behaviour. Although, it is rolling among economists that Foreign Direct Investment (FDI) positively affect economic growth, but they did not specify who benefit more home country or host country?[1] The researcher result an empirical finding was misleading sometimes. Also, there is no general consensus among the economists on the determinants of FDI. Through this theoretical controversy there are three questions dominating the FDI literature 1. Why FDI inflow is biased towards only to a few countries? 2. What are the determinants of FDI inflow? 3. What is an Impact of FDI on economic growth? Thus, Study Objectives are: 1. Identify the most important determinants of FDI inflow. 2. Solve the controversy over the impact of foreign investment in the growth of the host country. 3. Study Egyptian FDI behaviour Case. The study will be organized in three sections as follows: First: Theoretical and Literature Review of the determinants of FDI inflow and Impact of FDI on economic growth. Second: Analyse FDI inflow position in Egyptian Economy. Third: Comparison study between North African countries on the most effective determinants of FDI inflow and Impact of FDI on economic growth. Finally, their results and recommendations.

Arshad Hayata (2014)[5], in his study on" FDI and Economic Growth: The Role of Natural Resources."In this paper, he explored the links between the inflow of FDI, natural resource abundance and economic growth. This paper is an attempt to analyse a larger sample of 106 countries and investigate the impact of FDI inflow on the economic growth of the Host country. Further, natural resource abundance is considered to slow down the economic growth. His paper explored if the natural resource abundance affects the FDI-growth relationship. Using panel data for a sample the period 1993-2012, the paper uses a fixed effects model and conclude that FDI inflow accelerates economic growth of the host country. However, the presence of natural resources slows down the FDI induced growth. The same results hold after controlling for endogeneity.

Richard Bruton, T.D (2014)[6], in his study on "Policy Statement on FDI in Ireland."In this paper on examining Ireland's economic growth is dependent on a sustainable, competitive enterprise base encompassing both indigenous and foreign owned firms that trade internationally, those that currently serve local markets with potential to internationalize, and those that will continue to play a key role in serving local demand. Foreign Direct Investment (FDI) has been a key contributor to Ireland's economic development and growth through providing rewarding employment for over 250,000 people directly, knowledge transfer, and transformation of the enterprise base. Global competition for the attraction of FDI has intensified significantly in recent years. Inward investment can continue to make a substantial contribution to Ireland's economic development. If they continue to create the right conditions and environment that meet the needs of today's globalised businesses. There is a distinction too, between the broader FDI policy framework, which is about developing the Ireland 'product' and that requires the commitment of a number of government departments, agencies and stakeholders; and investment promotion that is primarily the role of IDA Ireland. Ireland's relative cost competitiveness, corporate tax rate and available direct firm level financial supports remain critically important - but in reality they are no longer aspects that will substantially Differentiate Ireland's offering for FDI over the longer term. They need both to maintain a competitive offering in these areas and at the same time redouble efforts to develop and reinforce other aspects to truly differentiate Ireland's offering. They have made some pivotal policy shifts in the past that helped to set Ireland apart in terms of researcher FDI offering, for example: education reforms in the 1960s; investment in International Financial Services Centre (IFSC) in the 1980s; Global Crossing in the late 1990s1; and the step change in Science, Technology and Innovation investments since 2000, among others. Step changes of a similar scale are needed to ensure that they sustain globally differentiated competitive advantage. They will focus on differentiating Ireland's offering in three key areas: talent; connected world leading research; and place-making to provide attractive city regions to live work and attract investment. They will also strengthen our approach to sectoral ecosystem development and to effective execution. It is important to acknowledge that FDI is ultimately a business decision. Fundamentally, Ireland's FDI policy is about competing successfully for the right FDI for Ireland's economy; it is about ensuring that those investments are sustainable and contribute optimally to job creation and economic growth; and it is about ensuring that the decision to invest in Ireland remains strategically the best choice for the multinationals who are considering many alternatives today. This Policy Statement is based on research and analysis undertaken by Forfas, informed by multinational businesses, global FDI trends, Ireland's FDI performance, FDI policy approaches internationally, and international Investment Promotion Agency (IPA) approaches.

Stanislav Cernosa (2014)[7], in their study on "The link among trade, FDI, and immigration: Using the gravity model." This paper provided a new empirical framework that analyzes the importance of the link among trade, FDI, and immigration. A further significant contribution of this analysis is the appropriate handling of a large number of zeroes in migration statistics. In this way, the unbalanced panel database of the 15 core European member states (EU15) as destination countries is formed. The researcher results of the estimation show that the introduced explanatory variables, such as the common language, destination country's population, and great circle distance between two countries, represent the most significant deterministic factors that generally explain the share of the immigrant population. It is also confirmed that the sending country's population, trade, FDI, and sending country's landlocked position are important determinants positively influencing the share of immigration.

Y lmaz Bayar (2014)[8], in her study on "Effects of economic growth, export and foreign direct investment inflows on unemployment in Turkey."In this paper reviewed there have been significant increases in trade volume and foreign direct investment flows in the world in parallel with globalization since 1980s. This study examined the relationship between unemployment, economic growth, export and foreign direct investment inflows in Turkey during the period of 2000:Q1-2013:Q3 by using bound testing approach based on autoregressive distributed lag. They found that there was long run relationship among unemployment, economic growth, export and foreign direct investment inflows. Moreover the researcher empirical findings demonstrated that there was a negative relationship between unemployment and economic growth, export, while there was a positive relationship between unemployment and foreign direct investment inflows.

Cuneyt kilic yılmaz bayar feyza arica(2014)[9], in their study on " Effects of Currency Unions on Foreign Direct Investment Inflows: The European Economic and Monetary Union Case."In this paper analyzed Reducing exchange rate and inflation, transaction costs and achieving the economic convergence among member countries are major causes of establishing a monetary union. This paper examined the effects of European Economic and Monetary Union on inflows of foreign direct investments to the Euro zone by using panel data from 16 Group of 20 countries for the period 1999-2012. They found that real GDP, GDP growth rate and exchange rates of 16 Group20 countries affect inflows of real foreign direct investment positively while exchange rate volatility, inflation volatility and distance affects inflows of real foreign direct investment negatively. So European Economic and Monetary Union contribute to the inflows of foreign direct investment by reducing the exchange rate volatility, inflation volatility and distance and supporting economic growth

Nuno Carlos Leitão and Saeed Rasekhi (2013)[10], in their study on "The impact of foreign direct investment on economic growth: the Portuguese experience."In this paper examined the link between economic growth and foreign direct investment for Portugal. Using a panel data approach, the results show that there is convergence among Portugal and her trading partners. The researcher results also demonstrate that foreign direct investment and bilateral trade promote economic growth. The growth is negatively correlated with inflation and the initial level of GDP per capita. As in previous studies taxes plays a minor role on determining the growth.

Baba Insah (2013)[11], in her study on "Foreign Direct Investment Inflows and Economic Growth in Ghana."In this paper analyzed, there exists mixed empirical evidence on the size of gains from Foreign Direct Investment (FDI) inflows for the economies of different countries. The paper thus investigated the relationship between economic growth and FDI inflows a dynamic framework. A study of this sort would inform policy on the role of lagged, coincident and leading effects of FDI on economic growth. An Engle-Granger two-step methodology for error correction was employed. The major empirical and methodological contribution of this study is the use of Dynamic Ordinary Least Squares (DOLS) technique. Dynamic OLS becomes better than OLS by coping with small sample sources of bias. The elasticity of economic growth with respect to FDI had a positive sign and also significant at the 1% level. However, the effect of a three (3) year lag of FDI on economic growth had a negative sign and significant at the 5% level. Policy makers should thus not concentrate on current macroeconomic inflows of FDI but consider effects of past FDI inflows on current levels of economic growth. The study period spanned from 1980 to 2010. A dynamic relationship between FDI and Economic growth was modeled for the economy of Ghana. Investigation of the series reveals the presence of co integration between FDI and economic growth. Two distinctive empirical techniques were used for the study. A static error correction (ECM) and DOLS model specified in a log-log form were utilized. Findings suggest that the model's feedback effect is low and therefore a slow pace of adjustment towards equilibrium due to shocks in the short run. The results are consistent with most of the earlier empirical findings. There exists a positive relationship between economic growth and FDI. However, lagged values of FDI have inverse relationship with economic growth. Policy makers should thus not concentrate on current macroeconomic inflows of FDI but consider effects of past FDI inflows on current levels of economic growth.

Nina Charbon (2012)[12], in his study on "The Effect of The Crisis on The Investment towards the Netherland." In this paper reviewed sheds light on the several factors of Foreign Direct Investment (FDI) inflows into the Netherlands over the period 1996-2012. In this research, it is assumed that due to the financial crisis the determinants of FDI and the amount of FDI inflows in the Netherlands have changed. The variables market size, market potential, labour costs, unemployment rate and exchange rate are considered important attractors for the Netherlands, and therefore expect to influence the FDI inflows. The study is guided by the following research question: "To what extent does the crisis has an effect on the important economic determinants that attract FDI towards the Netherlands?" By testing some hypotheses using a regression analysis, there was no significant evidence found that these variables explain the amount of FDI inflows into the Netherlands. It can be concluded that the FDI net inflow in the period during the crisis has decreased. Although, the explanatory variables do not seem to explain this decrease in FDI and therefore the stated hypotheses cannot be supported. This study contributes to current research insight into the FDI inflows in the Netherlands in these current unstable times. Future research should not only focus on the host country, but should also pay attention to the conditions of the home country. In addition, more variables that explain the amount of FDI have been ignored in this study due to lack of data and knowledge, however that should be giving more priority in further research.

Mohammad Mafizur Rahman Muhammad Shahbaz Abdul Farooq (2012)[13], in their study on "Financial Development, International Trade and Economic Growth in Australia: New Evidence from Multivariate Framework Analysis." In this paper investigated the relationship between financial development, international trade and economic growth in case of Australia over the period of 1965-2010. The ARDL bounds testing approach to co integration was applied to examine the long run relationship among the series, while stationarity properties of the variables were tested by applying two structural break tests i.e. Zivot-Andrews (1992) and Clemente et al. (1998).The researcher empirical evidence confirmed the long run relationship among the variables. They results showed that financial development, international trade and capital are the drivers of economic growth both in short run as well as in long run. The feedback effect exists between international trade and economic growth. Financial development Granger causes economic growth validating supply-side hypothesis in case of Australia.

Patrick Enu, Ma Emmanuel Dodzi K. Havi, Prudence Attah-Obeng,(2012)[14], in their study on "Impact of Macroeconomic Factors On Foreign Direct Investment In Ghana: A Co integration Analysis ."In this paper examined the determinants of Foreign Direct Investment Inflows to Ghana. The main objective of this study was to find out the major macroeconomic determinants of Foreign Direct Investment in Ghana between the periods 1980 to 2012. All the variables considered were integrated at first order, as a result the johansen's co integration approach was used and the result showed that the variables were not co integrated. Therefore, the vector autoregressive model was estimated. The result showed that the first past year of Foreign Direct Investment , The last two years of exchange rate and trade openness were statistically significant. Based on the findings they recommend that policies that encourage Foreign Direct Investment, moderate exchange rate depreciation and increasing trade openness should be implemented.

Stephen Kirchner (2012)[15], in his study on" Foreign Direct Investment in Australia Following the Australia–US Free Trade Agreement."In this paper reviewed, a model of inward foreign direct investment for Australia is estimated. Foreign direct investment is found to be positively related to economic and productivity growth and negatively related to foreign portfolio investment, trade openness, the exchange rate and the foreign real interest rate. Foreign direct investment is found to be a substitute for both portfolio investment and trade in goods and services. The exchange rate and the US bond rate affect foreign direct investment through the relative attractiveness of domestic assets. Actual foreign direct investment outperforms a model-derived forecast in recent years, consistent with the liberalization of foreign investment screening rules following the Australia–US Free Trade Agreement.

Peter Enderwick(2012)[16], in his study "Inward FDI in New Zealand and its policy context."In this paper analyzed New Zealand, with a low domestic savings rate, has long depended on inward foreign direct investment (IFDI) to facilitate growth and development. The country's IFDI stock reached US$ 70 billion in 2010, and averaged 51% of GDP over the decade 2000-2010. While recent inward FDI flows, US$ 636 million in 2010 and US$ 3.4 billion in 2011, have been lower than those of other comparable economies, reliance on IFDI is high. New Zealand's policy toward IFDI is based on the creation of an attractive investment climate (low costs of doing business, low levels of corruption, and few restrictions); few specific incentives are offered. Major investment sources are Australia and the United States. IFDI is significant in mining, trade and the banking and finance industries. While there is considerable public disquiet regarding the levels and sources of inward investment, future prospects look strong with the recently re-elected Government committed to further privatization. New Zealand, with its low savings rate, is highly dependent on foreign investment, including IFDI for maintaining its investment at desirable levels. While there is some public suspicion about the benefits of such investment, a new wave of IFDI is likely in the near future. Data on IFDI are limited, and we know very little about the impact of such investment, particularly the second round effects. Interestingly, New Zealand outward FDI, while directed to the same economies that provide most of its IFDI, is a fraction of inward FDI. A clearer understanding of the links between the two would be helpful in developing effective policy.

Basem Mohammed Louzi1 & Abeer Abadi (2011)[17], in their study on "The Impact of Foreign Direct Investment on Economic Growth in Jordan." In this paper analyzed Foreign direct investment (FDI) is assumed to be benefiting a poor country like Jordan. Jordan offers attractive investment opportunities for foreign companies and has adopted a number of policies to attract foreign direct investment into the country. This paper focuses on the FDI-led growth hypothesis in the case of Jordan. The study is based on time series data from 1990 to 2009. The econometric framework of co integration and error correction mechanism was used to capture two way linkages between variables interest. An econometric result shows that FDI inflows do not exert an independent influence on economic growth. And also the impact of DIN and TP on GDP growth rate is found to be positive. Based upon these results the ultimate objective of the Jordan government is to attract FDI for development an appropriate policy mix is necessary to be taken in the future. This paper has examined the relationship between FDI and GDP using time series data from the Jordanian economy. In Jordan FDI has increased dramatically since the 1985. Many studies find a positive link between FDI and growth. But econometric result shows that FDI inflows do not exert an independent influence on economic growth. And also the direction of causation is not towards from FDI to GDP growth but GDP growth to FDI. That is the direction growth impact of FDI on the Jordanian economy has not existed so far. The impact of DIN and TP on GDP growth rate is found to be positive. Net attitude of the civil society and foreign firm towards FDI in the country is positive. Net attitude reveals that the investment climate has improved in Jordan as a result of; political stability and the implied policy stability, good developed infrastructure facilities and high levels of human capital. The importance of FDI can't be over stated. As a result, the investment climate in the country must be improved more through appropriate measures such as creating more transparency in the trade policy and more flexible labor markets and setting a suitable regulatory framework and tariff structure. Currently Jordan provides an attractive investment regime due to the financial crisis, but the response from the

77investor has not been very encouraging. If the ultimate objective of the government is to attract FDI for development an appropriate policy mix is necessary to achieve these.

Lauge Skovgaard Poulsen and Gary Clyde Hufbauer (2011)[18],in their study on" Foreign Direct Investment in Times of Crisis."In this paper compared the current foreign direct investment (FDI) recession with FDI responses to past economic crises. The authors find that although developed country outflows have taken an equally big hit as major developed countries have after past crises, outflows seem to be bouncing back more slowly this time. By contrast with the overall decline in recent years, inflows to emerging markets often remained stable during their past economic crises. Both patterns indicate that the global scale of the current crisis has led to a greater FDI response than after individual country crises in the past. Compared with global economic downturns since the 1970s, the current FDI recession has also been greater in magnitude. The exception is the FDI plunge in the early 2000s, despite the much smaller economic crisis at the time. The authors conclude by recommending that policymakers not just further liberalize FDI regimes as they find was the typical pattern during earlier crises but rather use the downturn to rethink their FDI policies with an enhanced focus on "sustainable FDI" promotion.

Elif Arbatli (2011)[19], in his study on "Economic Policies and FDI Inflows to Emerging Market Economies."In this paper investigates the determinants of FDI inflows to emerging market economies, concentrating on the effects of economic policies. The empirical analysis also addresses the role of external push factors and of political stability using a domestic conflict events database. The results suggest that lowering corporate tax rates and trade tariffs, adopting fixed or managed exchange rate policies and eliminating FDI related capital controls have played an important role. Domestic conflict events and political instability are found to have significant negative effects on FDI, which highlights the role of inclusive policies to promote growth and avoid sudden stops of FDI inflows. The global financial crisis has led to a substantial contraction in FDI inflows to emerging market economies. Although other short-term inflows have resumed (at least more broadly), FDI inflows have remained subdued in many countries. The extent to which inflows are driven by domestic policies or other country-specific factors is an important policy question given the role of FDI in financing investment. This paper found that both global push factors and economic policies had a significant effect on FDI inflows for the set of emerging market economies in our sample, especially during 2008–09 as G-7 growth rates declined and uncertainty regarding future economic prospects increased. Among the set of pull factors that were considered, lowering corporate tax rates and tariffs and a stable exchange rate were found to be statistically important determinants of FDI inflows. Accounting for the effects of policy changes or shifts was found to be useful in explaining sharp increases in FDI inflows. Among other country-specific variables that are more structural in nature, and hence changing more slowly education was found to be highly significant. Political stability also appears to be a crucial factor in attracting FDI inflows. Countries that are more prone to domestic conflict and political instability have experienced lower FDI than other countries with similar characteristics. Although the analysis in this paper does not concentrate on the sources of domestic conflict and instability, the significant negative effects of domestic conflict on FDI suggests that economic policies that promote inclusive growth may be highly important. Countries that experience repressed instability may in the future face sudden stops of inflows, reversing previous gains from prudent macroeconomic policies. The empirical exercise presented in this paper fails to consider many potentially relevant policy measures because of data limitations. Going forward, expanding the set of policy variables included in the empirical exercise may yield useful insights. Their empirical work also focuses exclusively on the impact of policies on FDI inflows, but does not investigate factors that link higher FDI inflows with growth and social outcomes. As has been noted elsewhere, the growth benefits of FDI accrue mainly through technology transfers, imports of knowledge and managerial expertise, and spillovers to other industries and competition. Additional actions are usually needed to ensure that these conditions materialize and that the benefits of higher, FDI-induced growth are widely shared. Such measures include investments in infrastructure and human capital (which also attract more FDI); improvements in governance, labor market performance, and financial sector intermediation; and the establishment of social safety nets to protect the most vulnerable.

Imola Drigă (2011)[20], in her study "FDI Flows and Host Country Economic Development."In this paper examined, the propose of the paper is to analyze the relation between economic development and FDI flows. FDI should have a positive effect on economic growth as a result of positive externalities generated for host countries by multinational companies (MNCs). There are several studies on this issue, some of them pointing out that FDI has a considerable positive effect on host country economic growth but the magnitude depends on host country conditions, while other works indicate that there is no powerful interdependence between inward FDI to host country economic growth. However, it is generally accepted that there is a functional link between the degree of openness of trade and foreign direct investment, growth and dynamics of domestic investment flows, showing that FDI is an "accelerator" of domestic investments. It is generally accepted that most countries tend to attract foreign direct investment because of its acknowledged advantages as an instrument of economic development. Thus, evidence suggests that foreign direct investment is playing an increasing role in the global economy as firms increase their cross-border investments. The main benefits of inward FDI for a host country are the resource transfer effect; the employment effect; the balance of payments effect; effects on competition and economic growth. FDI is an important tool for technology transfer, contributing relatively more to growth than domestic investment.

Dah Frederick Kwasi Khadijah Mwinibuobu Sulemana(2010)[21],in their study on" The Contribution Of Oil To The Economic Development Of Ghana: The Role Of Foreign Direct Investments (FDI) And Government Policies". In this paper reviewed, Crude oil can attract a lot of investments and development into a country but when not managed well can as well cause a lot of destruction and conflict. Like fire, crude oil is a good servant but can be bad master too depending on how it is handled. Using Dunning's eclectic paradigm, a positive relationship between foreign direct investment and location attraction was established. Of the two components within the location attraction, natural resource attracts more foreign direct investment than market size in the case of Africa. It was established through our case study of Angola that oil attracts foreign direct investment because oil is a location attraction which attracts foreign firms. These investments on the other hand contribute to the productive capacity of the receiving country thus stimulating economic development. However, the availability of natural resources (oil) and its ability to attract foreign investment does not guarantee economic development. The establishment of appropriate institutions, mechanisms and policies would ensure efficient use of oil revenue for sustained economic growth. They identified vital policy options (the Fund mechanism and spending rule) available to Ghana, with inference from Norway, which could help evade the „Dutch Disease". Oil production could thus attract more foreign direct investment and contribute to the economic development of Ghana only on condition that appropriate oil revenue management policies are implemented.

Lucyna Kornecki, Vedapuri Raghavan (2010)[22], in their study on "Inward FDI Stock and Growth in Central and Eastern Europe". In this paper analyzed the foreign direct investment (FDI) in Central and Eastern Europe (CEE) during the post communist era and tests the hypothesis that FDI contributes to the economic growth of the CEE countries. It reflects macroeconomic changes in post communist CEE and estimates the impact of the FDI stock on economic growth in the CEE using model based on the production function. This paper finds a positive association between FDI and economic growth in the CEE and a tremendous impact of FDI stock on GDP growth.

8. CHARACTERISTICS OF FDI (FOREIGN DIRECT INVESTMENT)

- In all such transactions there is a basic intention- to participate in the management of the target company.
- In most cases it involves a long term commitment, that is, there is no intention to seek quick capital gains.
- By convention an investment is considered as FDI when it involves acquisition of a minimum of 10% of the paid up equity of the target company.
- Generally all such investments are accompanied by technology transfers and access to newer markets therefore the partnership involves access to raw materials for the foreign entity and access to technology for the target company.
- Such investments involve creation of physical assets which generally increase the productive capacity of the target company. This generates employment and consequently economic growth in the host country.
- Investment by the foreign entity may involve fresh issue of capital or sale of shares held by promoters in the target company. Therefore such transactions are essentially primary market operations. In most cases there would be an effect on the balance sheet of the company.[23]

8.1. IMPORTANCE OF FDI INFLOWS IN GREECE

Greece Foreign Direct Investment, percent of GDP For that indicator, The World Bank provides data for Greece from 1970 to 2013. The average value for Greece during that period was 0.8 percent with a minimum of 0.03 percent in 2002and a maximum of 1.98 percent in 2006. Foreign direct investment in Greece and other countries reflects the foreign ownership of production facilities. To be classified as foreign direct investment, the share of the foreign ownership has to be

equal to at least 10 percent of the value of the company. The investment could be in manufacturing, services, agriculture, or other sectors. It could have originated as green field investment (building something new), as acquisition (buying an existing company) or joint venture (partnership).
Foreign direct investment (FDI) is the ownership of production facilities in a foreign country. To be classified as FDI, a foreign investor has to own at least 10 percent of a local company. Otherwise, if the ownership is less than 10 percent of the value of the local company, the investment is classified as portfolio Investment. The investment could be in manufacturing, services, agriculture, or other sectors. It could have originated as green field investment (building something new), as acquisition (buying an existing company) or joint venture (joint ownership with a local company).
FDI is reported on an annual basis, i.e. how much new investment was received in the country during the current year. It typically runs at about 2-3 percent of the size of the economy measured by its gross domestic product. If a country routinely receives FDI that exceeds 5-6 percent of GDP each year, then this is a significant success.

8.2. FOREIGN DIRECT INVESTMENT NET INFLOWS (% OF GDP) IN GREECE

Foreign direct investment net inflows percent of GDP in Greece was last measured at 1.11 in 2013, according to the World Bank. Foreign direct investment are the net inflows of investment to acquire a lasting management interest 10 percent or more of voting stock in an enterprise operating in an economy other than that of the investor. It is the sum of equity capital, reinvestment of earnings, other long-term capital, and short-term capital as shown in the balance of payments. This series shows net inflows new investment inflows less disinvestment in the reporting economy from foreign investors, and is divided by GDP.This page has the latest values, historical data, forecasts, charts, statistics, an economic calendar and news for foreign direct investment net inflows percent of GDP in Greece.[24]
Companies could start operations in a foreign country for a number of reasons:
- Access to skilled labor at lower wages
- Access to a large local market
- Access to natural resources
- Low taxes and various subsidies
- Proximity to suppliers
- Agglomeration: a large cluster of companies that work on related products and services and access financing.

A country could be attractive to foreign investors because of one of more of these attributes. The U.S., for example, offers an enormous domestic market, a vast network of suppliers, better access to financing than many other countries, and much more. Ireland offers low taxes and access to the large European Union market. Countries in Eastern Europe offer high skilled labor at lower wages than in Western Europe. Many countries on the African continent offer abundant natural resources. How important is cheap labor in that mix? Notice on the chart that the U.S. still receives more FDI than China, despite the substantially lower wages in China. Clearly, cheap labor is an important factor but it is not the primary driving force for international investment.

FDI

Foreign Direct Investments (FDI) is investment of foreign assets into domestic structures, equipment, and organizations. FDI inflows are into the primary market and do not include foreign investments into the stock markets. It is a long-term investment and is used by the developing countries as a source of their economic development, productivity growth, to improve the balance of payments and employment generation. Its aim is to increase the productivity by utilizing the resources to their maximum efficiency. Exit is relatively difficult in this phenomenon.
World Bank definition: Foreign direct investment are the net inflows of investment to acquire a lasting management interest (10 percent or more of voting stock) in an enterprise operating in an economy other than that of the investor. It is the sum of equity capital, reinvestment of earnings, other long-term capital, and short-term capital as shown in the balance of payments. This series shows net inflows (new investment inflows less disinvestment) in the reporting economy from foreign investors, and is divided by GDP.[25]

8.3. THE EU IS THE WORLD'S LARGEST ECONOMY, REPRESENTING OVER 20 % OF WORLD GDP

The EU and its economic prosperity matter immensely to the rest of the world. The EU remains the world's largest economy with over 20 % of the world's gross domestic product (GDP) and more than 500 million inhabitants, making it the world's most lucrative consumer market. It is also the world's largest trading block, accounting for 15% of global trade in goods and 22.5 % of global trade in services in 2012. The EU is the world's second-largest investor, after the USA: in 2012, global foreign direct investments (FDIs) from the EU amounted to
Around EUR 170.6 billion. In the top 10 trading countries, four belong to the EU (Germany, the Netherlands, France, and Italy). The EU's trading partners benefit greatly from such a large market, in which a single tariff and a single set of trade rules apply at the border and a single set of harmonized rules apply within all Member States, making it easier for companies to do business with EU partners. The EU's strength is further substantiated by the findings of the World Economic Forum's 'Global competitiveness report' (2012–13), showing that five of the 10 most competitive countries in the world are EU Member States.[26]

9. INFLOW OF GLOBAL FOREIGN DIRECT INVESTMENT

Global foreign direct investment increased over the period. In 1970 the world FDI was 14282.05 million of US Dollars (6.09 per cent). It's comparatively increasing the world FDI in 198054078.33 million of US dollars (31.29 per cent). During 2001 the position of world FDI was 826177.1 million of US Dollars (19.30 per cent). It was comparatively decreasing the world FDI in 2011 243671 million of US dollars (18.36 per cent). The United Nations conference on Trade and development said that there was no significant growth of Global FDI in 2010. In 2010 were 1,122 billion of US dollars and in 2009 were 114 billion of US Dollars. The figure was 25 percent below the pre-crisis average between 2005 &2007.
In 2013, FDI flows returned to an upward trend. Global FDI inflows rose by 9 per cent to $1.45 trillion in 2013. FDI inflows increased in all major economic groupings developed, developing, and transition economies. Global FDI stock rose by 9 per cent, reaching $25.5 trillion. UNCTAD projects that global FDI flows could rise to $1.6 trillion in 2014, $1.75 trillion in 2015 and $1.85 trillion in 2016. The rise will be mainly driven by investments in developed economies as their economic recovery starts to take hold and spread wider. The fragility in some emerging markets and risks related to policy uncertainty and regional conflict could still derail the expected upturn in FDI flows. As a result of higher expected FDI growth in developed countries, the regional distribution of FDI may tilt back towards the "traditional pattern" of a higher share of developed countries in global inflows. Nevertheless, FDI flows to developing economies will remain at a high level in the coming years.
FDI flows to developing economies reached a new high at $778 billion (table 1), accounting for 54 per cent of global inflows, although the growth rate slowed to 7 per cent, compared with an average growth rate over the past 10 years of 17 per cent. Developing Asia continues to be the region with the highest FDI inflows, significantly above the EU, traditionally the region with the highest share of global FDI. FDI inflows were up also in the other major developing regions, Africa (up 4 per cent) and Latin America and the Caribbean (up 6 per cent, excluding offshore financial centres).
Although FDI to developed economies resumed its recovery after the sharp fall in 2012, it remained at a historically low share of total global FDI flows (39 per cent), and still 57 per cent below its peak in 2007. Thus, developing countries maintained their lead over developed countries by a margin of more than $200 billion for the second year running. Developing countries and transition economies now also constitute half of the top 20 economies ranked by FDI inflows. Mexico moved into tenth place. China recorded its largest ever inflows and maintained its position as the second largest recipient in the world. FDI by transnational corporations (TNCs) from developing countries reached $454 billion – another record high. Together with transition economies, they accounted for 39 per cent of global FDI outflows, compared with only 12 per cent at the beginning of the 2000s. Six developing and transition economies ranked among the 20 largest investors in the world in 2013 (figure 3). Increasingly, developing-country TNCs are acquiring foreign affiliates of developed-country TNCs in the developing world. In 2015 World GDP was US$ 81,544.49 Billion, which represented growth of 3.847 % over 2014. Average GDP was US$ 430.02 Billion. For the year 2015, global inflation was running at 3.92 %, investment as a % of world GDP was 25.173 %, gross national savings as a % of world GDP was 25.455 %, and the current account balance of all countries stood at US$ 270.644 Billion of global GDP.[27]

9.1. FDI INFLOWS IN DEVELOPED COUNTRIES

In developed countries increase the FDI over the period of year during 1971 state FDI in Developed countries 10050.6 million of US dollars (8.17 per cent) increasing the FDI in developed countries in 1980,46575.81 million of US Dollars (36.32). The last decade FDI was increase during the period of 2010. It comparatively differs between two periods. In 2010 developed countries FDI was grew up 601905.9 million of US dollars (37.92 per cent)

TABLE 1: FOREIGN DIRECT INVESTMENT POSITIONS AT YEAR END IN DEVELOPED COUNTRIES

Countries	**2008**	**2009**	**2010**
United states	288.9	252.4	249.9
United Kingdom	65.1	73.4	70.2
Barbados	46.9	51.2	51.7
Cayman Islands	24.7	26.2	27.2
Ireland	24.4	23.0	21.5
Australia	8.6	13.8	21.0
Bahamas	12.2	14.9	14.9
Bermuda	16.0	14.0	13.8
Chile	10.9	12.2	13.3
Hungary	12.8	13.3	12.1
Brazil	9.8	85	9.7
France	17.1	15.7	88
Germany	11.0	9.7	8.7
Japan	4.2	66	7.3
Luxembourg	6.2	6.1	7.3
All other countries	83.2	80.7	79.3
Total	**642.0**	**621.2**	**616.7**

Source: Available on CANSIM[28].

After a sharp fall in 2012, inflows to developed economies recovered in 2013 to $566 billion, a 9 per cent increased. Inflows to the European Union were $246 billion (up 14 per cent), less than 30 per cent of their 2007 peak. Among the major economies, inflows to Germany – which had recorded an exceptionally low volume in 2012, rebounded sharply, but France and the United Kingdom saw a steep decline. In many cases, large swings in intra-company loans were a significant contributing factor.

Inflows to Italy and Spain rebounded sharply with the latter becoming the largest European recipient in 2013. Inflows to North America recovered to $250 billion, with the United States the world's largest recipient recording a 17 per cent increase to $188 billion. Outflows from developed countries were $857 billion in 2013 virtually unchanged from a year earlier. A recovery in Europe and the continued expansion of investment from Japan were weighed down by a contraction of outflows from North America. Outflows from Europe increased by 10 per cent to $329 billion. Switzerland became Europe's largest direct investor. Against the European trend, France, Germany and the United Kingdom registered a large decline in outward FDI. Outflows from North America shed another 10 per cent to $381 billion, partly because United States TNCs transferred funds from Europe, raised in local bond markets, back to the United States. Outflows from Japan grew for the third successive year, rising to $136 billion. Both inflows and outflows remained at barely half the peak level seen in 2007. In terms of global share, developed countries accounted for 39 per cent of total inflows and 61 per cent of total outflows both historically low levels[29].

Inflows to developed countries appear to be recovering, with preliminary estimates showing a 12% rise in 2013, over 2012, to US$576 billion, for the group of 38 economies as a whole.

However, despite positive signs of recovery in some developed country regions, such as parts of the EU, FDI flows to the United States failed to reverse their decline, contrary to other signs of economic recovery over the past year. Inflows to Japan rose by 61% to US$2.8 billion, but Australia and New Zealand saw sharp declines of 28% to US$40 billion and 75% to US$0.5 billion, respectively. Flows to developed economies were therefore still at only 44% of their peak level of 2007. Even though the growth rate in FDI flows to developed countries was twice that compared to developing countries in 2013, it was not enough to restore their position as primary recipients of FDI inflows. The developed country share remained well below half of global inflows at 39 per cent.

The aggregate inflows to the EU in recent years were largely accounted for by flows to four relatively small economies Belgium, Ireland, the Netherlands and Luxembourg that offer a tax-friendly environment for investment, particularly for special purpose entities. As a result, these economies are hosts to a large number of TNCs' financial or treasury functions. Having fallen by over US$169 billion in 2012, inflows to these four economies grew by over US$100 billion in 2013. Elsewhere in the EU, Germany (+392% to US$32.3 billion), Spain (+37% to US$37.1 billion) and Italy (from US$0.1 billion to US$9.9 billion) saw a substantial recovery in their FDI inflows. Conversely, flows declined in 15 out of 27 EU economies, with the largest declines observed in France (77% to US$5.7 billion) and Hungary (from US$13.8 billion to -US$3 billion). Outside the EU, inflows to Norway and Switzerland also fell sharply by 46% to US$9.4 billion and by 98% US$0.2 billion, respectively.[30]

10. TREND ANALYSIS OF FDI INFLOWS IN TO THE GREECE DURING 1971 TO 2013

In this part, an attempt is made to analysis broad trends in Foreign Direct investment inflows of the Greece developed country. To be more specific this part describes the FDI inflows in terms of actual value, FDI index and annual growth rate. For above countries this analysis was done using 43 years data over the period from 1971 to 2013 for each of the four portions of the years Greece developed economy depending on the availability of data.

10.1. FDI INFLOWS INTO GREECE DURING 1971-1980

The table shows that data on FDI inflows into Greece during the decade from 1971 to 1980, FDI inflows into Greece has grown sizably. The value of FDI inflows has increased from 42 million of US dollars in 1971 to touched 672 million of US dollars in 1980. The highest index number was 1600 in 1980. In this decade the highest annual growth rate was 1170.83 per cent in 1978 and lowest annual growth rate was 8.06 per cent in 1974. During the same decade, the average value of FDI inflows and annual growth rate was works out to 265.5 of US dollars and 166.67 per cent linear growth rate -0.076 per year respectively

TABLE 2: FDI INFLOWS INTO GREECE DURING 1971-1980 (millions of US dollars)

year	FDI inflows(in millions)	Index no	AGR
1971	42	100	-
1972	55	130.95	30.95
1973	62	147.62	12.73
1974	67	159.52	8.06
1975	240	57.14	64.18
1976	305	726.19	1170.83
1977	387	921.43	26.89
1978	428	1019.05	10.59
1979	613	1459.52	43.22
1980	672	1600.00	9.62
TOTAL	265.5	166.67	-0.076

10.2. FDI INFLOWS INTO GREECE DURING 1981-1990

The table reveals that data on FDI inflows into Greece during the decade from 1981 to 1990, FDI inflows into Greece has grown gradually. The value of FDI inflows has increased from 520 million of US dollars in 1981 to touched 1005 million of US dollars in 1990. The highest index number was 193.27 in 1990. In this decade the highest annual growth rate was 45.01per cent in 1987 and lowest annual growth rate was -7.84 per cent in 1985. During the same decade, the average value of FDI inflows and annual growth rate was works out to 614.5 of US dollars and 14.50 per cent and-12.03t linear growth rate per year respectively

TABLE 3: FDI INFLOWS INTO GREECE DURING 1981-1990 (millions of US dollars)

year	FDI inflows(in millions)	Index no	AGR
1981	520	100	-
1982	436	83.85	-16.15
1983	439	84.42	0.69
1984	485	93.27	10.48
1985	447	85.96	-7.84
1986	471	90.58	5.37
1987	683	131.35	45.01
1988	907	174.42	32.80
1989	752	144.62	-17.10
1990	1005	193.27	33.64
TOTAL	614.5	14.50	-12.03

Source; UNCTAD database

10.3. FDI INFLOWS INTO GREECE DURING 1991-2000

The table depicted that data on FDI inflows into Greece during the decade from 1991 to 2000, FDI inflows into Greece has grown slowly. The value of FDI inflows has decrease from1135 million of US dollars in 1991 to touched 1108 million of US dollars in 2000. The highest index number was 100.97 in 1992 and next highest position of index value is 97.62 in 2000. In this decade the highest annual growth rate is 97.15 per cent in 2000 and lowest annual growth rate was-92.78 per cent in 1998. During the same decade, the average value of FDI inflows and annual growth rate was works out to 907.3 of US dollars and -0.26 percent and linear growth rate 1355.27 abnormal per year respectively

TABLE 4: FDI INFLOWS INTO GREECE DURING 1991-2000 (millions of US dollars)

year	FDI inflows(in millions)	Index no	AGR
1991	1135	100	-
1992	1144	100.79	0.79
1993	977	86.08	-14.60
1994	981	85.75	0.41
1995	1053	92.78	7.34
1996	1058	93.22	0.47
1997	984	86.70	-7.52
1998	71	6.26	-92.78
1999	562	46.34	87.37
2000	1108	97.62	97.15
AVERAGE	907.3	-0.26	1355.27

Source; UNCTAD database

10.4. FDI INFLOWS INTO GREECE DURING 2001-2013

The table shows that data on FDI inflows into Greece during the decade from 2001 to 2013, in this decade only concern with thirteen years of FDI inflows into Greece has grown increasingly. The value of FDI inflows has increased from 1589 million of US dollars in 2001 to touched 2567 million of US dollars in 2010. Yet the next year was FDI inflows in Greece instanenously up down just only 50 million of US dollars in 2002. The highest index number was 337 in 2006. In this decade the highest annual growth rate was 2450.08 per cent in 2003 and lowest annual growth rate was-86.45 per cent in 2010. During the same decade, the average value of FDI inflows and annual growth rate was works out to 1986.15 of US dollars and 5.13 per cent and linear growth rate 4.23 per year respectively.

TABLE 5: FDI INFLOWS INTO GREECE DURING 2001-2013 (millions of US dollars)

year	FDI inflows(in millions)	Index no	AGR
2001	1589	100	-
2002	50	3.15	96.85
2003	1275	80.24	2450.08
2004	2102	132.28	64.86
2005	623	39.21	-70.39
2006	5355	337.00	75.95
2007	2111	132.85	-60.58
2008	4499	283.13	113.12
2009	2436	153.30	-45.85
2010	330	20.77	-86.45
2011	1143	71.93	246.36
2012	1740	109.93	52.23
2013	2567	161.55	47.53
AVERAGE	1986.15	5.13	4.23

Source; UNCTAD database

11. REASONS FOR SLOWDOWN OF FDI

In this part we could analysis the trend of FDI inflows in Greece. Here up and greater downs of FDI Inflows due to the last few years Greece was face the financial crisis and simultaneously deal with the debt crisis. So, why did Greece become downward tilting it means that many causes are over the past quarter century the Greek economy has had a very disappointing rate of economic growth.

After a rapid expansion in the years following the end of the civil war, the growth of real GDP slowed to only 1.5 percent annually in the period of 1973-95 Much of the popular discussion has attributed the poor performance to deteriorating economic policy conditions in the period after 1973 particularly during the 1980s. Beginning in the mid-1970s the government ran large and sustained budget deficits and monetary policy accommodated a sharp acceleration of inflation. High rates of wage inflation led to a squeeze of profit margins and a weakening of investment incentives. With the restoration of macroeconomic order in the late nineties, a more complete explanation of the growth slowdown takes on added importance.

In addition, since its admission to the EU, Greece has received large transfers from the rest of the European Union. A major objective of those programs has been to promote a catch-up of incomes in the poorer countries. Will the resources of the Third Structural Funds Package (2000-2006) suffice so that income per capita in Greece will start converging to the EU average In the most recent five years, 1995-2000, growth has averaged 3.3 percent annually, slightly exceeding the EU average.

Examine several factors that have been suggested as possible contributors to the slowdown. These include the deterioration in macroeconomic policy, reduced rates of capital formation, the shock of entry into the EU, and the presence of structural rigidities in labor markets.

The economic stagnation was attributable to a widespread weakening of economic institutions that went beyond the breakdown of macroeconomic policy to a rigid and over-regulated labor market, deterioration in the competitive position of the tradable goods sector, and continuing subsidies to inefficient enterprises. The restoration of a rational macroeconomic policy structure has provided support for a renewal of economic growth. However, if Greece is to accelerate its growth rate to a pace that would imply significant convergence of incomes to the EU average, it will need to consider more drastic reforms of existing economic institutions.

The main reasons for the difficult to solve the problems of crisis while Greece was only enable to the austerity. The Greece and Greece people don't want to live the austerity life its make to the mass expenditure or expansive this is lead to the Greece and Greece people enter into great depression or debt. Greece needs to Remedial to comeback to restoration means they followed to make it austerity life it help to reduce the huge expenditure and it will move to comeback to those crisis.

12. RECENT POSITION OF FDI

FDI doubles to $2.16 billion in December

- Foreign direct investment (FDI) in India almost doubled to $ 2.16 billion in December 2014, compared to $ 1.10 billion in the same month of 2013.
- During the April-December period of current fiscal, FDI rose by 27 per cent to $ 21.04 billion as against $ 16.56 billion in the same period last fiscal, the data by Department of Industrial Policy and Promotion showed.
- Amongst the top 10 sectors, telecom received the maximum FDI of $ 2.67 billion in the nine-month period, followed by services ($ 2.29 billion), automobile ($ 1.58 billion), pharmaceuticals ($ 1.21 billion) and computer software and hardware ($ 971 million).
- During the period, India received maximum FDI from Mauritius at $ 5.89 billion, followed by Singapore ($ 4.31 billion), the Netherlands ($ 2.57 billion), the US ($ 1.48 billion) and Japan ($ 1.42 billion).
- In 2013-14, FDI stood at $ 24.29 billion as against $ 22.42 billion in 2012-13.
- Healthy inflows of foreign investments into the country help in balancing the country's balance of payments and stabilize the value of rupee.
- India is estimated to require around $ 1 trillion over five years to overhaul its infrastructure sector, including ports, airports and highways to boost growth.

The government is taking steps to boost FDI in the country. It has relaxed FDI norms in sectors including insurance, railways and medical devices.[31]

13. ARGUMENTS IN FAVOR OF FDI IN RETAILING

13.1 FDI IN RETAILING IS FAVORED ON FOLLOWING GROUNDS:

- Investment of a foreign company in the American market can provide new technologies, capital, products, organizational technologies, management skills and potential cooperation and business opportunities for local businesses. For example, Volkswagen, a European automotive manufacturing company, is building a plant in Tennessee. Its investment needs local small businesses as suppliers -- from the construction sector during building, from suppliers of equipment and accessories in the automotive industry and from other businesses, such as cleaning services and plumbers.
- The global retailers have advanced management know how in merchandising and inventory Management and have adopted new technologies which can significantly improve productivity and efficiency in retailing.
- Entry of large low-cost retailers and adoption of integrated supply chain management by them is likely to lower down the prices
- FDI in retailing can easily assure the quality of product, better shopping experience and customer services.
- They promote the linkage of local suppliers, farmers and manufacturers, no doubt only those who can meet the quality and safety standards, to global market and this will ensure a reliable and profitable market to these local players.
- As multinational players are spreading their operation, regional players are also developing their supply chain differentiating their strategies and improving their operations to counter the size of international players. This all will encourage the investment and employment in supply chain management.
- Joint ventures would ease capital constraints of existing organized retailers..
- FDI would lead to expansion of opposite sell formats as good as modernization of a sector.
- Industry trends for retail sector indicate that organized retailing has major important
- FDI in retail trade would not attract large inflows of foreign investment since very little investment is required to conduct retail business. Goods are bought on credit and sales are made on cash basis. Hence, the working capital requirement is negligible. On the contrary; after making initial investment on basic infrastructure, the multinational retailers may remit the higher amount of profits earned in India to their own country.

Some other advantages the party making the investment is usually known as the parent enterprise and the party invested in can be referred to as the foreign affiliate. Together, these enterprises form what is known as a Transnational Corporation (TNC), and here are some of the advantages of such an arrangement.

- Many countries still have several import tariffs in place, so reaching these countries through international trade is difficult. There are certain industries that require being present in international markets in order to succeed, and they are the ones who then provide FDI to industries in such countries, so that they can increase their sales presence there.
- Many parent enterprises provide FDI because of the tax incentives that they get. Governments of certain countries invite FDI because they get additional expertise, technology and products. So to welcome these benefits they provide great tax incentives for foreign investors, which ultimately suit all parties.
- Foreign investment reduces the disparity that exists between costs and revenues, especially when they are calculated in different currencies. By controlling an enterprise in a foreign country, a company is ensuring that the costs of production are incurred in the same market where the goods will ultimately be sold.
- Different international markets have different tastes, different preferences and different requirements. By investing in a company in such a country, an enterprise ensures that its business practices and products match the needs of the market in that country specifically.
- Though this is not such a big factor, some markets prefer locally produced goods due to a strong sense of patriotism and nationalism, making it very hard for international enterprises to penetrate such a market. FDI helps enterprises enter such markets and gain a foothold there.
- From the foreign affiliate's point of view, FDI is beneficial because they get advanced resources and additional capital at their disposal. Something like this is always welcome, and it also helps strengthen the political relationships between various nations.

13.2. DISADVANTAGES OF FOREIGN DIRECT INVESTMENT

While all these advantages are well and good, the fact is that there are certain cons that come along with them as well. Every industry, and every country, deals with these cons differently, and is also affected in varying degrees, so they are not meant to discourage foreign investors in any way. But every parent enterprise should be aware of these points.

- **Unstable economic conditions.** Much of FDI takes place in the developing world, which is just developing its economic systems. The market conditions in the developing world can be quite unstable and unpredictable.
- **Unstable political and legal system.** A bigger problem may be unstable or underdeveloped political and legal systems. A company may have to deal with a corrupt or unstable political system. Additionally, the legal system may be underdeveloped. Contracts and property rights may not be easily enforced.

DISADVANTAGES OF FDI IN MULTI-BRAND

- The decision set off fears that multinational giants will put small retailers and local shops that service households will be wiped out. Those in favour of FDI say that this unlikely since local mom-and-pop shops give personalized services like home delivery that these huge deep-discount stores won't.
- FDI in multi-brand retail has many pre-conditions, though. The minimum FDI limit has been set at $100 million. Half of any investment has to be made in infrastructure like cold-storage chains and warehouses. This is designed to help the agricultural sector and India has a severe shortage of these.
- The most problematic condition, from the point of view of investors, will be that at least 30 per cent of the goods to be sold will have to sourced from local producers. Analysts say that MNCs might have a problem of quality control and supply
- Foreign investments are always risky because the political situation in some countries can change in an instant. The investor could suddenly find his investment in serious jeopardy due to several different reasons, so the risk factor is always extremely high.
- In certain cases, political changes could lead to a situation of 'Expropriation'. This refers to a scenario where the government can take control of a firm's property and assets, if it feels that the enterprise is a threat to national security.
- Many times, the cultural differences between different countries prove insurmountable. Major differences in the philosophy of both the parties lead to several disagreements, and ultimately a failed business venture. So it is necessary for both the parties to understand each other and compromise on certain principles. This point is directly related to globalization as well.
- Investing in foreign countries is infinitely more expensive than exporting goods. So an investor should be prepared to spend a lot of money for the purpose of setting up a good base of operations. This is something that parent enterprises know and are well prepared for, in most cases.
- From the point of view of foreign affiliates, FDI is ill-advised because they lose their national identity. They have to deal with interference from a group of people who do not understand the history of the company. They have unreal expectations placed on them, and they have to handle several cultural clashes at the same time.

The disadvantages of foreign direct investment occur mostly in care of matters related to operation distribution of the profits made on the investment and the personnel. One of the most direct disadvantages of foreign direct investment is that economically backward section of the host country is always in convenience when the stream of foreign direct investment negatively affected.

The situations in countries like Inland Singapore, Chile and China corroborate such an opinion. It is normally the responsibility of the host country to limit the extent of impact that may be made by the foreign direct investment. They should be making sure that the entities that are making the foreign direct investment in their country adhere to the environmental governance and social regulations that have been laid down in the country.

The various disadvantages of foreign direct investment are understood where the host country has some sort of national secret. Something that is not mean to be disclosed to the rest of the world. It has been observed that the defense of a country has faced risks as a result of the foreign direct investment in the economy or country.

At times it has been observed that certain foreign policies are adopted that are not appreciated by the workers of the recipient country. Foreign direct investment at times, is also disadvantage for the ones who are making the investment themselves.

Foreign direct investment may entail high travel and communications expenses. The difference of language and culture that exist between the country of the investor and the host country could also pose problems in care of foreign direct investment.

Yet another major disadvantage of foreign direct investment is that there is a hence that a company may lose out on its ownership to an overseas company. This has often caused many companies to approach foreign direct investment with a certain amount of caution.

At times it has been observed that there is considerable instability in a particular geographical region. This causes a lot of inconvenience to the investor. The size of the market as well as the condition of the host country could be important factors in the care of the foreign direct investment. In care of the host country is not well connected with their more advanced neighbors. It poses a lot of challenge for the investors.

At times it has been observed that the governments of the host country are facing problems with foreign direct investment. It has less control over the functioning of the company that is functioning as the wholly owned subsidiary of an overseas company.

This leads to serious issues the investor does not have to be completely obedient to the economic policies of the country where they have invested the money.

At times there have been adverse efforts of foreign direct investment on the balance of payments of a country. Even in view of the various disadvantages of foreign direct investment it may be said that foreign direct investment has played an important role in shaping the economic fortunes of a humbler of countries around the world.

14. BENEFITS

GROWTH IN EMPLOYMENT

When foreign companies start operation they usually hire people, especially if the investment is greenfield, i.e. if a new facility is created and if the production is more labor intensive, i.e. requires many people. Often, local companies become suppliers to a large new employment.

INCREASED FOREIGN EXCHANGE RESERVES

When U.S. companies invest in Mexico, they exchange dollars for pesos to buy land and equipment and to pay wages. The U.S. investors purchase dollars from the Mexican banks. The banks can lend the dollars to Mexican firms and households or they can sell the dollars to the Mexican central bank. When the dollars end up with the Mexican central bank, it keeps them in reserves so that Mexico can pay its international debts and imports.

NEW TECHNOLOGY

Foreign companies often introduce new technologies and train local personnel. Sometimes, after working at the foreign company for several years, an employee would leave and start his/her own business or would be hired by a domestic company. In that way the knowledge is transferred from the international company to the domestic companies.

BETTER MANAGERIAL KNOW-HOW

Multinationals have well functioning management structures that can be observed by local employees. These employees could spin off local companies using that managerial know-how.

NEW EXPORT MARKETS

Foreign companies usually have established channels for placing their output on international markets. For example, if Ford starts making cars in Mexico, they already have plans to sell them back in the U.S. and other countries.

15. PROBLEMS FACED BY GREECE DURING FDI INFLOWS

Foreign direct investment may entail high travel and communication expense the difference of language and cultural that exists between the country of the investor and the host country could also pose problems in case of foreign direct investment. At time it has been observed that certain foreign policies are adopted. That is not appreciated by the workers of the recipient country. Foreign direct investment at time also problem for the ones.

At time it has been observed that there is considerable instability in a particular geographical region. This causes lot of inconvenience to the investor.

The size of the market, as well as the condition of the host country could be important factors in the case of the foreign direct investment. In case of the host country is not well connected with their more advanced neighbors it poses a lot of challenge for the investors.

At times it has been observed that the governments of the host country are facing problems with foreign direct investment. It has less control over the functioning of the company that is functioning as the wholly owned subsidiary of an overseas company.

This leads to serious issues the investor does not have to be completely obedient to the economic policies of the country where they have invested the money. At times there have been adverse effects of foreign direct investment on the balance of payments of a country.

Despite the fact that most countries. These days both welcome and actively to promote and attract FDI, these are still wide divergences. This can be explained by differences in competitive advantages as well as differences in investment climate both of which can be influenced by host country.

Foreign investors are often discouraged by a number of factors such as the small size of markets. Trade restriction; low level of development of the private sectors; limited access to finance; stability of the legal system and inconsistent implementation and interpretations of laws; an excessive of radtapism and cumbersome bureaucratic producers; wide discretionary powers gives to tax and customs authorities; widespread corruption; political and instability geographic isolation; lack of democratic reforms; and a slow pace of privatization process.

Generally the investment related policies of the government are concerned, these are fine in spirit. However, their actual implementation continues to create obstacles for both local and foreign investors. An inefficient and non-too honest bureaucratic system in primarily responsible for this problem. All the administrative barriers are in fact generated from bureaucratic system.

The extent of the administrative barriers in quite longwinded and also inter-related. Poor policy design and implementation. Competitive weakness, Structural impediments, low qualityof infrastructure and skills, weak institutions, poor governance and administrative hassles represent the administrative barriers that discourage potential FDI. The main drawbacks in the bureaucratic system are inefficiency and corruption. Turning the whole administrative functionaries into a harassing experience.

There is serious lack of co-ordination between the policy implementing agencies of the government and investors. Due to this, investors' suffering goes up. This induces lot of hassles in the implementation process and creates barriers for the investors in getting due on incentive offered by the government and ultimately discourages foreign investors to proceed on.

The various disadvantages of foreign direct investment are understood where the host country has some sort of national secret. Something that is not meant to be disclosed to the rest of the world. It has been observed that the defense of a country has faced risks as a result of the foreign direct investment in the economy or country.

At times it has been observed that certain foreign policies are adopted that are not appreciated by the workers of the recipient country. Foreign direct investment at times, is also disadvantage for the ones who are making the investment themselves. Foreign direct investment may entail high travel and communications expenses.

The difference of language and culture that exist between the country of the investor and the host country could also pose problems in care of foreign direct investment.

Yet another major disadvantage of foreign direct investment is that there is a hence that a company may lose out on its ownership to an overseas company. This has often caused many companies to approach foreign direct investment with a certain amount of caution.

16. FINDING AND CONCLUSTION

In this paper intends to examine whether FDI does play an important role in Greece and paper kindly help to study about the FDI inflows of debt crisis country like Greece. In this work mainly did for the Trend analysis of FDI inflows of Greece during the 1971 to 2013.The paper reveals that small ups and grates downs of FDI inflows of Greece In this part we could analysis the trend of FDI inflows in Greece. Greece FDI inflows were very lazy and slowdown compares to the other European member countries or developed countries. But during the first decade 1971-1980, FDI inflows in 1971 was 42 millions of US dollars than it will be increased gradually 240 and 672 millions of US dollars during 1975and 1980 respectively. Every decades FDI inflows of Greece was faced up and lots of great downs for example the last decade during 2001-2013, the FDI inflows of 2001 was 1589 million US dollars its high increased comparably to other decades but FDI inflow was shockingly decreased or come down the next year of same decade it was only 50 million of US dollars and the average of FDI inflows of annual growth rate was works out to 1986.15 and the 5.13 per cent respectively. Found the linear growth rate is very high in 2001-2013 last decades and the abnormal value linear growth rate of FDI inflows of Greece were1981-1990. Here up and greater downs of FDI Inflows one of the factors due to the last few years Greece was face the financial crisis and simultaneously deal with the debt crisis. So, why did Greece become downward tilting it means enter into the debt and financial crisis that many causes are over the past quarter century the Greek economy has had a very disappointing rate of economic growth.

One more main reason for this crisis, the Greece and Greece people don't want to live the austerity life its make to the mass expenditure or expansive this is lead to the Greece and Greece people enter into great depression or debt. Greece needs to Remedial to comeback to restoration means they followed to make it austerity life it help to reduce the huge expenditure and it will move to comeback from those crisis. Here the Greece should take strong policy, awareness to the people about the crisis and follow the remedies to bailout or resilient from the crisis.

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DEMAND AND SCOPE FOR GREEN MARKETING

SYED MOHD MURTUZA BUKHARI
STUDENT
AL-AMEEN INSTITUTE OF MANAGEMENT STUDIES
BANGALORE

ABSTRACT

The article is about the necessity of Green Marketing. We are living in a world, where the communities are concerned about protection of health and environment. To sustain, a marketer has to consider inventive marketing. It focuses on selling products and/ or services based on their environmental benefits. The Companies/Organisations have started more ecofriendly services for the consumers along with multiple environment benefits. The green marketers hope to capitalize on this by developing strategies that allow consumers to integrate green products into their lifestyles which can be termed as green consumerism. The "Organic Industry" which specializes in the sale of organically produced foods, health and nutritional supplements and other green lifestyle items promote green consumerism.

KEYWORDS
green marketing, organic industry.

INTRODUCTION

Green Marketing is a marketing of products that are presumed to be environmentally safe. Although environmental issues influence all human activities. The societies and communities across the world start recognizing green marketing, the businesses have begun to modify their behaviour to address the societies. Some businesses have been quick to accept concepts like environment management systems and reduction in waste.

The green marketing and environment friendly marketing has been a deal of discussion in between the media.

The green marketing indulges into a broad range of activities, including product modification, Changes to the product process, packaging changes as well as modifying advertising. Even then to define green marketing is not a simple task. The American Marketing Association (AMA) held the first workshop on "Ecological Marketing" in 1975. The proceedings of this workshop resulted in one of the first books on green marketing entitled "Ecological Marketing" [Henion and kinnear 1976a] . Since that time a number of other books on the topic have been published [Charter 1992, Coddington 1993, ottman 1993].

The AMA workshop attempted to bring together academics, practitioners and public policy makers to examine marketing impact on the natural environment.

IMPORTANCE OF GREEN MARKETING

The resources on this planet Earth are limited to the mankind. In society, where everyone enjoys the "Freedom of choice ", it is accepted by all that individuals and organisations have a right to attempt to have their wants satisfied. Other organisations have committed to be far more committed to the green marketing ideal, conscientiously avoiding marketing green wash, and attempting to bring about a more holistic change in the way they do business. Green Marketing leaders have also suggested that, in order to avoid accusations of marketing green wash and ensure that the principles of green marketing are meaningfully applied to every level of a company's operations, businesses should consider the nature of their involvement with suppliers, franchises and other partners, as well as potentially pursuing new relationships with NGO's regulatory bodies and educators.

OBJECTIVES OF THE STUDY

a) To create awareness among the public about Green Products.
b) Measures to improve green marketing
c) Challenges in green Marketing.
d) Opportunities of green marketing strategy.

SCOPE OF THE STUDY

a) To formulate the strategy to be followed by companies in Green Marketing.
b) Challenges available in promotion of green marketing.
c) Opportunities available in green marketing.

SOCIAL DUTIES AND BEHAVIOUR

Many Companies are beginning to realize that they are members of wider community and therefore must behave in an environmentally responsible fashion. This translates into firms that believe they must achieve environmental objectives as well as profit related objective. This results in environment issues being integrated into the firm's corporate culture. Firms in this situation can take two perspectives:-

1) They can use the fact that they are environmentally responsible as a marketing tool.
2) They can become responsible without promoting this fact.

There are examples of firms adopting both strategies. Organisations like body shop heavily promote the fact that they are environmentally responsible. While this behaviour is a competitive advantage, the firm was established specifically to offer consumers environmentally responsible alternatives to conventional cosmetic products. This philosophy is directly tied to the overall corporate culture, rather than simply being a competitive tool.

GREEN MARKETING MIX

Every company has its own favourite marketing mix. Some have 4 P's and some have 7 P's of marketing mix. The 4 P's of green marketing are that of a conventional marketing but the challenge before marketers is to use 4 P's in an innovative manner.

1) Product:- The ecological objectives in planning products are to reduce resource consumption and pollution and to increase conservation of scarce resources.
2) Price :- Price is a critical and important factor of green marketing mix. Most consumers will only be prepared to pay additional value if there is a perception of extra product value. This value may be improved performance, function, design, visual appeal, or taste. Green marketing should take all these facts into consideration while charging a premium price.
3) Promotion :-
There are three types of green advertising: -
a) Ads that address a relationship between a product/service and the biophysical environment
b) Those that promote a green lifestyle by highlighting a product or service
c) Ads that present a corporate image of environmental responsibility

4) Place: - The choice of where and when to make a product available will have significant impact on the customers. Very few customers will go out of their way to buy green products.

WHAT IS GREEN MARKETING

—The marketing or promotion of a product based on its environmental performance or an improvement thereof (Charter & Polonsky 1999).
—The holistic management process responsible for identifying, anticipating and satisfying the requirements of customers and society, in a profitable and sustainable way (Peattie, 1995).
—A holistic and responsible strategic management process that identifies, anticipates, satisfies and fulfils stakeholder needs, for a reasonable reward, that does not adversely affect human or natural environmental well-being (Charter (1992), p. 394)

CONCLUSION

Green Marketing should look at minimizing environmental harm, not necessarily eliminating it. Green Marketing covers more than a firm's marketing claims. While firms must bear much of the responsibility for environmental degradation, at last it is consumers who demand goods and thus create environment problems.

The disposing of waste in an appropriate fashion also plays a very important role and the consumers who chose this way also create a impact on environment by keeping nature clean. It is the responsibility of the firms too, it will create a more greater impact on natural environment. Green Marketing requires that consumers want a cleaner environment and are willing to pay for it. Possibly through higher priced purchases/goods, innovated and modified individual lifestyles or even governmental intervention. Until this occurs, it is tough for firms alone to lead the Green Marketing revolution. Green Marketing to some extent strengthen company's image in the mind of consumers that is clear from the trustworthiness of green claims and certainity.

Thus, there is wider scope for green marketing and has to face lot of challenges as many are still unaware of it. We need to educate the people who are unaware. Green Marketer must find a way to enhance their product's performance and strengthen their customer's loyalty.

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A STUDY OF USE AND IMPACT OF INTERNET BANKING ON CUSTOMER SATISFACTION LEVEL (WITH SPECIAL REFERENCE TO UDAIPUR DISTRICT)

DR. ASHISH SHRIMALI
27/171
PANERIYO KI MADRI
UDAIPUR

ABSTRACT
The constant changes in technology and lifestyles have changed the face of banking service industry in India. Banking industry has revolutionised the internet banking services with the help of technology. Internet banking has become one of the widely used banking services among Indian retail banking customers in recent years. It has been analysed that internet banking service quality is a key issue to maintain customer satisfaction. Thus the purpose of the study is to explore the internet banking service dimensions and to analyze its impact on the customer satisfaction through Z-test. A structured likert based questionnaire was prepared and was filled by the internet banking users of Udaipur district of Rajasthan. The research showed that there is a positive impact of service quality dimensions on customer satisfaction.

KEYWORDS
E-Banking, Internet banking service quality dimensions, Customer satisfaction

1. INTRODUCTION
Banking is the lifeline of an economy. The present and future of any economy depends upon the success and development of banking. The objective can't be achieved with the traditional banking as now is the age of technology. Indian banking industry, today, is in the midst of an IT (Information Technology) revolution. The competition among the banks has led to the increasing total banking automation in the Indian banking industry. Banking system, in line with other segments of society is rapidly adopting this latest information technology in day-to-day work, which has been given the name of E-Banking system. E-Banking is defined as the automated delivery of new and traditional banking products and services directly to the customers through electronic, interactive communication channel. E–banking has thus become important channel to sell Products and Services; leading to a paradigm shift in marketing practices, resulting in high performance in the banking industry.

Consumer satisfaction is considered the primary intervening constructs in the area of banking service because ultimately it leads to the development of consumer loyalty & therefore growth of banking industry. In the modern competitive environments, delivering high service quality is the key for a sustainable competitive advantage and providing satisfaction to the customers. Hence the relation between Service quality and customer satisfaction are very important in business especially in banking service industry.

The objective of the study therefore is to study the explore internet banking service quality dimensions and find out their impact on consumer satisfaction in Udaipur district of Rajasthan.

2. REVIEW OF LITERATURE
ROCHE (2014) in his article stated that Service quality is a pre-requisite for customer satisfaction and in a virtual environment the task becomes even more challenging to banks. It explored the decipherable antecedents of Customer satisfaction and the deviation in fundamentals, with the inclusion of Corporate Image, in the Sri Lankan Banking Sector. Results revealed that Corporate Image is the most significant indicator of Customer satisfaction, followed by assurance, problem handling, empathy, reliability and security/ privacy.

Momeni et al (2013), in their study tried to appear the effects of electronic banking services on customer satisfaction and loyalty among customers of six independent branches of Melli bank in Tehran. The results showed that ease of service use, website design, speed of connectivity and transactions, information security; information content and support service have a significant effect on user's satisfaction. Moreover, this satisfaction has a significant effect on loyalty to bank and willingness to continue relations with e-banking service.

Nochai and Nochai (2013) in their study analyzed the impact on customer satisfaction on internet banking service dimensions among top three banks in the Bangkok area.Results showed that providing 24hours-7days service, completing a task accurately, contacting staff to check immediately, and providing accurate information & up to date, transaction process is fast, and providing online registration times were the important factors that have the impact on customer satisfaction.

Tafa (2013), in his article studied what impact electronic banking has on customer satisfaction in comparing with traditional brick and mortar banking service, its relationship with that of age, occupation and education, its impact on branch visits, the level of customer understanding about e-banking and the opportunities and challenges of e-banking.

Gupta and Bansal (2012), attempted to develop a reliable and valid instrument of measuring Internet banking service quality in India, and also analysed the impact of Internet banking service quality dimensions on the Overall Internet Banking Service Quality and customer satisfaction. Findings indicate that all dimensions carry significant impact on the Overall Internet Banking Service Quality perceptions and customer satisfaction. However, Security/Privacy and Efficiency dimensions carry the maximum impact on the Overall Internet Banking Service Quality and satisfaction respectively.

Jalal et al (2011), in their research paper explore and mature the Impact of selected factors on the customers' intention to use internet banking in Bahrain. Results indicate that all the elements for the three identified factors are important with respect to the users' adoption of e-banking services. Credibility factors (Security and Privacy) are the major sources of dissatisfaction, which have remarkably impacted users' satisfaction. In the meantime, perceived ease of use (PEOU) and perceived usefulness (PU) are sources of satisfaction. The results also disclose that security and privacy factors play an important part in determining the users' acceptance of e-banking services with respect to different segmentation of age group, income level and level of education

Srivastava (2007), in his article focussed on what are the customer's perceptions about internet banking and what are the drivers that drive consumers. The study revealed that education, gender, income plays an important role in usage of internet banking. The research corroborated the conceptual framework stating that if skills can be upgraded there will be greater will to use internet banking by consumers. Inhibitory factors like trust, gender, education, culture, religion, security, and price can have minimal effect on consumer mindset towards internet banking.

Nguyen and Singh (2004) in their research paper discussed Internet banking issues both from the bank's point of view and from the customers' points of view. The findings showed that better Internet banking system quality such as the transaction speed, ease of use, convenience, accessibility, cost/benefit, user empowerment, security, and privacy is likely to have a positive impact on customer satisfaction.

3. OBJECTIVE OF THE STUDY
- To examine the relationship between service quality dimension and customer satisfaction in internet banking of Udaipur district of Rajasthan.

4. HYPOTHESIS

Ho: There is no relationship between Internets banking service quality dimension customer satisfaction of Udaipur district of Rajasthan.

H1: There is a relationship between Internets banking service quality dimension customer satisfaction of Udaipur district of Rajasthan.

5. RESEARCH METHODOLOGY

The present study is exploratory in nature. The type of data is primary data collected through questionnaire. In the present study, a structured 5 point likert based questionnaire (ranging from highly satisfied to highly dis satisfied) was prepared to collect data from the customers in Udaipur district of Rajasthan.

The questionnaire is divided into two parts- part A dealt with demographic information and part B dealt with service quality dimensions and customer satisfaction.5 dimensions are identified as internet service quality dimensions – Security, Reliability, Responsiveness, Efficiency and Site Aesthetics.

In order to identify the relationship between the independent variables and customer satisfaction as dependent variable, following model (Fig 1) has been proposed and Z – Test has been applied to determine the relationship between the two.

FIGURE 1: PROPOSED MODEL

6. ANALYSIS AND FINDINGS

DEMOGRAPHIC PROFILE

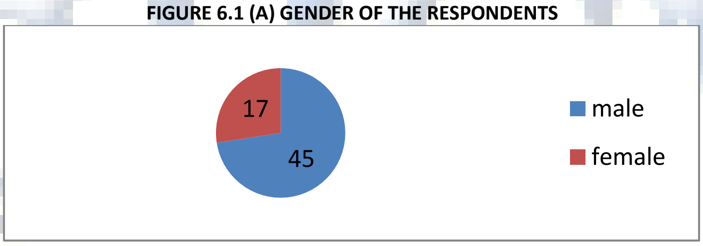
TABLE 6.1 DEMOGRAPHIC PROFILE

Particulars	Number	Total	Percentage
Gender			
Male	45		86.5
Female	17		13.5
Total		52	
Age			
18-25 yrs	19		36.5
26-35 yrs	16		30.7
36-50 yrs	14		26.9
Above 50 yrs	3		5.9
Total		52	
Educational Qualifications			
Up to 12	10		19.2
College(inc any diploma)	26		50
Post graduate/Professional	16		30.8
Total		52	

The questionnaire was mailed to 70 persons. However, out of them 52 replied back, hence the response rate stands at 74.28%.

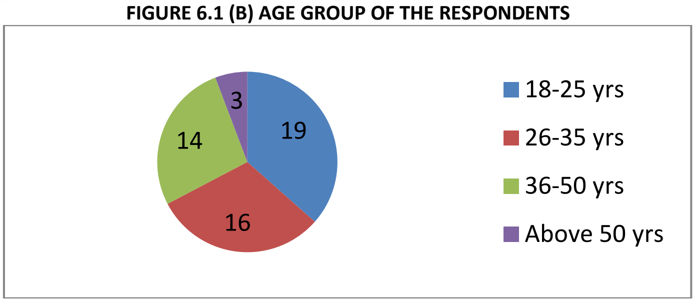
(A) GENDER OF THE RESPONDENTS

FIGURE 6.1 (A) GENDER OF THE RESPONDENTS



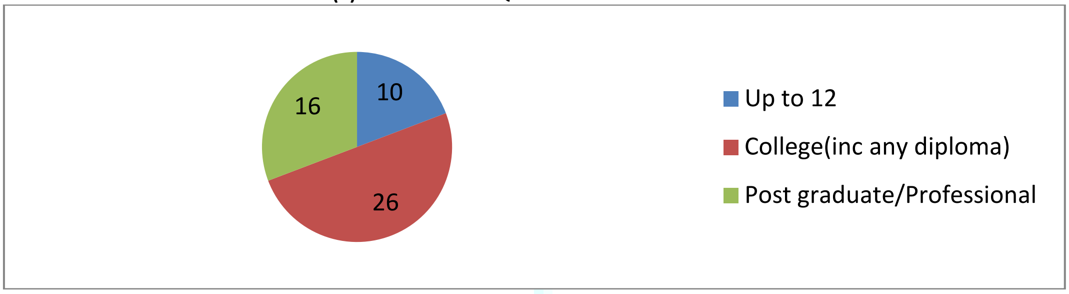
(B) AGE GROUP OF THE RESPONDENTS

FIGURE 6.1 (B) AGE GROUP OF THE RESPONDENTS



(C) EDUCATIONAL QUALIFICATION OF THE RESPONDENTS

FIGURE 6.1 (C) EDUCATIONAL QUALIFICATION OF THE RESPONDENTS



SERVICE QUALITY DIMENSIONS

For testing the hypothesis, Z test was applied on the set of 14 questions as follows:

S.no.	Particulars	N	Average	Standard deviation	Z	C.V.	Overall customer satisfaction
(A)	**SECURITY**						
1.	Website of the bank is equipped with adequate security features.	52	2.480769	1.128775	3.3170	45.501	Satisfied
2.	Bank does not share my personal information with others.	52	2.230769	1.021636	5.4295	45.7974	Satisfied
3.	I feel secure in providing sensitive information (like credit card details) for online transaction	52	2.673077	1.097612	2.1478	41.0617	Neutral
(B)	**RELIABILITY**						
4.	Bank keeps accurate records of my account transactions	52	2.365385	1.010316	4.5295	42.7125	Satisfied
5.	Bank always provides the services at the promised time.	52	2.75	1.118034	1.6124	40.6557	Neutral
6.	If there is a mistake, bank can make it right quickly & effectively	52	2.365385	0.990719	4.6191	41.8840	Satisfied
(C)	**RESPONSIVENESS**						
7.	Bank is prompt in responding to my queries through e mails & other means.	52	2.480769	0.959787	3.9011	38.6891	Satisfied
8.	Website of bank contains answers to frequently asked questions	52	3.288462	0.99679	2.0868	30.3117	Dissatisfied
(D)	**EFFICIENCY**						
9.	Website of bank loads it page fast	52	2.384615	1.012739	4.3817	42.4697	Satisfied
10.	It is quick & easy to complete a transaction on the website of bank.	52	2.557692	0.998302	3.1949	39.0313	Satisfied
11.	Finding what I need is simple & easy on the website of bank	52	2.615385	1.012739	2.7386	38.7223	Neutral
(E)	**SITE AESTHETICS**						
12.	Website of bank contain information in an easy to understand language	52	2.442308	1.017753	3.9514	41.6717	Satisfied
13.	Website of bank is visually attractive	52	2.903846	1.124759	0.6164	38.7334	Neutral
14.	Website of bank is updated regularly	52	2.461538	1.056475	3.6753	42.9192	Satisfied
	Cumulative average	52	2.571429	1.039031	3.0020	40.7258	

ANALYSIS

Above table shows that customer are satisfied with majority of internet banking service quality dimensions; however their opinion is neutral in respect of providing sensitive information to bank, bank providing services in promised time, finding information on bank website is easy & simple and website of bank is attractive.

But their opinion is dissatisfied regarding website of bank containing answers to frequently asked questions.

In the above table at 5% level of significance, calculated value of Z i.e. 3.00 is greater than the z-critical value of 1.96, **hence the null hypothesis is rejected and the alternate one is accepted**.

This shows that Internet banking service quality dimensions has a positive impact on customer satisfaction. This impact is positive since the customers are mostly satisfied with all service quality dimensions.

CONCLUSION

This research seeks to make an original contribution to knowledge by investigating the impact of internet banking service quality dimensions on customer satisfaction in Udaipur district of Rajasthan. The empirical results show that there is a direct relationship between internet banking service quality dimensions and customer satisfaction in the banking industry.

An understanding of the factors identified in this study allows bank managers and policy makers to direct efforts and resources in the most effective and efficient way to increase bank business in the long run and encourage new customers to adopt internet banking.

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